

An Investigation into the Factors Influencing the Success of Small, Micro, and Medium Tourism Enterprises in South Africa

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ABSTRACT

Small, Micro and Medium Enterprises (SMMEs) are important economic drivers and employment creators. Research into SMMEs has shown that factors influencing their success are context-dependent, implying that they change with factors such as industry and geographical location. This study aimed to extend existing knowledge by investigating the factors determining the success of tourism SMMEs in South Africa. Data was collected from ten tourism SMMEs through in-depth semi-structured interviews. The tourism SMMEs were based in the Gauteng province of South Africa. Data was analysed through the thematic analysis technique. The study revealed that tourism SMMEs face several challenges including lack of access to finance, cash flow constraints, and lack of skilled labour. With regards to strategic capabilities necessary to enhance the success of SMMEs, the study found that financial resources, physical assets, market knowledge competencies, and business acumen, are key strategic capabilities which can enhance the success of tourism SMMEs. The study also revealed that these strategic capabilities could be acquired through several mechanisms, including training and development, networking, and the use of private resources of SMME owners. Several strategies were found to enhance the success of tourism SMMEs, including the need to find a niche, networking, and forming strategic alliances and partnerships with other SMMEs, larger businesses, and other agencies.

JEL Codes:

Keywords: *Small, Micro and Medium Enterprises (SMMEs), Factors Influencing, South Africa.*