

Factors constraining the growth of tourism-based small, medium and micro-sized enterprises within the Durban Aerotropolis

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ABSTRACT

Purpose of the study: The development of the Durban Aerotropolis (DA) is one of the major catalytic projects the provincial government has adopted to propel growth within the province. It aims to enhance international connectivity, promote economic mediation, and strengthen aviation-enabled trade for competitive trade, employment generation, and socio-economic profitability. A catalyst that would make this objective a success is small, medium and micro-enterprises (SMMEs) in the tourism sector. This study proposes to address how tourism-based small, medium and micro-sized enterprises (TB-SMMEs) can contribute towards the success of the DA by assessing and addressing the factors that hinder TB-SMME development as one of the major strategies for economic development.

Design/methodology/approach: The utility of the pragmatist research philosophy is more appropriate to understand the factors that can restrict the TB-SMMEs in generating employment within the proposed DA while utilising numerical data. Both qualitative and quantitative approaches to this research were adopted, and questionnaires were distributed among the TB-SMMEs within the Durban Aerotropolis; 183 questionnaires were returned, and descriptive statistics were employed using Statistical Package for the Social Sciences (SPSS) software version 26.

Findings: The study revealed several factors that could impede the growth of TB-SMMEs in the proposed Durban Aerotropolis, including high crime rates, skills shortages, insufficient funding, limited innovation, inadequate knowledge

sharing, weak understanding of environmental challenges, poor infrastructure, government regulations, and rural isolation.

Managerial Implications: The study recommends the upgrade of technology infrastructure among the TB-SMMEs, provision of adequate infrastructural amenities, improvement of skills among the TB-SMMEs, better funding, mitigation of crime, review of regulation and constant promotion of DA and the activities of the TB-SMMEs.

Keywords

Constraint, Durban Aerotropolis (DA), Medium and Micro-Sized Enterprises (TB-SMMEs), SMMEs, Tourism-Based Small.

JEL Classification: R58

1. INTRODUCTION

Every economy thrives well when SMMEs are being enhanced. SMMEs are no doubt an important sector for economic growth. According to Bhorat *et al.* (2018), they are usually also the principal source of employment. There has been contentious debate on how SMMEs within the tourism-based sector have contributed to South African employment generation. These contentious views were predicated on the economic activities of the former Apartheid system in South Africa, conceived by the colonial masters to deter the flourishing of entrepreneurship innovations among the black population. Conventionally, most businesses linked to tourism are small and medium enterprises (Mathebula *et al.*, 2020). The reasons for the influx of small businesses in the tourism sector include the variety that smaller businesses that can be established with a smaller capital, with limited prerequisites for set-up (Cheng & Zang, 2020).

Small business owners and managers are drawn to the tourism sector for various reasons, categorised into two main parts: push and pull factors (Chili, 2018). For instance, studies have consistently identified rising unemployment rates and job insecurity as the primary drivers behind entrepreneurial ventures (Kunene & Phiri, 2017). Additional research has shown that individuals are also enticed by factors such as the desire for autonomy, profit potential, and retirement prospects, which contribute to the pull factors (Matsiliza & Block, 2017). Moreover, findings indicate that small business owners in the tourism sector are motivated to create job opportunities, generate supplementary income, and fulfil various significant responsibilities towards tourism promotion (Byamukama & Muchie, 2017). Jobs must be generated in sustainable industries such as tourism to benefit the environment and offer young people stable employment opportunities. Rajaram (2018) and Mokoena (2019) maintain that to achieve economic growth objectives

through competitiveness on the one hand and employment generation on the other, SMME operations need to be enhanced. The tourism industry is characterised by indirect links to several functions and procedures globally. It is a major driver of global socio-economic activity because of its dissemination effect (Ngwenya & Zondi, 2019). There is a causal link between tourism and economic growth. Tourism activities promote exports, thereby substantially increasing foreign exchange reserves and improving the balance of payments (Shakouri *et al.*, 2017). Tourism is the most considerable and diversified of the world's industries (Akter *et al.*, 2020).

Chili (2018), on the significance of TB-SMMEs to employment generation, posits that the role of SMMEs concentrated in the tourism sector cannot be overemphasised. This study of Chili highlights that expansion in the tourism sector has increased social development and the capacity for employment generation. Consequently, SMMEs' closeness to the market has further stimulated job opportunities for the unemployed (Mtshali *et al.*, 2017). Several studies have identified the social and economic benefits of TB-SMMEs. In the analysis of Preston-Whyte and Scott (2017), the authors highlight the TB-SMMEs as an essential source of income generation for families and a pathway for employment creation. The gains and benefits sprouting from TB-SMMEs are substantial. For example, SMMEs that are tourism-inclined have contributed to facilitating socio-economic regeneration and overall development (Rambe, 2017). Because of the growing influence of TB-SMMEs, Adinolfi *et al.* (2018) show that TB-SMMEs have been earmarked as a significantly growing portion of the overall tourism sector, representing a substantial source of income and employment.

Nonetheless, SMMEs in the tourism sector face diverse limitations that have significantly constrained their economic contribution. Todes and Houghton (2021) assert that relevant government agencies responsible for the regulation of SMMEs have failed on their part to engender the enabling environment, particularly through loans and credits. While these constraints have been chronicled as one of the salient factors responsible for the early collapse of many SMMEs, little effort has been recorded in revamping and addressing the many challenges confronting SMMEs' growth in South Africa (Zondi, 2017). As a result, SMMEs within the tourism sector of the South African economy have equally documented limited success stories due to the broad range of challenges confronting SMMEs at large (Lukhele & Soumonni, 2021). The development of the DA is one of the major strategies the provincial government has adopted to propel growth within the province (Wissink, 2020a). This research, therefore, focused on how

tourism-based SMMEs can contribute towards the success of the DA through the employment of SMME development as one of the strategies for economic development and in addressing the factors that can specifically hinder the growth of TB-SMMEs within the proposed DA.

2. REVIEW OF RELATED LITERATURE

A systematic review of the literature was conducted to include an analysis of SMMEs and especially TB-SMMEs, the evolution of the aerotropolis concept, the history and development of the Durban Aerotropolis, the role and nature of the Durban Aerotropolis Master Plan (DURAMP). Finally, the review also included constructing a framework for the research based on five appropriate theories relevant to this study: i.e. Resources-Based, Finance Gap Theory, Knowledge-Based, Survivalist Theory, and Dynamic Innovative Theories.

2.1 Small, Medium and Micro-Enterprises (SMMEs)

SMMEs will first be explained to provide a general understanding of the study. There is no universally acceptable definition of SMMEs, as available definitions and classifications depend on country-specific economic indices. In other words, the indices for defining SMMEs in countries like the United States of America, Germany, and the United Kingdom differ from countries like South Africa, largely due to the disparity in their economic growth indicators (Agwu, 2018). Nonetheless, the most shared criteria for classifying SMMEs are the number of employees and the annual turnover. The South African Business Act of 1996 explains SMMEs as distinct business units, including those relating to sole proprietorship, closed corporations, enterprises, and other non-governmental organisations. Specifically, within the context of South Africa, SMMEs are construed as a business of fewer than 250 employees with no more than an annual turnover of R5 million or less as capital assets and direct involvement of the business owner in the management of the business (Kerry *et al.*, 2018). To address this issue, observers and policy analysts emphasise the pivotal role of the SMME sector in mitigating unemployment.

Consequently, government agencies are increasingly focusing on supporting the growth and expansion of SMMEs to reduce unemployment rates in South Africa (Wild & Cant, 2021). While the government is responsible for sustainable SMME growth, SMME owners themselves are also expected to prioritise innovation to ensure continued business growth and relevance. This study aims to uncover the factors that hinder the employment generation contributions of TB-SMMEs within the DA. Although South African TB-SMMEs are recognised as important contributors to

economic growth, various limitations have been identified as constraints on their effectiveness in generating employment (Kontsiwe & Visser, 2019). Furthermore, understanding the role of TB-SMMEs in employment generation is essential. The available research on this subject extensively focuses on other sectors of the South African economy (Abrahams, 2019). Increased economic output, measured in job creation and Gross Domestic Product (GDP), directly results from increased airport activities (Yangmin *et al.*, 2021). According to StatsSA (2019), the South African tourism sector is the third largest contributor to the economy, as it contributed approximately R424.5 billion to the overall economy in 2019 despite the challenges being faced. The development of the DA is one of the major strategies the provincial government has adopted to propel growth within the province. Therefore, this study aims to investigate the factors that can restrict the growth of TB-SMMEs within the proposed DA.

2.2 Conceptualising the Aerotropolis idea

Aerotropolis development differs in measure and sectoral focus, but a more popular definition is used as an airport-centred urban development (Chohan, 2019). Aerotropoli are constructed around an existing or a new airport. An aerotropolis comprises various commercial development initiatives such as shopping malls, hotels, entertainment, 'stop-byes', and cultural exhibition malls (Liou *et al.*, 2018). An Aerotropolis is a dynamic urban concept where an airport serves as the core, providing convenient access to vendors, customers, and business partners nationally and globally. It is an innovative urban model that positions airports as central hubs, connecting people, suppliers, executives, and goods to the global marketplace (Kasarda & Lindsay, 2011). In addition, an Aerotropolis can be described as a comprehensive transportation network for both cargo and passenger traffic, fostering structured, sustainable economic growth in a strategically significant region centred around a major airport (Hamadziripi, 2015). This concept encompasses manufacturing facilities, logistics companies, and warehouses designed to support efficient operations.

Furthermore, a complete aerotropolis may include office buildings, residential complexes, recreational facilities, and agricultural markets (Edita, 2019). Unlike traditional metropolises centred around a city's commercial core, an aerotropolis is a compact sub-region that revolves around airports, featuring infrastructure, land development, and thriving economic activities. It is

designed as a multimodal transportation hub with interconnected corridors that support and complement airport terminals (Kasarda & Appold, 2014).

The concept of aerotropoli originated in Europe and the US in the 1990s, with notable projects in airports such as Munich, Schiphol, and Dallas. Its presence has since expanded globally (Syafarudin & Mulyana, 2019). The largest aerotropolis projects exceed typical airport operations (Banai, 2017). In many instances, land designated for aerotropolis development, managed by the airport or through leases, is utilised to generate additional revenue and encourage increased airline patronage (Kasarda & Appold, 2014). While the primary goal of an aerotropolis project is to drive economic growth in the region, it also aims to stimulate various activities within the aerotropolis area (Nasution *et al.*, 2017). Development around aerotropolis sites is selected based on the expectation of increased utilisation of aviation services and subsequent growth in the number of airline passengers in the region. However, it is important to consider the potential impact on SMMEs, as the economic benefits may primarily favour large corporations such as aircraft manufacturers, oil companies, and international brands (Cox, 2017). Evaluating the economic benefits of an aerotropolis should also consider how it can improve the business environment for SMMEs and enhance the overall quality of life. Moreover, the development of an aerotropolis aims to create an independent environment where air passengers can enjoy shopping, dining, staying in hotels, and engaging in cultural entertainment, extending beyond business activities and meetings.

The concept of the aerotropolis has gained increasing attention from multidisciplinary and international scholarship (Perera *et al.*, 2019). Kasarda & Appold (2014) argues that expanding aviation networks and major airport activities are shaping a new economic order, driving business and urban development. However, Hubbard *et al.* (2019) presents a contrasting view, suggesting that the aerotropolis concept has not garnered widespread interest among construction experts. Edita (2019) predicts a rise in air transport, including domestic and international airports, in the 21st century. They propose that airports, traditionally seen as drivers of local economic growth, will evolve to include residential spaces for aviation workers and their families (Graham, 2019). Banai (2017) conceptualises the aerotropolis as a 21st-century urban development model featuring cities within an urban region that benefit from their proximity to an internationally connected airport.

2.3 The Durban Aerotropolis

According to Hamadziripi's (2015) study, the vision of the DA is to establish a sustainable and interconnected aerotropolis that extends locally and internationally. The aim is to create a reliable and feasible environment encompassing a one-hour travel radius from the KSIA (King Shaka International Airport) terminal. The objectives are highlighted below:

- The main objective is to enlarge international linkage through visible, economic, and established mediation to strengthen aviation-enabled trade in goods and services for trade competitiveness, employment creation, and profitability at all socio-economic levels. It is achieved by advancing local assets and lowering ground-based conveying times and tariffs.
- To grow KSIA interlinking to vital global hubs in Africa, Europe, North America, and Asia.
- To optimise the commercial expansion of the airport city and accessibility to other major productive intersections in the province of KZN (KwaZulu-Natal).
- To place the DA as the major tourist terminus in Africa.
- To position the DA as the leading location to discover one's business and as the top investment port of call.
- To set the DA as the prime provider of significant international occasions in sports and cultural events.

The vision and objectives will be realised by utilising several universal programmes such as conferences and trade shows to exhibit the DA through the display of basic structures, namely the International Conference Centre (ICC), Moses Mabhida Stadium, Kingsmead, King's Park, and other major precincts (Hamadziripi, 2015). The DA is one of the strategic infrastructure programmes (SIP) that will create jobs and economic development. Among the stakeholders are the municipalities, which comprise Ethekwini, KwaDukuza, Ilembe, Msunduzi, uMgungundlovu, and Ndwedwe. KZN entities include Dube Trade Port Corporation, Tourism KZN, Ithala Bank, and Trade and Investments KZN. Private Sector entities are Tongaat Hullet, Old Mutual, Ingonyama Trust, Ilembe Chamber, Durban Chamber, Pietermaritzburg Chamber, and Growth Coalition. The DA is more than just a transport complex but a constellation of physical, institutional, economic, and policy interventions which upgrade local assets and reduce transport times and costs while

expanding global link to leverage aviation-enabled trade in goods and services for business competitiveness and job creation (Luthuli & Houghton, 2019) .

The primary objective of the DA is to establish an aerotropolis that is globally and regionally connected, financially viable, and well-supported. The concept involves positioning an airport city as an attractive location for businesses, capitalising on the proximity to a growing international airport. By expanding the commercial activities around airports, the aerotropolis is a strategic plan to transform them into production centres. The success and development of the DA are evident in the increased number of business ventures and trade within the boundaries of the DA Master Plan (DAMP).

The DA is an idea of the KZN provincial government. It was embraced as one of the instruments for maximising the socio-economic footprint of Durban and neighbouring areas. The development of the DA is currently in the initial stages of validation and implementation. The early stages of the DA (Durban Aerotropolis) have already shown promising socio-economic outcomes, including the creation of job opportunities, growth in imports and exports, and the expansion of a competitive territory. The development of the DA has transformed the geographical organisation of the region, particularly around the King Shaka International Airport (KSIA), leading to changes in land use, structural developments, and socio-economic activities within its boundaries. An important aspect of the DA is its integration within an urban growth corridor that seamlessly connects key urban economic centres such as Cornubia, Verulam, Tongaat, and KwaDukuza, which contribute significantly to the regional economy.

The DA possesses several comparative advantages, including available green field space, proximity to major ports (Durban and Richard Bay), the presence of Special Economic Zones (SEZs), and Regional Industrial Economic Hubs near the King Shaka International Airport (KSIA). These advantages, coupled with stakeholder support, position the DA for success. As part of the SIPs, infrastructure development will play a key role in supporting the DA's objectives. The infrastructure projects aim to create shared assets that benefit the private sector and enhance overall state infrastructure, thus fostering job creation (Chohan, 2019).

Another objective of the DA is to establish itself as the premier tourist destination in Africa (Rogerson, 2018). The provincial government has embraced this concept as an important catalyst for economic growth within the province. The development of the DA will open up new

opportunities for establishing hotels, tour operators, transportation services for tourists, retail shops catering to tourists, and travel agencies (Wissink, 2020b).

2.4 Success Factors of the Durban Aerotropolis Master Plan (DAMP)

The Durban Aerotropolis (DA) possesses several advantageous factors contributing to its future sustainability. These include strong stakeholder cooperation, strong political will, accessibility to major ports (Durban and Richards Bay), state-of-the-art transportation infrastructure (roads, railways, broadband), its location in a Green Field space, a newly constructed international airport with a long-term plan, an appealing master plan for airlines, and infrastructure expansion under the Strategic Infrastructure Projects (SIPs).

The DAMP incorporates critical success factors such as effective place marketing, modern and reliable telecommunications infrastructure, support for business development and expansion, access to knowledge and human resources, integrated multimodal transportation networks, expanding air services and connectivity, integrated and coordinated spatial planning, and fostering inclusive and sustainable growth (Luthuli & Houghton, 2019).

Durban's economic growth heavily relies on the development and growth of SMMEs, further emphasising the significance of the DA in supporting the local economy.

The DA is anticipated to strengthen socio-economic value via public-private partnerships, as the KZN Province has pledged billions of Rands to establish the DA (EDTEA, 2017). Some inaugurations have already been commissioned around the state-of-the-art airport (KSIA) (Hamadziripi, 2015). Socio-economic benefits are attested and anticipated in certain areas. KZN is known for unstable socio-economic conditions, such as an increased unemployment rate above 50% as of quarter 2 of 2022 (StatsSA, 2022), inequality, and increased business costs. With the creation of the DA, the socio-economic conditions of the region of KZN are expected to be enhanced in specific areas. Creating employment opportunities will result in increased disposable income, creating opportunities for improved quality of life.

The development of productive centralities on the urban edge of large metropolitan municipalities, particularly in the advancing northern eThekweni (Durban) region, has led to the establishment of significant retail and office complexes since the 1990s. Adding a new airport and industrial space has further enhanced the region's economic potential.

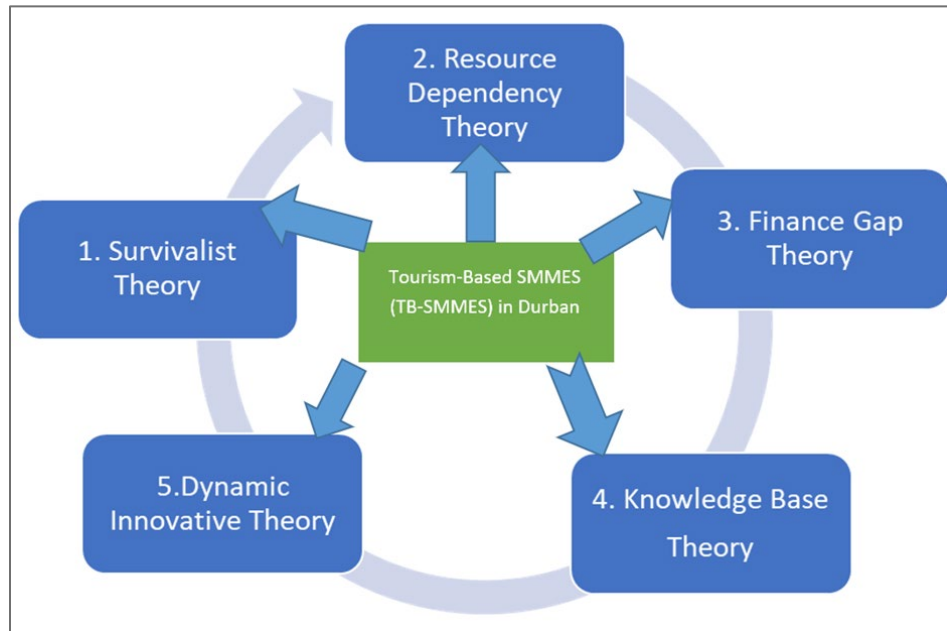
The presence of diverse hubs within the airport's boundary creates a conducive environment for various sectors, including trade, import and export, transportation, retail, housing, communication, and tourism. This ongoing development and growth create abundant opportunities for SMMEs to thrive. As a result, the expansion of SMMEs leads to the generation of additional employment opportunities for the residents in the surrounding airport area.

The anticipated employment opportunities from the DA will result in increased GDP (Hamadziripi, 2015), which serves as a strategy to improve the standard of living. The DA has created SEZs and a business district that has generated approximately 60 businesses in various industries. Some businesses are expanding from other regions, while others are newly formed. In addition, there has been a rise in volumes of passengers and cargo from 2016 to 2018, with international travellers rising by 23.6% and domestic passengers rising by 12.7% (StatsSA, 2019). These SMMEs will remain the key drivers for these various business opportunities.

2.5 Theoretical framework

This study utilised five distinct theories: Resources-Based, Finance Gap Theory, Knowledge-Based, Survivalist Theory, and Dynamic Innovative Theories, as reflected in the illustration of Figure 1. These theories will be briefly described, and their relevance to creating a broad framework for the research performed in this study.

Figure 1: Theoretical Model for this study



Source: Own compilation

Although the full potential of SMMEs has not yet been realised, the significance of survivalist entrepreneurship as a component of TB-SMMES is quickly becoming recognised globally (Ngwenya & Zondi, 2019). The use of the Survivalist Theory in this study is dynamic, first reflecting from the assumption of the theory that the capability and strength of an enterprise are essential resources for growth would indirectly imply that in the context of TB-SMMES, contributing to employment generation within the DA where government support and relevant resources will be required, the need for entrepreneurs to have access to vital support and necessary resources cannot be overemphasised (Abrahams, 2019). TB-SMMES will benefit from policies that build a conducive environment for successful enterprises and facilitate the operations of measures to enhance their productivity within the DA through the availability of finance, technology transfers, and relevant infrastructures.

The origin of the Resources-Based Theory dates back to 1957 when the phrase “organisation distinctive competence” was first mentioned by Selznick. According to Shamsuddin (2018), Edith Penrose’s 1959 classic text propagated an economy-related theory entitled *The Theory of the Growth of the Firm* in the period when the term ‘distinctive competence’ was defined as an organisational structure through which the distribution and use of resources are executed for

improved competitive advantage Identifying resources by TB-SMMEs is a key signpost for the enterprise's survival and, more significantly, as a channel for employment generation, amongst other benefits (Matsiliza & Block, 2017). The fact that SMMEs face severe constraints due to insufficient resources are widely acknowledged. Research conducted by Sa'id *et al.* (2019) highlights the significance of poor internal resources as a key factor that hampers the growth, development, and expansion of SMMEs, thus limiting their potential for job creation and other benefits. This constraint is evident in the tendency of many SMMEs to prioritise short-term goals over long-term goals, as discussed by Agwu (2018) in the context of SMME expansion.

'Finance-Gap' is a phrase used to express the inaccessibility to funds experienced by business enterprises (Rita & Priyanto, 2017). Inadequate funding impedes business growth and expansion (Keränen & Nasibli, 2020). Financial practice is a model in which financial markets are reviewed using various frameworks. The utility of the Finance-Gap Theory for this study is useful, reflecting on the assumption of the theory that the capacities and strength of an enterprise are fundamentally financial. For improved operation, it would indirectly mean that in the context of TB-SMMEs, the growth and development of TB-SMMEs within the DA – where financial resources will be essential – the need for TB-SMMEs to have financial competencies cannot be adequately stressed (Schmidt *et al.*, 2017). Most financial institutions are positively disposed to extending credit facilities to enterprises that show the capability of servicing credit, with a positive credit history and good financial records that are creditworthy in terms of repayment (Muriithi, 2017). The TB-SMMEs must improve their financial literacy in order to improve accessibility to funds, resulting in growth within the proposed DA.

The main thrust of the Knowledge-Based Theory is reflected in the need for organisations to acquire knowledge-based resources that attract more competitive advantage for increased firm growth (Mtiki, 2019). Therefore, essential to the assumption of the Knowledge-Based Theory is that all production processes and other elements classified as valuable to the organisation are utterly knowledge-driven (Lotfi *et al.*, 2018). The ability of TB-SMMEs to learn, adapt to new ideas, and effectively implement and nurture their knowledge base is crucial for achieving sustained competitiveness and growth within the proposed Durban Aerotropolis (DA) context (Lotfi *et al.*, 2018). It is natural that when an employee exists in the organisation, knowledge is certainly bound to exist with them. TB-SMMEs will continue to thrive with the improved acquisition of relevant knowledge that can aid their effectiveness within the DA.

Innovation is embedded in the creation of value. Without empirical evidence, no universally accepted method for creating innovation seems to exist. The known strategies for fostering innovation within an organisation encompass various approaches, including but not limited to encouraging disruptive thinking, engaging with diverse sources of innovation, enhancing technological expertise, and expanding collaboration networks (Halim *et al.*, 2019). Innovation is agile and focused on a specific product. Nevertheless, numerous TB-SMMEs do not possess the capacity to accomplish the entire innovative process (Augustie & Saad, 2019). Studies have shown that notwithstanding the flexibility and adaptability of SMMEs, several TB-SMMEs are confounded with the complexity of appropriately integrating and developing an ethos of incessant innovative practices (Halim *et al.*, 2019). TB-SMMEs must be willing to integrate innovative-driven skills in their operations in order to advance their capability to confront challenging business environments within the proposed DA (Afriyie *et al.*, 2019). Increased employment opportunities are anticipated to emanate through the initiative of the DA. With diverse hubs increasing within the airport's boundary, the SMMEs will remain key drivers for these various business opportunities. Nonetheless, some limiting factors can impede the effectiveness of TB-SMMEs.

3. RESEARCH METHODOLOGY

The positivist research philosophy is employed in this study, which commonly utilises experimentation and survey research designs as research strategies (Bryman & Bell, 2011). The research outcomes necessitate the positivist research philosophy, emphasising objectivity and applying quantitative research methods (Van den Berg & Struwig, 2017). The presuppositions of positivism align with the quantitative aspect of this study, where the views and opinions of TB-SMMEs were gathered through questionnaires and analysed using appropriate statistical methods.

The study site was Durban in the KwaZulu-Natal province of South Africa, and the data were gathered over two months. The target population for this study was TB-SMMEs located within Durban. A survey research design was selected to investigate the research phenomenon and maximise the validity of the research findings. A comprehensive questionnaire was formulated for data collection. The study included a sample size of $n=183$ participants. The quantitative data obtained from the survey were analysed using the Statistical Package for Social Sciences (SPSS)

software, specifically version 26. Descriptive statistics and T-tests were employed to gain a better understanding of how the participants responded to the questionnaire items.

4. FINDINGS OF RESEARCH AND ANALYSES OF RESULTS

In addressing the factors that constrain the growth of TB-SMMEs within the Durban Aerotropolis, nine questions were asked, each with a 5-point Likert Scale of 1 (strongly disagree) to 5 (strongly agree). The findings and description of each of these questions are presented next.

4.1 Demographic Data

The demographic data used in the questionnaire administered for this study consists of five variables. The variables are gender, age, educational qualification, years of experience and monthly income. The details are shown in Table 1:

Table 1: Demographic data

Variables	Frequency	Percentage	Cumulative Percentage
Gender: Male	62	33.9	33.9
Female	121	66.1	100
Age			
18-25	6	3.3	3.3
26-33	41	22.4	25.7
34-41	67	36.4	62.3
42-49	30	16.4	78.7
50 and above	39	29.3	100
Educational Qualification			
Primary	1	0.5	0.5
Matric	16	8.7	9.3
Diploma	78	42.6	51.9
Bachelor	53	29.0	80.9
Honours	25	13.7	94.5
Masters	10	5.5	100
Years of experience			
1-5 years	14	7.7	7.7
6-10 years	45	24.6	32.2
11-15 years	72	39.3	71.6
16-20 years	24	13.1	84.7
21 years and above	28	15.3	100
Monthly Income Rands			
5 000 - 10 000	7	3.8	3.8
11 000 -15 000	57	31.1	35.0
16 000 - 20 000	47	25.7	60.7
21 000 - 25 000	38	20.8	81.4
26 000 and above	34	18.6	100

Source: Own compilation

The demographic data from Table 1 above shows that most participants (66.1%) were female, while 33.9% were males. In terms of age, most participants (36.6%) were between the ages of 34-41, followed by those between the ages of 26-33 years, which were 22.4%. However, the least of the distribution was the participants between 18-25 years, which made up 3.3% of the sample. Regarding academic qualifications, most participants hold a diploma (42.6%), followed by those with a bachelor's (29%). This percentage reveals that most of the participants are educated. For years of experience, most participants have been in the tourism sector for 11-15 years (39.3%), followed by 6-10 years (24.6%), with 21 years and above accounting for 15.3%. For the monthly income received by participants, 31.1% received R11 000 to R15 000, 25.7% received R16 000 to R20 000, while the least was R5 000 to R10 000 with 3.8% of the population sample.

4.2 Descriptive Statistics

The study's objective is to investigate the factors that can hamper the growth of TB-SMMEs within the proposed DA. The participants' opinion was sought on how their operations have been affected by government policies, the technology available to them, the level of education and the availability of relevant amenities. The participants' responses were measured on a five-point Likert Scale, according to which they had to strongly agree, agree, undecided, disagree and strongly disagree with the questions. The results are presented in Table 2.

Table 2: Descriptive statistics at a glance

Items	SA (Strongly Agree)	A (Agree)	UD (Undecided)	D (Disagree)	SD (Strongly Disagree)
Poor government monitoring and routine assessment	21.3	32.8	1.6	38.3	6.0
Most TB-SMMEs lack innovation for creative ideas	20.8	26.2	0.0	41.5	11.5
Poor knowledge sharing and weak understanding of environmental challenges	24.0	38.3	0.0	26.2	11.5
Delayed or non-access to a loan facility	21.9	48.1	6.0	17.5	6.6
Ineffective understanding of structures and arrangement in the workings of the TB-SMMEs	25.7	47.5	6.6	19.1	1.1
Low understanding of tourist needs and preferences	21.3	47.0	0.5	28.4	2.7
Poor range of infrastructural amenities	20.2	44.3	1.6	29.0	4.9

Rural confinement of most TB-SMMEs	12.6	27.9	0.5	30.1	29.0
Lack of quality education	28.4	25.7	0.5	21.3	

Source: Own compilation

4.3 Summary of description of results

A T-test in Table 3 was carried out at a test value of 5% level of significance on each question (1-9) as described Tables 4 to 12 and Section 4.4 to 4.12 to test for significant agreement/disagreement ($p < 0.05$). The mean difference score > 2.5 indicates significant agreement, while a value with a mean difference score < 2.5 is interpreted as disagreement.

Table 3: One-Sample Test

Questions	Test Value = 0						
	T	df	Sig. (2-tailed)	Mean Difference	Std. Deviation	95% Confidence Interval of the Difference	
						Lower	Upper
1.	27.549	183	.000	2.798	1.374	2.60	3.00
2.	28.204	183	.000	3.016	1.447	2.81	3.23
3.	25.129	183	.000	2.689	1.447	2.48	2.90
4.	27.665	183	.000	2.517	1.133	2.15	2.87
5.	27.888	183	.000	2.087	1.013	1.94	2.24
6.	25.825	183	.000	2.104	1.102	1.94	2.26
7.	25.761	183	.000	2.628	1.380	2.43	2.83
8.	27.878	183	.000	2.087	1.013	1.94	2.24
9.	21.357	183	.000	2.464	1.561	2.24	2.69

Source: Own compilation

4.4 Poor Government Monitoring and Routine Assessment

This section seeks to establish how poor government monitoring and routine assessment hampers the growth of TB-SMMEs and their extent. The results from Table 4 reveal that 54.1% agree that poor government monitoring and routine assessment hampers the growth of TB-SMMEs, 44.3% disagree, and 1.6% are undecided. The T-test showed a significant agreement ($M=2.80$, $SD=1.37$, $p < 0.05$). It indicates that poor government monitoring and assessment hinder the growth of TB-SMMEs in Durban.

Table 4: Poor Government Monitoring and Routine Assessment

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	39	21.3	21.3
Agree	60	32.8	54.1
Undecided	3	1.6	55.7
Disagree	70	38.3	94.0
Strongly Disagree	11	6.0	100.0
Total	183	100.0	

Source: Own compilation

4.5 Lack of innovation for creative ideas

The results in Table 5 show that 47% agree that most TB-SMMEs lack innovation for creative ideas, while 53% disagree. It means that most of the participants are not innovative. The overall mean difference for the construct is 3.02, indicating a significant agreement ($p < 0.05$) that the lack of innovation for creative ideas hampers the growth of TB-SMMEs in Durban. TB-SMMES must embrace inspiration and information relevant to advancing and expanding their productivity in the proposed DA. Furthermore, the study of Afriyie *et al.* (2019) confirms that innovation is necessary to confront challenging business environments.

Table 5: Lack of Innovation for Creative Ideas

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	38	20.8	20.8
Agree	48	26.2	47.0
Disagree	76	41.5	88.5
Strongly Disagree	21	11.5	100.0
Total	183	100.0	

Source: Own compilation

4.6 Poor knowledge sharing and weak understanding of environmental challenges

Results from Table 6 reveal that 62.3% of the participants agree that poor knowledge sharing and a weak understanding of environmental challenges deter the progress of TB-SMMEs in Durban. Despite the level of education, SMMEs within the tourism sector lack the required knowledge and skills and find it difficult to share knowledge among themselves, thus hindering their growth. The overall mean difference of 2.69 indicates a significant agreement ($p < 0.05$) that poor knowledge sharing and a weak understanding of environmental challenges affect the growth of TB-SMMEs in Durban. It is pertinent for TB-SMMEs to have an adequate understanding of the environmental challenges that can restrict their operation within the proposed DA in order to derive innovative ways of working through them.

Table 6: Poor knowledge sharing and weak understanding of environmental challenges

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	44	24.0	24.0
Agree	70	38.3	62.3
Disagree	48	26.2	88.5
Strongly Disagree	21	11.5	100.0
Total	183	100.0	

Source: Own compilation

4.7 Delayed or non-access to loan facility

Access to finance has been a major challenge in the growth of TB-SMMEs.

Results from the study in Table 7 proved that 70% agree while 24.1% disagree. The responses from the result produced a mean difference of 2.52, indicating a significant agreement ($p < 0.05$) that delayed or non-access to loan facilities can threaten the growth of TB-SMMEs in Durban. Accessibility to adequate finance is significant to enhancing the growth of TB-SMMEs within the proposed DA. In addition, Keränen and Nasibli's (2020) study confirms that inadequate funding can hinder a business enterprise's growth.

Table 7: Delayed or Non-Access to Loan Facility

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	40	21.9	21.9
Agree	88	48.0	69.9
Undecided	11	6.0	76.0
Disagree	32	17.5	93.4
Strongly Disagree	12	6.6	100.0
Total	183	100.0	

Source: Own compilation

4.8 Ineffective understanding of structures and arrangement in the workings of tourism-based SMMEs

Table 8 reveals that 73.2% agree that an ineffective understanding of structures and arrangement in the workings of the TB-SMMEs hinders the growth of TB-SMMEs, 20.2% disagree, and 6.6% are neutral. The mean difference is 2.09. However, the T-test result establishes a significant agreement ($p < 0.05$); hence, there is a need for an adequate understanding of structures and arrangement in the environment of TB-SMMEs.

Table 8: Ineffective understanding of structures and arrangement in the workings of tourism-based SMMEs

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	47	25.7	25.7
Agree	87	47.5	73.2
Undecided	12	6.6	79.8
Disagree	35	19.1	98.9
Strongly Disagree	2	1.1	100.0
Total	183	100.0	

Source: Own compilation

4.9 Low understanding of tourist needs and preferences

A low understanding of tourist needs has been identified as a limiting factor to the growth of TB-SMMEs, reflected in Table 9. The results from the study show that 68.3% agree that they have a low understanding of what the tourists' needs might be, 31.1% disagree, while 0.5% are neutral to the question. The overall mean difference is 2.10. However, the T-test establishes a significant agreement ($P < 0.05$), indicating that a low understanding of tourist needs and preferences hamper the growth of TB-SMMEs in Durban. TB-SMMEs need to understand the needs of individual tourists they render services to enhance their service delivery, thereby attracting more business opportunities and fostering growth and expansion.

Table 9: Low understanding of tourist needs and preferences

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	39	21.3	21.3
Agree	86	47.0	68.3
Undecided	1	.5	68.9
Disagree	52	28.4	97.3
Strongly Disagree	5	2.7	100.0
Total	183	100.0	

Source: Own compilation

4.10 Poor range of infrastructural amenities

Table 10 points out that 64.5% of the participants agree that the poor range of infrastructural amenities hinders the growth of TB-SMMEs, 33.9% disagree, and 1.6% are neutral. The overall mean difference is 2.63, indicating a significant agreement that poor infrastructural amenities obstruct the growth of TB-SMME in Durban. Additionally, the T-test indicates a significant agreement ($P < 0.05$) to a poor range of infrastructural amenities. A poor range of infrastructural amenities can constrain the growth of TB-SMMEs within the proposed DA. Therefore, there is a need for the government to provide adequate amenities for the growth of TB-SMMEs.

Table 10: Poor range of infrastructural amenities

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	37	20.2	20.2
Agree	81	44.3	64.5
Undecided	3	1.6	66.1
Disagree	53	29.0	95.1
Strongly Disagree	9	4.9	100.0
Total	183	100.0	

Source: Own compilation

4.11 Rural confinement of most tourism-based SMMEs

The growth of TB-SMMEs is limited by a factor such as the rural confinement of certain TB-SMMEs, as reflected in Table 11. The result of the study shows that 40.5% agree, 59.1% disagree, and 0.5 % are neutral. The overall mean difference is 2.09, indicating a significant disagreement that rural confinement of certain TB-SMMEs can hinder the growth of TB-SMMEs.

Table 11: Rural confinement of most tourism-based SMMEs

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	23	12.6	12.6
Agree	51	27.9	40.5
Undecided	1	0.5	41.0
Disagree	55	30.1	71.1
Strongly Disagree	53	29.0	100.0
Total	183	100.0	

Source: Own compilation

4.12 Lack of quality education

In Table 12, the results reveal that 54.1% agree that a lack of quality education hampers the growth of TB-SMMEs. The overall mean difference is 2.46, and the T-test ($p < 0.05$) reveals a significant agreement that the lack of quality education hinders the growth of TB-SMMEs in Durban. Equally, insufficient education has negatively impacted the presence of required managerial and administrative skills. Financial literacy, managerial, marketing, and entrepreneurial skills are necessary for the effective functioning of TB-SMMEs. The lack of this set of skills can restrict the growth of TB-SMMEs within the proposed DA. Lotfi *et al.* (2018) study further confirms that relevant education and skill training are essential for business enterprises.

Table 12: Lack of quality education

	Frequency	Valid Percentage	Cumulative Percentage
Strongly Agree	52	28.4	28.4
Agree	47	25.7	54.1
Undecided	1	0.5	54.6
Disagree	39	21.3	76.00
Strongly Disagree	43	23.5	99.5
Missing	1	0.5	100.0
Total	183	100.0	

Source: Own compilation

The literature review and content analysis of most recent academic publications and the qualitative research confirm the following factors that can hinder the growth of TB-SMMEs, as depicted in the diagram (Figure 2). These factors are also described in the rubrics that follow:

Figure 2: Factors that can hinder the growth of TB-SMMEs



Source: Own compilation

4.13 Inadequate Managerial Capabilities and Skills

Enhancing skills among TB-SMMEs is crucial for their operation and growth. This study highlights the need to improve communication skills and channels within TB-SMMEs to facilitate knowledge sharing within the DA. The study also identifies a knowledge gap among certain TB-SMMEs in the local region, indicating a deficiency in skills that can enhance their operations. Managerial incapability is a global issue affecting SMMEs, leading to a lack of transparency and accountability in management structures and potential resource abuse. Insufficient training contributes to many business owners lacking the required management skills. Lotfi *et al.* (2018) emphasise the importance of education and skills training in marketing and entrepreneurial competence for new business proprietors in the tourism industry.

4.14 Financial limitation

Poor financial literacy contributes to a financial gap among TB-SMMEs, hindering their access to necessary funds for business expansion. Access to finance is a major constraint faced by SMMEs, including those in the tourism sector in South Africa, impeding their growth and sustainability (Hlengwa & Thusi, 2018). Limited financial capability has resulted in high business failure rates, with a significant percentage of SMME loan applications being rejected, forcing them to rely on retained earnings (Yang *et al.*, 2018; Ye & Kulathunga, 2019). Adequate and accessible finance is identified as an essential factor for SMMEs in the tourism sector to contribute effectively to economic growth and development (Botha *et al.*, 2021).

4.15 Technology

The lack of required technology impairs the service delivery of SMMEs in the tourism-based sector. Acquiring the right technology is quite expensive and unaffordable for most SMMEs, posing a limitation to their mode of operations and consequently negatively impacting their growth (Lukhele & Soumonni, 2021). Houghton (2018) posits that technology is vital for SMMEs to generate effective service and aid better competition within the industry. Afriyie *et al.*, (2019) postulate that market innovation supported by technological innovation has been indicated as a focal propeller that can enhance the activities of SMMEs. TB-SMMEs will enhance their productivity within the DA by being more dynamic in innovating better measures for expansion and development.

4.16 Competition

Competition, which can be external or internal, is one of the vital factors that has affected the capacity of SMMEs in the tourism sector over the years. Competition among SMMEs is increasing daily and is ranked the third greatest challenge experienced by SMMEs (Zondi, 2017). As competition increases, business owners are expected to develop tactics (innovation) such as providing additional services and initiating unique features on existing products to have an edge.

4.17 Regulatory Factors

Significantly, regulation has been identified as a factor that can inhibit the effective functioning of SMMEs. According to Bhorat *et al.* (2018), strict registration processes and government regulations have often discouraged the establishment of SMMEs, while others operate outside

the legislative framework. Kontsiwe and Visser (2019) assert that some SMMEs do not register, while some exist without bank accounts. Operating informally, this set of SMMEs avoids taxation. Government policies should be devised in such a way that would encourage the creation and growth of SMMEs, including TB-SMMEs.

4.18 Crime and safety

Crime and corruption are significant threats to SMMEs, particularly those in the tourism sector, affecting both business operators and their customers. South Africa has been identified as one of the top five countries with high crime rates, including murder, according to the United Nations (2012) statistics report on drugs and crime, robbery rates in South Africa are also on the rise, posing a threat to tourists and consequently impacting the operations of SMMEs in the tourism sector, as highlighted by StatsSA (2022).

5. THE SIGNIFICANCE OF THE FINDINGS ON THE DURBAN AEROTROPOLIS

The research reveals that healthy TB-SMMEs can contribute to the success of the Aerotropolis, leading to increased socio-economic benefits. Establishing the state-of-the-art airport, KSIA, costing approximately R6.8 billion, is part of this plan. Stakeholders, including the eThekweni Municipality, view the Aerotropolis as a solution to transportation and logistics challenges, offering opportunities for improved export efficiency and tourism development in the region. Establishing the Aerotropolis has increased job creation through SEZ activities and trade in aeronautical services. The infrastructural developments have not only provided temporary employment but also reduced the dependency on social services. Creating employment opportunities, real estate development, and increased business activities have positively affected the region's socio-economic conditions. The DA has successfully established a business district with a diverse range of approximately 60 businesses, including SMMEs. Additionally, there has been notable growth in passenger and cargo volumes and expansion in import and export markets. Projections indicate further market growth and increased demand for logistics providers within the aerotropolis area. Overall, the DA and TB-SMMEs have proven to be a catalyst for economic growth and have contributed to improving the standard of living in the KZN Province. However, the impact could even be greater if the factors inhibiting TB-SMMSEs can be curtailed.

6. CONCLUSION AND RECOMMENDATION

The study identified the factors that can hinder the growth of TB-SMMEs within the DA. The factors considered were poor government monitoring and routine assessment, lack of innovation for creative ideas, poor knowledge sharing and weak understanding of environmental challenges, delayed or non-access to loan facilities, ineffective understanding of structures and arrangement among the TB-SMMEs, low understanding of tourist needs and preferences, poor range of infrastructural amenities and lack of quality education. Nonetheless, the study's results revealed that poor government monitoring and assessment, poor technology, financial limitation, lack of managerial skills, high level of crime, poor infrastructural amenities, and government regulations could hinder the growth of TB-SMMEs within the proposed DA. The study, therefore, recommends the upgrade of tourist infrastructure within the DA in accordance with the required design that will improve the efficiency of SMMEs within the tourism sector.

7. STUDY LIMITATION AND FUTURE RESEARCH

This study focused on tourism-related TB-SMMEs in the Durban metropolitan area, specifically examining their role in employment creation. It would be revealing if this research could be extended to the large airport precincts in urban centres such as Oliver Tambo and Cape Town International Airport and to assess if the same factors impact and hinder TB-SMMEs. Future research should expand beyond this area and explore how TB-SMMEs can benefit from the Aerotropolis concept. It is important to raise awareness of the airport city concept (aerotropolis) as a potential business location through effective marketing strategies.

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