

## Small Tourism Business Growth Through Eco-tourism in Mahikeng, South Africa

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### Abstract

Small business enterprises are renowned worldwide as vehicles for economic growth and development. The small business sector in South Africa has encountered numerous obstacles and government agencies responsible for their development have come across challenges, and as a result, they have not been able to adequately develop a large number of small businesses. Product diversification is one of the growth strategies that can be developed by small tourism businesses to break into new markets and off-set the challenges associated with one sub-sector of tourism. The primary objective is to determine the business support required by small tourism businesses to enter and participate in the eco-tourism sector. A non-probability judgemental sampling method was used to identify participants. In-depth face-to-face interviews were utilised to collect data from small tourism businesses located in Mahikeng, South Africa. There are many limitations that hinder the sustainable development and growth of small tourism businesses in Mahikeng, and for government to implement a series of growth reforms they firstly need to gather information on those factors that impede small tourism business' sustainable development. The findings of the study can be utilised to inform policy-making processes, and its recommendations can contribute towards strategy development that provides assistance intended for small tourism businesses to enter and participate in the eco-tourism market.

**Keywords:** South Africa, Small tourism business, product diversification, Mahikeng, eco-tourism, policy consideration

### Introduction

Tourism is a multi-trillion rands sector and impacts positively on the lives of millions of communities around the world, creating over 230 million jobs and contributing in excess of 10 percent to the gross domestic product worldwide, as pointed out by Milano, Novelli and Cheer (2019). Manhas, Manrai and Manrai (2016) mention that tourism has grown 7 percent per year since 1990, and the number of tourists who travelled abroad grew by 6 percent. In 2020, the international tourism market is forecast to reach about 1.6 billion international arrivals (United Nations World Tourism Organisation [UNWTO], 2014). However, the recent emergence of the Coronavirus (Covid-19) pandemic has had a negative effect on the economy of South Africa, in particular the tourism economic sector. Although the pandemic has affected every corner of the world, as indicated by International Trade Center (ITC) (2020), the economic earthquake unleashed by Covid-19 does not affect everyone and all sectors in the same way, as small tourism businesses have been particularly vulnerable to the ramifications of the crisis.

Tourism has increasingly been used as a development strategy to contribute towards the socio-economic welfare of regions, specifically of rural areas (Irshad, 2010). As a result, Manhas et al. (2016) and Pechlander and Volgger (2015) indicate that tourism has also become a major economic force for several developing and developed countries alike, and in particular

in developing countries, the tourism sector can minimise poverty in communities and contribute to creating business and employment opportunities. The tourism economic sector has a significant role to play in the North West Province through job creation, farm diversification, poverty alleviation, support of small business enterprises, and community cohesion – all benefits as explained by Haven-Tang and Jones (2012) and Rogerson (2014). Small tourism businesses such as tour operators, guest houses, restaurants, and many others, can diversify their operations through participating in the eco-tourism sector as a means of business growth and sustainable development. Ecotourism as a tourism market, as affirmed by Fennel (2015), is identified as one of the fastest developing segments of tourism on a worldwide scale, and this type of tourism does have close ties with rural tourism. It is estimated that ecotourism is developing by 25 to 30 percent a year (UNWTO, 2014) and most tourism forecasters predict ecotourism to develop further over the coming years because it is driven by an ever-increasing demand by consumers to put measures in place that address environmental and climate changes (Jamrozy & Lawonk, 2017; Ketema, 2015).

The paper is based on the small tourism business' (STB) sustainable development through product diversification, with specific reference to STB participation in the eco-tourism in the North West Province, South Africa. Furthermore, the focus is on how government can provide business support to the STB sector in an endeavour for businesses to diversify and grow their operation through this sub-sector of tourism. The primary objective of this study was to determine the business support required by STB to enter and participate in the eco-tourism sector. The following section will elaborate on the literature review of the study.

### **Literature review**

Business is started for many differing purposes, as analysed by Blackburn, Hart and Wainwright (2013) and Wijewardena, Nanayakkara and Zoysa (2008); the operations are managed by owners, in particular small business enterprises, with various aspirations and abilities, have vastly different internal organisational characteristics, and are located in a range of sectors and locations. Their participation in the eco-tourism sector will expand their operations and create new markets for small business enterprises.

### ***Small business enterprise***

The definition of small businesses remains a challenging task as there are various descriptions in the literature. Nickels, McHugh and McHugh (2005) define a small business enterprise as one that is independently owned and operated, is not dominant in its field of operation, and meets certain standards of size in terms of employees or annual receipts. A small business is considered small only in relation to other businesses in its industry. The National Small Business Act no. 102 of 1996 contains the official definition of small, medium and micro-enterprises (SMMEs) in South Africa and, according to this definition, which is also found in Nieman and Nieuwenhuizen (2014), in order for a small business to qualify in terms of its ownership structure, it must:

- Be a separate and distinct business entity
- Not be a part of a group of companies
- Include any subsidiaries and branches when measuring the size
- Be managed by its owners; and
- Be a natural person, sole proprietorship, partnership or legal person, such as a close corporation or company.

In South Africa, small business enterprises have been recognised as a critical driving force to alleviate some economic challenges that the country faces. The challenges include the

alleviation of poverty and the unemployment rate (Levie, 1997; Bvuma & Marnewick, 2020). The small business enterprise economy prior to 1994 was not included in government policies because many of them were disregarded by the apartheid government (Bloch & Kesper, 2014; Chimucheka, 2013). In line with the political disinterest, explained by Bloch and Kesper (2014), small business enterprises were wiped off the research agenda of most business schools and university commerce departments. According to the National Small Business Act No. 102 of 1996, the larger enterprises were more likely seen as potential enablers for employment creation and economic creation, which were mainly white-owned and operated in urban areas. In 1994, when South Africa moved into a new democratic dispensation, the government initiated the design of a policy framework to be inclusive of the entire small business sector, in particular, the previously disadvantaged groups were given opportunities to participate in the economy. Bvuma and Marnewick (2020) established that despite the political will and interventions, small business enterprises seem to still be facing acute challenges preventing them from effectively participating in the economy and consequently affecting their growth.

### ***Factors that affect small business enterprise growth***

As Ingle (2014) and Ndege (2015) point out, small business enterprises in all economic sectors of South Africa are categorised to have a critical deficiency in the following areas: entrepreneurial, technical skills and difficulty in raising finance from micro-lending institutions at a favourable rate, specifically at national level. Many of these challenges are indicative of an environment that impedes the growth of small businesses. As Booyens and Visser (2010) note, the lack of development of small businesses is the main concern for the development of ecotourism. There has been some intervention and support from the government provided to small business enterprises to enable them to develop and grow their business through the ecotourism sector. However, Kagiso (2018) points out that despite support from organisations in the public sector, there have been constraints and obstacles that have hindered the sustainable development of small business enterprises. This might be as a result of (1) stringent government policy, (2) inadequate business and management skills by owners/general managers, (3) low levels of research and development (R&D) and (4) lack of access to the markets.

The recent introduction of a comprehensive programme introduced by the Department of Environmental Affairs (DEA), as constructed by Matsila (2018), is geared towards the transformation of the eco-tourism economy to encourage more participation among previously disadvantaged individuals (PDI) who own business enterprises in this specific sector. The sector faces several obstacles that prevent the transformation from happening at full scale. The identification of barriers and constraints could enable policy-makers to formulate and implement strategies that can assist small businesses to enter and grow their businesses in the eco-tourism sector. Diversification into new markets is primarily an entrepreneurial process resulting from opportunity creation or growing a business, as indicated by Deligianni, Voudouris and Lioukas (2017).

### ***Product diversification through eco-tourism***

Diversification, which refers to a business extension by entering new markets with new products (Ansoff, 1957; Deligianni et al., 2017), constitutes an important alternative for a business to grow its operations that will enable the sustainable development of an enterprise, in particular for a small business. Several studies have revealed that many new businesses diversify into new markets (Bhide, 2000; Qian, 2002; Iacobucci & Rossa, 2005; Xie & O'Neil, 2014) by introducing new products, as it is easier for small businesses (Coad & Guenther, 2013); for example, it is easier for small tourism businesses (guest houses, food restaurants, travel agencies, tour operators) to venture and participate in the ecotourism and wildlife sector

due to lower fixed costs, flexible lease arrangements, fewer employees to manage, and small businesses predisposition to adapt to new markets. In today's economy, small businesses that are well diversified have a better opportunity of succeeding and prospering than undiversified businesses, according to Toneguzzi (2015). At the State of the Nation Address 2019, President Ramaphosa announced that tourism is a growth area and the government was aiming to double the size of the tourism business sector from around 10 million tourist arrivals currently to approximately 21 million by 2030, as reported by Daily Maverick (2019). Furthermore, the President mentioned that the government was continuing with efforts of streamlining the visa regime and developing a world-class eVisa system that will encourage international tourists to select South Africa as a destination of choice – more specifically, eco-tourism, as South Africa has one of the best wildlife and outdoor activities in the world.

Fennel (2015) attests that in 1950 the top five travel destinations (in Europe and the Americas) held 71 per cent of the travel market, but by 2002, they held only 35 percent. Yeoman, Munro and McMahon-Beattie (2006) ascribed this to a growing demand from tourists to visit new places, which, in turn, has resulted in the emergence of newly accessible destinations globally. It is important to identify some of the iconic eco-tourism destinations in developed and developing countries such as (1) polar bear watching in Churchill, Canada, (2) the Serengeti Plain, Tanzania and (3) the Pilanesberg National Park and Kruger National Park, South Africa. Eco-tourism as defined by Singh, Dash and Vashko (2016) is responsible travel that conserves the natural environment and improves the well-being of local people. Low impact nature tourism, which contributes to the maintenance of species and habitats, either directly through a contribution to conservation or indirectly by providing revenue to the local community sufficient for local people to value, and therefore protects their wildlife heritage area as a source of income, as described by Fennel (2015) and Nugroho, Pramukanto, Negara, Purnomowati and Wulandari (2016). The eco-tourism concept is based on the idea that all players within a tourism destination should work together in order to enhance a destination's competitiveness, as explained by Hawkins (2004). According to Janovsky (2015), eco-tourism and wildlife have become the leading and fastest growing sub-sector of tourism, accounting for 88.0% (13.4 million) of all tourists visiting South Africa in the latest research study undertaken in 2014. It is estimated that 50% of 12.1 million tourists on holiday will incorporate a wildlife experience in their visit and on average spend R3 486 per day, of which the largest portion (75%) is on accommodation, food and transport. This sub-sector of tourism unlocks new business opportunities for small tourism business enterprises as the eco-tourism sector enables the diversification and expansion of their operations.

The eco-tourism and wildlife sector comprises three sub-sectors. The first sub-sector is wildlife ranching – which involves the breeding and sale of game (wild animals, i.e. buffalos, springboks, zebras). As provided by Janovsky (2015), due to the lack of updated information and taking into account that only approximately 20% of game is sold at game auctions, the turnover of the game breeding segment of the wildlife industry is estimated to be R10 billion. This excludes revenues from secondary activities such as fencing, maintenance and veterinary services. This is followed by the second sub-sector called eco-tourism and wildlife – which comprises activities such as wildlife viewing, camping, hiking, hunting and adventure. The third and last sub-sector is called wildlife products, consisting of various saleable products such as game meat, horns, hides, feathers, eggs, medicine, curios, shoes, clothing, furniture, jewellery, handbags and fashion accessories, of which game meat is the biggest.

Furthermore, eco-tourism is seen as a tool to empower indigenous communities in rural areas (Chiu, Hsu & Wang, 2006; Sofield, 2003). Many eco-tourism sites, such as national parks and protected areas, are located in remote areas that have rich ecological and biological diversity and indigenous cultures, as explained by Hawkins and Lamoureux (2001) and Nepal

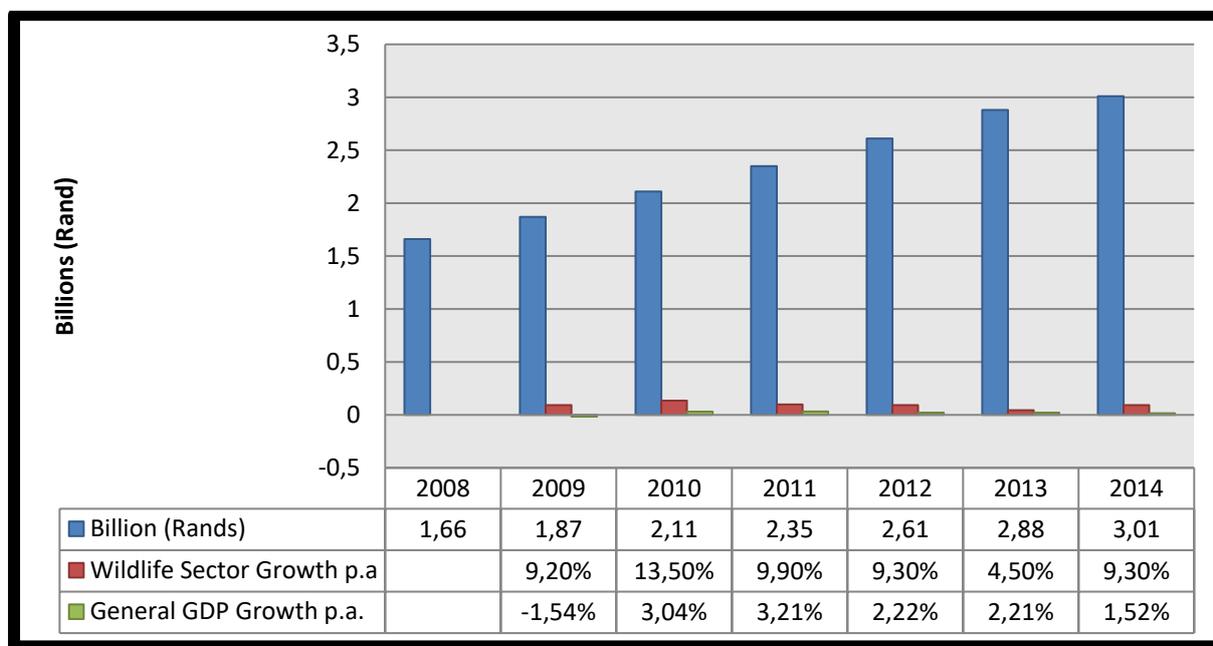
(2000). Chapman (2003) and Ross and Wall (1999) indicated that ecotourism's goal is to achieve conservation and community development through the provision of economic and social incentives to local communities for their wellbeing. Home-stay is a new idea for accommodation in the tourism industry. It is a potential economic activity that is popular with tourists who desire to know and interact with the local people, cultural attractions, social cohesion, natural resources and ecosystems (Bagautdinova, Gafurov, Kalenskaya & Novenkova, 2012; Beeton, 2000; Bhuiyan, Siwar, Ismail & Islam, 2011). To enlarge accommodation capacity, home-stay operators built two or three additional rooms in their yards for tourists (Boonzaaier, 2012; Gu & Wong, 2010). Home-stays are prime examples of ecotourism activities creating business opportunities for local communities. It would be guidelines for improving, enhancing and promoting the local community as well as including the economic, social and cultural aspects with sustainable existence (Chaiyatorn, Kaoses & Thitphat, 2010). There are a number of different policies for government to consider that can assist to stimulate small business, promote more business linkages (business-to-business: partnership between well-established business with small business enterprises) and increase the number of benefits reaching the poor (Ashley, 2006; De Boer, Van Dijk & Tarimo, 2011; Vedeld, Van Rensburg, Meintjies, Kroon, Miller, Lancaster, Lessing & Songorwa, 2012). In addition, policy consideration may include, among others, tax subsidies for businesses using local linkages, enabling legislation for small business enterprises.

### ***Policy consideration for small business growth and development***

Transformation within the South African context has unique ties to issues of race and historical policies (Mofokeng, Giampiccoli & Jugmohan, 2018; Sanchez, 2011), with it ultimately being related to issues of inclusive growth within the tourism industry. The slow pace of transformation has been recognised by government as there is a modest number of small business enterprises owned by previously disadvantaged individuals (PDIs) being involved and participating in the tourism industry, with it has sought to be addressed through the implementation of a policy framework, such as black economic empowerment (BEE), the Tourism BEE Charter and the Tourism BEE sector codes of good practice, which are aimed at bringing about structural transformation and inclusivity in the tourism industry (Mofokeng et al., 2018).

The Department of Environmental Affairs (DEA) has adopted a vision and aspiration to create an inclusive, sustainable and responsive wildlife economy that grows at 10% per annum in support of the National Development Plan (NDP) 2030 while providing a foundation for social well-being and maintaining the ecological resource base. One of the department's strategic objectives is the transformation of eco-tourism and wildlife economy by targeting 4 000 previously disadvantaged individuals (PDIs) who own small businesses to be trained and supported to enable their participation in the sector (DEA, 2018). The wildlife sector has been increasing consistently faster than the general economy, contributing R3 billion to the GDP in 2014, as depicted in Figure 1. The South African government is committed to creating a prosperous and equitable society that is in harmony with natural resources and protects the rich biodiversity heritage for all citizens. South Africa, according to Fennel (2015) and Snyman (2017), has long been a global leader in biodiversity conservation and wildlife management and has in place a first-rate network of protected areas making it an international eco-tourism destination of choice. DEA (2018) reported that at least 11.4% of the land in the country is under conservation or protection, with South Africa home to a number of world-renowned national and provincial nature reserves. While many wildlife and eco-tourism businesses are well established and profitable in South Africa, there is a considerable number of PDI-owned small businesses and communities that are not benefitting from the eco-tourism and wildlife

sector. While addressing the immediate socio-economic impacts of Corona virus (Covid-19), as reviewed by UNWTO (2020), on eco-tourism and accelerating the recovery plan to protect millions of livelihoods, the crisis is an opportunity for the eco-tourism to transform and become more resilient, inclusive and sustainable. In addition, such transformation can be realised through policy implementation that is geared towards support of small business enterprises in the development of eco-tourism.



**Figure 1 Wildlife sector contribution to the GDP**  
 Source: Department of Environmental Affairs (2018)

### Research method

This study utilised a qualitative research method. The qualitative approach was recognised as appropriate for the purpose of this study as it allowed for the investigation of small business owners' level of awareness and attitude on business diversification and growth, in particular by expanding their business operation by entering the eco-tourism market. A qualitative research approach aims to answer questions about the complex nature of a phenomenon as it occurs in the real world with the purpose of understanding it from the perspective of an individual (Collis & Hussey, 2009; Creswell, Ebersohn, Eloff, Ferreira, Ivankova, Jansen, Nieuwenhuis, Pietersen & Plano-Clark, 2016; Kumar, 2005; Leedy & Ormrod 2005). In some investigations, a qualitative approach allows the examination of experiences, feelings and opinions better than closed-ended questions, because probing can be used. Cohen and Marion (2007), Rubin and Rubin (2005) and Tustin, Lighelm, Martins and Van Wyk (2005) mentioned that a qualitative approach allows interviewers to make an assessment of respondents' real beliefs. In-depth face-to-face interviews were utilised to collect data from small tourism businesses. The interview guide served as a form of a research instrument in collecting data from the respondents in the qualitative approach.

Furthermore, a semi-structured interview method was employed in this study; this allowed the researcher to enquire or probe the interviewee with supplementary questions in efforts to generate new information on the subject. A non-probability judgemental sampling method was used to identify members from the small business sector operating in the tourism sector. Judgemental sampling allowed the selection of individuals who have been operating in the tourism sector for a minimum of five years and was best suited to enable the researcher to

address the research problem (Bernard & Ryan, 2010; Devlin, 2018; Leedy & Ormrod, 2005; Watkins, Scheaffer & Cobb, 2011). Altinay, Paraskevas and Jong (2016), Creswell et al. (2016) Denscombe (2007) and Romney, Batchelder and Weller (1986) calculated that samples as small as four individuals can render extremely accurate information with a high confidence level (0.999) if they possess a high degree of competence in the domain of inquiry. Morse (1994), and Robinson, Phillips and Lawrence (2011) suggest at least six participants. The saturation point was attained after interviewing nine participants, and the sample size for this paper comprised 12 high-level participants (interviewees). The 12 small business owners interviewed operated in the tourism industry (tour operators, events, tour guides, hospitality, travel agency, and many others), situated in Mahikeng, NWP. The participants have in-depth knowledge of the tourism industry as all of their respective businesses had a minimum of five years' operation in the tourism industry. The interviews with the business owners were conducted at their business premises. Note-taking and tape recording during the interview sessions were used to capture the verbatim discussion. Data extracted were analysed using Atlas. ti and this enabled the coding of data into themes and categories through description, unitising data, and the recognition of relationships and the development of themes so as to identify similarities in the data and to relate it to the literature in order to obtain threads and draw conclusions (Matthews, 2010; Saunders, Lewis & Thornhill, 2007). Rabiee (2004) and Yin (1989) point out that data analysis consists of a number of stages, and that involves examining, categorising and tabulating or otherwise recombining the evidence, in order to address the initial goal of the study.

## Results and discussion

The steps involved in data analysis were to scan the data so as to extract main themes and other relevant opinions that may not fall within the predetermined initial themes but may be important for further analysis. Different themes were identified and the data were then classified into sub-themes, as indicated in Table 1.

**Table 1: Layout of themes**

Theme	Sub-theme
Understanding of eco-tourism	<ul style="list-style-type: none"> <li>• Nature of tourism development in Mahikeng</li> <li>• Understanding of eco-tourism</li> <li>• Education on economic activities associated with eco-tourism</li> </ul>
Level of participation in eco-tourism	<ul style="list-style-type: none"> <li>• Barriers for STBs' participation in the sector</li> <li>• Business growth through product diversification</li> </ul>
Policy views	<ul style="list-style-type: none"> <li>• Business management support</li> </ul>

Furthermore, the sub-themes allowed for probing of the owner's viewpoint on growing their business through product diversification, and in particular their involvement and participation in the eco-tourism sector.

### *Understanding of eco-tourism*

#### *Nature of tourism development in Mahikeng*

Most participants agreed that tourism is one of Mahikeng's most promising sectors in terms of development. A few participants strongly felt that "...tourism products are a key pillar in the development of tourism in the region. The range and quality of the tourism product offering are important to the destinations competitiveness and attractiveness to enhance tourist' experience and satisfaction level..." Probing was used to determine the profile of tourists who visit the region and the following responses were obtained from the respondents – most participants agreed that the destination predominantly attracts local markets – travel markets

from within the North West Province, and domestic markets – travel markets from other provinces. One respondent explained: “majority of small tourism business rely on tourists from other provinces, in particular from the Gauteng province, because that specific travel market characteristically has high income and purchase power”. However, the destination’s biggest source market is Botswana as a country, as Mahikeng, the capital city of the North West Province, lies on the border with Botswana. Mahikeng, with its favourable geographical location close to Botswana, attracts a large number of business and leisure travellers from that country.

### ***Awareness of eco-tourism development in Mahikeng***

The respondents were asked about their level of awareness concerning eco-tourism development in and around Mahikeng. The following responses were obtained from the respondents – most respondents revealed that they had a slight understanding and knowledge of eco-tourism and its activities.

### ***Education on economic activities associated with eco-tourism***

This discussion point concerned the small tourism business enterprises’ interest to be educated about the economic opportunities associated with eco-tourism activities. The following responses were obtained from the respondents – they indicated that they were interested to be educated about the nature of eco-tourism and more in particular its economic activities, “ideally before venturing into this sub-sector of tourism, it’s important to acquire comprehensive knowledge and background information on eco-tourism activities, local rules and regulations governing the sector, and the eco-travelling markets’ preferences...”. However, one respondent pointed out “...their business was involved in the sector as they provide camping activities, hiking and have a cultural village that appeals to the travelling market that adores outdoor activities and in general are interested in learning about the local culture and embark on wilderness adventures”. The increased interest from international and local markets in camping and outdoor activities in recent years may indicate that more people are attracted to natural environments and activities, and for an eco-tourism business that is a good prospect for the future.

### ***Level of participation in eco-tourism***

#### ***Barriers for STBs participation in eco-tourism***

If developed effectively, eco-tourism has the potential to accelerate Mahikeng’s economic growth and job creation. According to UNWTO (2014), the tourism sector has the capacity to contribute significantly to the agenda for social inclusion, as cultural endowments and natural assets that can be leveraged to create opportunities for local communities. The evidence obtained from the data suggests that there are economic opportunities that derive from eco-tourism development in its current state albeit at a very small scale. Few respondents indicated that the ecotourism industry has the potential of being a sustainable growth sector in Mahikeng that can create economic opportunities for the community. Nevertheless, the shortcomings commonly associated with the region, such as deficiency of stable water and electricity supply; a fragmented approach to eco-tourism development; dilapidated tourism infrastructure; and the political will or lack thereof hinder the realisation of a prosperous eco-tourism sector that creates economic opportunities for the community-group, in particular entrepreneurial opportunities. Furthermore, the respondents referred to the rigorous regulation surrounding the creation of heritage trails (in Mahikeng) for hiking, and the rigid administration process for acquiring a license to obtain traversing rights into Mahikeng game reserve served as an impediment to actively participate in the sector.

### *Business growth through product diversification*

The concept of eco-tourism development that hinges on conservation of cultural and natural resources, by sustaining the well-being of the rural community in Mahikeng, can serve as a catalyst for small tourism business (STB) to diversify and expand their operations. STB diversification, by entering and participating in the sector, is a strategy that can allow business to expand its operation and grow, and alternatively provide a safety net against down-turns in a single sub-sector of tourism such as a restaurant, accommodation or travel agency. One small tourism business owner operating in the hospitality sector has acquired a farm as a form of diversifying and business expansion. The respondent indicated that the farm was demarcated into two portions, one section was used for farm cropping, and the other section had a conference venue for hosting of events (weddings), a camping site, adventure activities (archery, quad biking), and had developed hiking trails. The probing question, “does the success of the STB in eco-tourism sector empower the local community and create employment opportunities?” The one respondent mentioned that, upon their visit to Lesotho, one of the lodge owner in the village had created a collaborative partnership with tourism stakeholders in the area ranging from tour guides, local restaurants, people selling artefacts at stalls, to entertainers, and the partnership created a direct and indirect impact for the community across the value chain.

### *Policy views*

#### *Business management support*

There was a discussion on the understanding of government policy and regulations that assisted small businesses to get involved and participate in eco-tourism sector. The following responses were obtained from the respondents: Most respondents revealed that they had insufficient information on government policy that is aimed at providing support to small businesses to enter and participate in the eco-tourism sector, in particular previously disadvantaged groups. However, few respondents pointed out that the government policy and regulation acted as barriers to entry in the sector; for example, the process of obtaining a tour guide license was rigid and stringent, making it difficult for small businesses, in particular small businesses that were prohibited by discriminatory laws to enter and participate in the eco-tourism sector. The business owners further mentioned they were interested in investing in game vehicle trucks to take clients on tours to cultural sites and game reserves, specifically the three protected areas situated in and around Mahikeng, namely Mafikeng game reserve, Molemane eye nature reserve, and Botsalano game reserve. The probing question, “what was the business management support required by small businesses to participate in the sector?” All respondents stated that they would like to be educated and trained about the economic opportunities associated with the eco-tourism sector. Furthermore, they explained that they required financial resources as start-up capital to enter and participate in the sector and the financial resources would be used to purchase equipment and game vehicles, to train staff, and invest in technology to enable their easy transition into the sector.

### **Conclusion and recommendation**

The results and discussion from the previous section identified factors that deferred small business enterprises operating in the tourism sector’s involvement and participation in this sub-sector of tourism called eco-tourism. Eco-tourism activities such as hiking, camping, environmental educational tours, and many others could result in new business opportunities for small business enterprises, specifically small business enterprises that are operating in the tourism sector. The focus of this research was on how small tourism businesses can grow their

business through diversifying into the eco-tourism sector and furthermore, on how government can provide management support to STB to access and operate in the sector. Diversification, as explained by Standler, Mayer, Hautz and Matzler (2018), is a growth strategy that involves business to develop into new markets wherein it is not currently operating while creating a new product for the new market. One needs to have an understanding of the barriers and constraints that hinder the participation of small tourism businesses to enter eco-tourism and grow their business, specifically those business groups that were prohibited to enter the sector due to systematic legalisation that upheld segregation policies based on race.

The following are the support initiatives required that may be followed to support STB development through the ecotourism sector. As revealed from the findings and discussion, most respondents indicated that they had a slightly low understanding of economic activities associated with eco-tourism sector and have specified the importance of the need to be educated and acquire information on the sector's activities to ensure that they make informed decisions before entering the market. Training programmes can assist business owners and general employees to become proficient and competent in the sector and furthermore, training can enhance the business owner's confidence level so that they can have success and grow their business in the eco-tourism sector. The removal of over-restrictive regulations that are associated with the sector can encourage small tourism business to enter the eco-tourism market and grow their businesses. Therefore, eco-tourism development in Mahikeng may require adopting a demand-side approach to create a conducive environment whereby small business enterprises can actively participate in the main economic activities of the sector, as revealed in the findings that the business owners suggested, where the procedure and process of acquiring a license to enable for traversing rights into the protected areas were stringent. Overall, the laws and policies acted as barriers to entry for small tourism businesses that were interested to diversify into the sector. The slow pace of transformation has been recognised by government as there is a modest number of small business enterprises (SBEs) owned by previously disadvantage individuals (PDI) being involved and participating in the eco-tourism sector. One of the origins to slow transformation in the sector is the lack of financial support for SBEs. As reviewed by Herrington, Kew and Kew (2009), and Olawale and Garwe (2010), a lack of financial support is the second most reported contributor of SBEs' development and failure in the sector, after education and training in South Africa. Government must provide financial support to small tourism businesses that meet the preferred conditions as it is imperative to government's mandate that small business enterprise grows and become sustainable in their operations as they can contribute to job creation and economic growth.

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