MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

DIGITAL TECHNOLOGY ADOPTION, ICT RESOURCE CAPABILITY, AND BUSINESS SURVIVAL AMONG TRADITIONAL TRAVEL AGENCIES IN UGANDA

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A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY BUSINESS SCHOOL (FACULTY OF GRADUATE STUDIES AND RESEARCH) IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF A MASTER'S DEGREE IN HOSPITALITY AND TOURISM MANAGEMENT OF MAKERERE UNIVERSITY

PLAN: A

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DECLARATION

I declare that this study is original and has not been submitted for any other degree award to any other university before.

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APPROVAL

This dissertation has been submitted to the University with our approval as University supervisors.

Signature ..... Date ..... November 03, 2025

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Signature ..... Date ..... November 03, 2025

Mr. Godfrey Kato

DEDICATION

This dissertation is dedicated to my mum, my dad and my siblings for the over whelming support, comfort, guidance and encouragement given to me during the research process.

May GOD bless you always.

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I would like to take this opportunity to extend my gratitude to my academic supervisors Dr. Mercy Arinaitwe and Mr. Paul Kato for their kind attention and contribution during the course of writing this dissertation.

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TABLE OF CONTENTS

DECLARATION i

APPROVAL ii

DEDICATION iii

ACKNOWLEDGEMENT iv

TABLE OF CONTENTS v

LIST OF TABLES ix

LIST OF ACRONYMS x

CHAPTER ONE 1

INTRODUCTION 1

1.1 Background to the Study 1

1.2 Problem Statement 3

1.3 Purpose of the Study 4

1.4 Objectives of the Study 4

1.5 Research Questions 5

1.6 Scope of the Study 5

1.6.1 Subject Scope 5

1.6.2 Geographical Scope 5

1.6.3 Time Scope 6

1.7 Significance of the Study 6

1.8 Conceptual Framework 7

CHAPTER TWO 8

LITERATURE REVIEW 8

2.0 Introduction 8

2.1 Theoretical Review 8

2.1.1 Technology Acceptance Model (TAM) 8

2.2 Conceptual Review 9

2.2.1 Business Survival 9

2.2.2 Digital Technology Adoption 11

2.2.3 ICT Resource Capability 12

2.3 Empirical Review 14

2.3.1 The relationship between digital technology adoption and business survival 14

2.3.2 The relationship between ICT Resource Capability and business survival 16

2.3.3 The combined effect of digital technology adoption and ICT resource capability on Business survival 17

2.4 Summary of literature and research gaps 19

CHAPTER THREE 21

METHODOLOGY 21

3.0 Introduction 21

3.1 Research design 21

3.2 Target population 21

3.3 Sample Size 21

3.4 Sampling Procedure 22

3.4.1 Unit of analysis and inquiry 22

3.5 Data Collection Instrument 22

3.6 Measurement of variables 22

3.7 Validity and reliability 23

3.7.1 Validity 23

3.7.2 Reliability 24

3.8 Data Processing and Analysis 24

3.9 Ethical Consideration 25

CHAPTER FOUR 26

PRESENTATION AND INTERPRETATION OF FINDINGS 26

4.0 Introduction 26

4.1 Response Rate 26

4.2 Demographic Characteristics of Respondents 27

4.3 Business Characteristics 28

4.4 Descriptive Statistics 30

4.5 Correlation Results 32

4.5.1 The relationship between digital technology adoption and business survival 34

4.5.2 The relationship between ICT resource capability and business survival 34

4.6 Regression Results 34

CHAPTER FIVE 36

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS 36

5.0 Introduction 36

5.1 Discussion of Findings 36

5.1.1 Relationship between digital technology adoption and business survival 36

5.1.2 Relationship between ICT resource capability and business survival 37

5.1.3 The combined effect of digital technology adoption and ICT resource capability on Business survival 39

5.2 Conclusion 40

5.3 Recommendations 40

5.4 Study limitations 41

5.5 Areas for further research 42

References 43

APPENDICES 50

Appendix i: Questionnaire 50

Appendix ii: Krejcie and D. W. Morgan table for Sample Size (s) determination 53

LIST OF TABLES

Table 3.1: Content Validity Index 23

Table 3.2: Reliability Analysis 24

Table 4.1: Response Rate 26

Table 4.2: Showing Demographic Characteristics of the Respondents 27

Table 4.3: Showing businesses Profile 29

Table 4.4: Descriptive Statistics 31

Table 4.5: Correlations 33

Table 4.6: Shows the regression results of the study variables 35

LIST OF ACRONYMS

CVI	:	Content Validity Index
GDP	:	Gross Domestic Product
ICT	:	Information and Communication Technology
IT	:	Information Technology
OTAs	:	Online Travel Agencies
PATA	:	Pacific Asia Travel Association
PEOU	:	Perceived Ease of Use
PU	:	Perceived Usefulness
RBV	:	Resource-Based View Theory
SBEs	:	Small Business Enterprises
SMEs	:	Small and Medium Enterprises
SPSS	:	Statistical Package for the Social Sciences
TAM	:	Technology Acceptance Model
TUGATA	:	The Uganda Travel Agents Association
UNWTO	:	United Nations World Tourism Organization
UTB	:	Uganda Tourism Board
UTC	:	Uganda Tourism Consultants

ABSTRACT

The research study focused examining the relationship between digital technology adoption, ICT resource capability, and business survival among traditional travel agencies in Uganda. The study objectives were: to examine the relationship between digital technology adoption and business survival, the relationship between ICT resource capability and business survival, and the combined effect of digital technology adoption and ICT resource capability on business survival. Employing a cross-sectional research design and a quantitative approach, data was collected using a questionnaire from a sample of 196 respondents, with a response rate of 81.6%. Data was analysed using Statistical Package for Social Scientists (V23), and the findings indicate a significant positive relationship between digital technology adoption and business survival [0.32]. Additionally, there was a positive significant relationship between ICT resource capability and business survival [0.685]. Together, digital technology adoption and ICT resource capability explain 57.3% of the variance in business survival among traditional travel agencies in Uganda. The study recommends that the management of traditional travel agencies in Uganda should make more efforts to adopt digital technologies to attain a high level of business survival. This can be done through enhancing their perceived usefulness, perceived ease of use, relative advantage of the digital technologies in their operation. Also, the management of Traditional travel agencies in Uganda should enhance ICT resource capability through availing hardware and software and improving workers' experience and skills in order to attain high level of business survival. Further studies may also be conducted to ascertain other predictors of business survival among traditional travel agencies in Uganda given that the independent variables only predict 57.3%.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Business survival ensures long-term profitability, economic stability, and job creation, contributing to overall industry growth and national development (Bakare et al., 2024). In the hospitality and travel industry, maintaining business survival requires continuous adaptation to market trends and investment in digital technologies, and strong customer relationship management (Chu, 2024; Ginting et al., 2022). Successfully sustaining travel businesses leads to increased customer trust, brand loyalty, and higher revenue generation (UNWTO, 2023). Additionally, businesses that survive foster industry resilience, enhancing destination competitiveness and economic contributions (Rastegar et al., 2023).

Globally, the tourism industry has undergone significant transformations, primarily due to technological advancements and the rise of online travel agencies (OTAs) (Kontis & Skoultsos, 2022). However, the COVID-19 pandemic caused a restriction on people's travel movements to prevent the spread of the virus (Ginting et al., 2022). PATA (2020), the International Association of the Travel Industry in the Asia Pacific, reported that there were 4500cases of travel companies that were significantly affected by COVID-19. Global data from UNWTO (2020) show that, in early April 2020, around 96% of destinations had banned travel in response to the pandemic. Travel agencies faced declining market shares as consumers increasingly turned to digital platforms for their travel needs (Abrate et al., 2020).

In Africa, the travel and tourism sector has been recognized as a significant contributor to economic growth, accounting for 8.5% of the continent's GDP and generating approximately 24.6 million jobs in 2019 (World Travel & Tourism Council, 2020). However, traditional travel agencies across the continent face challenges similar to their global counterparts, including the proliferation of OTAs and changing consumer behaviors favoring direct bookings. Within the

East African region, countries like Kenya, Tanzania, and Rwanda have made significant strides in promoting tourism, investing heavily in marketing and infrastructure (Buzinde & Caterina-Knorr, 2023). For instance, Kenya allocates about $23 million annually for tourism promotion, while Tanzania invests roughly $10 million (Chihwai, 2024). Gorilla Safari Lodges (2025). These investments have enhanced the visibility and competitiveness of their tourism sectors.

In Uganda, the tourism industry holds substantial potential, boasting diverse attractions such as wildlife safaris, cultural heritage sites, and adventure tourism (Lubogo, 2024; Mbaiwa & Siphambe, 2023). However, traditional travel agencies in Uganda face multifaceted challenges that threaten their survival and growth (Lubogo, 2024). Market accessibility remains a major challenge for many Ugandan travel agencies due to limited online visibility and lack of participation in costly international trade shows (Kabatunzi, 2022; Lubogo et al., 2024). Unlike neighboring countries with strong government support, most Ugandan agencies operate independently, limiting their growth (Lubogo, 2024; Uganda Tourism Consultants, 2020). Although the Uganda Tourism Board has introduced regulatory measures to improve service quality, compliance remains low, putting many operators at risk of closure (Monitor, 2025).

Literature suggests that digital technology adoption (Abed, 2022; Chu, 2024; Ginting et al., 2022; Mishrif & Khan, 2023) and ICT resource capability (Maulana et al., 2024; Xue et al., 2023; Trieu et al., 2023) can influence the survival of traditional firms in Uganda. Abed (2022) and Mishrif and Khan (2023) found that adopting digital tools helped small SMEs withstand pandemic-related disruptions. Chu (2024) reported that online travel agencies integrating AI and big data experienced improved service quality and business resilience. Ginting et al. (2022) also recognized digital adoption as a key survival strategy during the pandemic.

Similarly, Maulana et al. (2024) emphasized that ICT resource capability significantly enhances competitive advantage and firm survival. Effective use of digital technologies

contributes to operational efficiency, cost reduction, and competitive edge (Maulana et al., 2022; Wahyuningtyas et al., 2023). Xue (2023) further noted that digital capability indirectly supports survival by strengthening competitive advantage and organizational learning. Trieu et al. (2023) also confirmed that IT capabilities foster firm resilience and long-term sustainability.

The study was guided by the Technology Acceptance Model (TAM), which emphasizes users' acceptance and adoption of technology based on perceived usefulness and ease of use (Davis, 1989). Traditional travel agencies in Uganda can leverage digital technology adoption as a critical resource, with ICT capability enabling firms to navigate crises like COVID-19 and seize strategic opportunities for survival. TAM provides a framework of how travel firms can integrate technologies and capabilities into business operations (Venkatesh & Davis, 2000).

Despite the importance of digital technology adoption and ICT resource capability, there is limited scholarly research on their impact on business survival in the Ugandan context, specifically on traditional travel agencies. This study aimed to fill this gap by examining how traditional travel agencies in Uganda adapt digital technology and ICT resource capability to influence their survival.

1.2 Problem Statement

Businesses that survive foster industry resilience enhancing destination competitiveness and economic contributions (Rastegar et al., 2023). Through its authorities, such as the Uganda Tourism Board (UTB), the government of Uganda has initiated measures to regulate and promote the growth of the tourism sector (Monitor, 2025). However, travel and tour operators remain at risk of closure due to failure to meet these standards (Monitor, 2021). Reports indicate that Uganda ranks highly in entrepreneurship, yet a majority (54%) of enterprises fail to survive beyond five years, and 28% of SMEs, including traditional travel agencies, are less than a year old (Kabatunzi, 2022).

Traditional travel agencies in Uganda are facing significant challenges that threaten their survival in an increasingly competitive tourism landscape (Monitor, 2021). The government's directive for agencies to procure air tickets directly from airlines has disrupted the traditional business model of travel agencies, leading to financial strains of Shs4.5 trillion in air ticket debt and operational uncertainties (Uganda Tourism Consultants (UTC), 2020). Additionally, limited digital technology adoption and weak ICT resource capabilities have hindered the competitiveness of traditional travel agencies, as many lack the infrastructure and skills needed to meet evolving market demands (UTC, 2020). Failure to adopt digital technologies and enhance ICT capabilities may lead to a looming risk of widespread closures among traditional travel agencies, which could adversely affect the broader tourism sector and the national economy (UTC, 2020).

Empirical evidence suggests that digital technology adoption (Abed, 2022; Chu, 2024) and ICT resource capability (Maulana et al., 2024; Xue et al., 2023; Trieu et al., 2023) can significantly enhance operational the survival of business. However, the extent to which these assertions are correct is unclear and has not been empirically tested in the Ugandan context, specifically in traditional travel agencies. Therefore, this study examined the relationship between digital technology adoption, ICT resource capability, and the survival of traditional travel agencies in Uganda.

1.3 Purpose of the Study

The aim was to examine the relationship between digital technology adoption, ICT resource capability, and business survival among traditional travel agencies in Uganda.

1.4 Objectives of the Study

i. To examine the relationship between digital technology adoption and the survival of traditional travel agencies in Uganda

ii. To examine the relationship between ICT resource capability and the survival of traditional travel agencies in Uganda

iii. To find out the combined effect of digital technology adoption and ICT resource capability on the survival of traditional travel agencies in Uganda

1.5 Research Questions

i. What is the relationship between digital technology adoption and the survival of traditional travel agencies in Uganda?

ii. What is the relationship between ICT resource capability and the survival of traditional travel agencies in Uganda?

iii. What is the combined effect of digital technology adoption and ICT resource capability on the survival of traditional travel agencies in Uganda?

1.6 Scope of the Study

1.6.1 Subject Scope

The study focused on the relationship between digital technology adoption, ICT resource capability, and business survival. Digital technology adoption and ICT resource capability were the independent variables, and business survival was the dependent variable.

1.6.2 Geographical Scope

The study focused on traditional travel agencies operating under the Uganda Travel Agents Association (TUGATA) within the Kampala Metropolitan region, which comprises Kampala, Wakiso, and Mukono districts. This region is the commercial hub of Uganda, hosting the highest concentration of travel agencies, with 410 agencies registered under TUGATA. Additionally, travel agencies in this region face intense competition and rapidly evolving market dynamics, making it an ideal setting for examining the factors influencing business survival in the digital era.

1.6.3 Time Scope

The study was conducted between February and June 2025 to allow adequate data collection, analysis, and reporting time. This period also aligns with the research design of this study, as it is cross-sectional in nature.

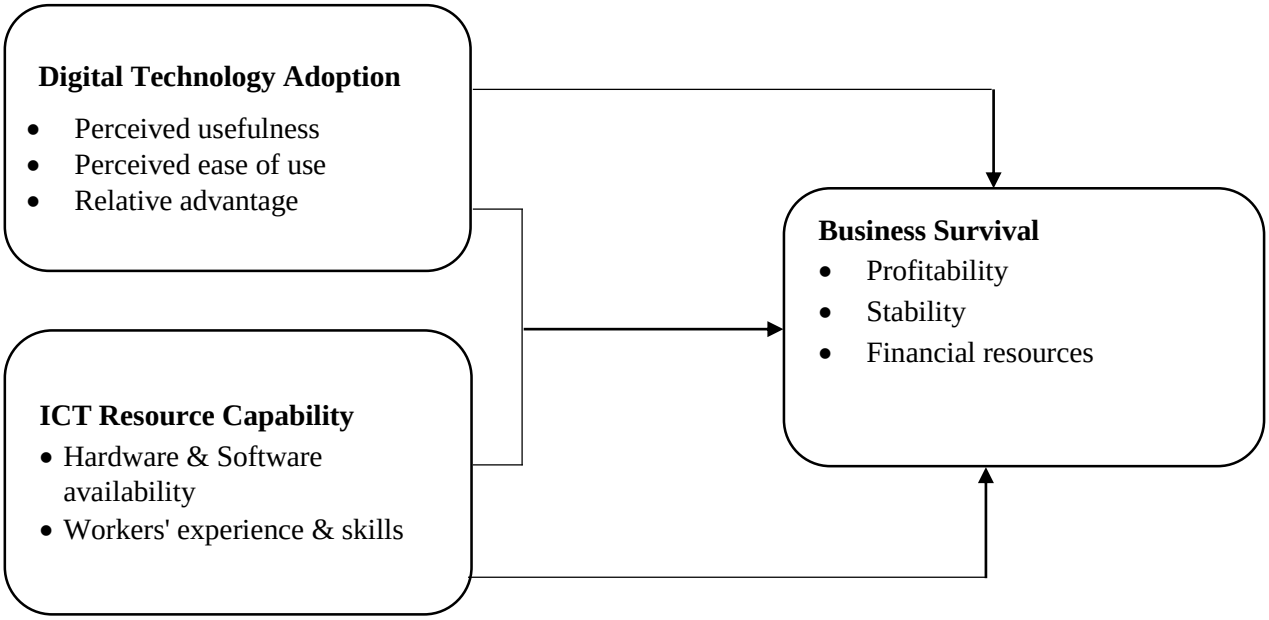
1.7 Significance of the Study

Policy Makers: This study may offer insights into the role of digital technology and ICT resource capability in sustaining traditional travel agencies, helping policymakers to formulate supportive policies, incentives, and regulations that promote digital transformation and business resilience in Uganda's tourism sector.

Practitioners: For travel agency owners and managers, the study may present practical strategies for leveraging digital technologies and optimizing ICT resources to improve the long-term survival of their businesses in an increasingly digitalized marketplace.

Knowledge Body/Academicians: The study may add to the existing literature on digital technology adoption, ICT resource capability, and business survival by providing empirical evidence from Uganda's travel industry. It may act as a reference for future research on digital technology adoption, ICT resource capability, and business survival in developing economies.

1.8 Conceptual Framework



Source: Researcher, 2025 (adopted and modified from Mugo et al., 2017; Hasniza et al., 2013; Nkundabanyanga et al., 2020; Mohamed Senin et al., 2024).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the study variables of digital technology adoption, ICT resource capability, and business survival theoretically, conceptually, and empirically. The study examined the connections between digital technology adoption and business survival, ICT resource capability and business survival, and the combined effect of digital technology adoption and ICT resource capability on business survival, all of which have been studied by earlier researchers.

2.1 Theoretical Review

2.1.1 Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), introduced by Fred Davis in 1989, is a widely recognized framework for understanding user acceptance of information technology. TAM posits that two primary factors (perceived usefulness (PU) and perceived ease of use (PEOU)) determine an individual's intention to adopt and use a technology (Davis, 1989). Perceived usefulness refers to the degree to which a user believes that a technology will enhance their job performance, while perceived ease of use reflects the belief that the technology is effortless to use. These factors influence attitudes toward technology adoption, which in turn affect behavioral intentions and actual usage (Venkatesh & Bala, 2008).

TAM extends beyond individual user acceptance to organizational contexts, where it explains how firms adopt technologies to achieve competitive advantages. In the context of traditional travel agencies in Uganda, TAM highlights how ICT resource capabilities and digital technology adoption are driven by the perceived benefits of improved efficiency, customer engagement, and market competitiveness (Park et al., 2022). Unlike the Resource-Based View (RBV), which focuses on static resource heterogeneity, TAM emphasizes the dynamic process

of technology acceptance, where user perceptions shape the integration of digital tools to adapt to rapidly changing market environments (Marangunić & Granić, 2015).

In applying TAM to traditional travel agencies, the model suggests that the successful adoption of digital technologies depends on how owners and managers perceive their utility and usability. For instance, ICT resources such as online booking platforms or customer relationship management systems are adopted when perceived as valuable for streamlining operations or enhancing customer satisfaction (Law et al., 2018). The model also accounts for external factors, such as training and infrastructure availability, which influence ease of use and, consequently, adoption rates (Venkatesh & Bala, 2008). By aligning ICT capabilities with business processes, travel agencies can enhance operational efficiency and resilience in competitive markets.

TAM underscores the role of managerial perceptions in driving technology adoption for business survival. Owners and managers of travel agencies in Uganda who perceive digital technologies as useful and user-friendly are more likely to invest in ICT resources, leading to improved firm performance and sustainability (Kim & Lee, 2020). The adoption of digital tools, such as social media marketing or e-commerce platforms, enhances profitability, customer retention, and financial stability, all of which are critical for the survival of traditional travel agencies in a digital era (Amankwah-Amoah et al., 2021). Thus, TAM provided a robust framework for understanding how ICT resource capability and digital technology adoption contribute to the long-term success of these firms.

2.2 Conceptual Review

2.2.1 Business Survival

According to Nkundabanyanga et al. (2020), business survival refers to an organization's ability to function reliably and endure over an extended period. According to Agbolade (2014) and

Mutesigensi et al. (2017), enterprise survival also refers to a company's ability to endure setbacks, adapt to changing market conditions, and operate sustainably while satisfying its stakeholders. Cant et al. (2014) assert that, especially for micro and small businesses (MSEs), survival is strongly linked to the manager's or owner's unique skills and qualities.

The ability of a company to continue operating for more than five years, exhibiting resilience in a dynamic and competitive market, is closely tied to its business survival (Hyder & Lussier, 2016). According to earlier research, financial resources, stability, and profitability are the most important factors in a business's potential to survive (Nkundabanyanga et al., 2020; Abaho et al., 2017; Lubowa, 2021; Mohamed Senin et al., 2024).

Profitability is a key factor in determining a company's ability to survive, as it ensures that it can cover ongoing expenses and reinvest in expansion opportunities. Businesses that generate a steady income are more resilient to market and economic fluctuations (Nkundabanyanga et al., 2020). Furthermore, a company's long-term sustainability is strengthened by profitability, which improves its capacity for growth, innovation, and successful market competition (Vijay & Ajay, 2011).

Stability: The ability of a company to sustain steady performance and withstand external shocks, such as market volatility, industry disruptions, or economic crises, is known as business stability. Stable companies frequently have robust managerial structures, sound decision-making processes, and flexible strategies that support their long-term survival (Abaho et al., 2017). Additionally, stability enhances the firm's ability to operate smoothly over time by fostering trust among key stakeholders, including investors, employees, and consumers (Lubowa, 2021).

Financial resources: By providing the necessary funds for growth, operational continuity, and crisis management, the availability of financial resources is crucial to a corporation's

sustainability. Businesses are more likely to maintain growth and overcome financial obstacles if they have access to a variety of funding sources, including retained earnings, outside finance, and credit facilities (Mohamed Senin et al., 2024). Businesses can invest in personnel development and productivity-boosting technologies with the help of a well-managed financial structure, increasing their chances of long-term success (Nkundabanyanga et al., 2020).

2.2.2 Digital Technology Adoption

Digital technologies comprise computers, mobile devices, the Internet, and software applications, exemplifying digital technologies that encompass electronic tools, systems, devices, and resources that create, store, and process data (Ndung'u, 2019). This combination of ICT resources for creating, analyzing, storing, and utilizing data to maximize the advantages of digital processes is termed "digital technology adoption" (Meessen, 2018; Kahrović & Avdović, 2021). Digitalization has revolutionized pricing strategies, marketing channels, and service efficiency in sectors such as travel and tourism, leading to the development of new operational models (Assaf & Tsionas, 2018).

As the Internet, smart devices, and the demand for digital content become increasingly prevalent, businesses adopt digital technologies at a growing pace (Al-Razgan et al., 2021). Additionally, embracing digital technology offers a variety of services that enhance corporate performance, including interactive platforms, multimedia sharing, communication tools, and analytical resources (Korir & Muchemi, 2020). Researchers Davis (1991, 2003) and Rogers (1983, 2003) indicate that perceived usefulness, perceived ease of use, and relative advantage influence the adoption of digital technology.

Perceived usefulness: Venkatesh et al. (2003) define perceived usefulness as the extent to which a user believes that implementing a digital system will enhance productivity and work performance. Businesses and individuals are more inclined to adopt technologies that provide

clear benefits such as time savings, improved productivity, and enhanced decision-making (Davis, 1989). When digital tools boost operational performance and competitiveness within their specific industries, organizations view them favorably (Tao et al., 2022).

Perceived ease of use (PEU) refers to the extent to which consumers expect a digital system will be user-friendly and require minimal effort to operate (Davis et al., 1989). Adoption rates are higher for technologies that are user-friendly and intuitive and demand less technical expertise (Tao et al., 2022). A system's accessibility, ease of use, and low learning curve significantly affect users' willingness to integrate it into their workflows (Venkatesh et al., 2003).

Relative advantage, as defined by Rogers (2003), encompasses the perceived benefits of implementing digital technology compared to existing methods or systems. Generally, adoption rates are higher for technologies that yield cost savings, improve communication, increase accessibility, and provide competitive advantages (Davis, 2003). Companies prioritize digital solutions that enhance customer satisfaction, streamline processes, and provide real-time data insights, thereby influencing their decision to transition to digital platforms (Meessen, 2018).

2.2.3 ICT Resource Capability

The Resource-Based View (RBV) paradigm, which emphasizes that companies must efficiently utilize their internal resources, including human resources, to achieve sustainability and competitive advantage, is the foundation of capability, as articulated by Jay Barney (1991). Digital technology has a big impact on organizational resources in today's business environment. Thus, companies need to build certain skills to manage internal operations effectively (Dethine et al., 2020). By enhancing the customer experience, refining operational

procedures, and reimagining business models, digital capacity enables organizations to become more competitive (Royyana, 2021).

The ability of an organization to effectively use digital technologies, fusing technology resources with human skills to achieve strategic goals, is referred to as ICT competency. Utilizing ICT to gather, store, process, and distribute information requires a variety of abilities, skills, and knowledge (Tekyiwa & Asare, 2016). Additionally, business agility is supported by ICT capabilities, which help companies maintain long-term growth and navigate changing market situations (Melhem & Jacobsen, 2021). The availability of hardware and software, along with the expertise and skills of employees, are the primary factors that determine the success of ICT resource capability (Hasniza et al., 2013; Chai et al., 2013).

Hardware and Software Availability: A key element of ICT resource capability is the availability of hardware and software, which establishes an organization's ability to utilize and apply digital technologies efficiently. Business sustainability is aided by dependable and modern ICT infrastructure, which improves communication, data management, and operational efficiency (Hasniza et al., 2013). Businesses can enhance service delivery, automate procedures, and optimize workflows by utilizing state-of-the-art hardware and software, thereby gaining a competitive edge in the digital economy (Chai et al., 2013).

Workers' Experience and Skills: Because proficient workers can effectively utilize digital tools and technologies to stimulate creativity and productivity, workers' experience and skills are crucial to maximizing the benefits of ICT resources. Strong ICT competencies among staff members enhance an organization's capacity for technological adaptation, problem-solving, and decision-making (Oluwatayo, 2012). Programs for ongoing training and development ensure that employees stay informed about emerging digital trends, enabling companies to

remain adaptable in response to market changes and technological advancements (Omotayo, 2015).

2.3 Empirical Review

2.3.1 The relationship between digital technology adoption and business survival

Numerous studies suggest a link between the adoption of digital technology and the longevity of businesses. Munikrishnan and Mamun's (2021) study, for instance, examines the competitiveness and survival of traditional travel firms in Malaysia. Coexisting with technology and implementing proactive strategies such as competitive aggressiveness, public relations, dependence building, smoothing, cooperation, and maneuvering techniques are essential for travel firms to remain competitive and relevant, according to the report.

Ikol (2023) asserts that the operational performance of Kenyan travel businesses is greatly enhanced by the introduction of digital technologies. By utilizing automation, online platforms, and data analytics, businesses can increase productivity, reduce costs, and improve customer service, ensuring long-term survival in a cutthroat market. Chu (2024) explored how the use of digital technology impacted online travel companies' capacity to survive the COVID-19 pandemic in Taiwan. The results indicate that digital adoption enhances consumer engagement, operational efficiency, and resilience all vital for business survival in the rapidly evolving travel sector (Chu, 2024).

In Bandung, Indonesia, Ginting, Hendraningrum, and Hartanto (2022) revealed that companies utilizing online booking tools, digital marketing, and virtual customer interaction techniques were more capable of enduring and adapting to market changes. The findings underscore how employing digital technologies improves customer retention, business continuity, and competitiveness in the travel sector (Ginting et al., 2022). Abed (2022) emphasized the critical

importance for firms to embrace digital technology to endure COVID-19 lockdowns, highlighting how technology-enabled companies performed better amid disruptions.

Teoh, Ahmad, Abdul-Halim, and Kan (2023) examined how SMEs, particularly travel agencies, could enhance their survival prospects through the development of innovative digital business models. The impact of business strategies on firm survival during the COVID-19 pandemic was analyzed by Islam and Fatema (2023), who stressed that embracing digital technology was crucial for the survival of travel-related firms. According to Brazo et al. (2024), companies that fail to embrace digitization risk obsolescence, making responsive digital transformation a crucial element for survival.

Similarly, Retail and wholesale travel businesses that adopted digital technology during the pandemic successfully sustained operations and customer interactions, as demonstrated in a study by Ginting et al. (2022). Despite travel restrictions, these businesses managed to maintain revenue streams through digital marketing, virtual customer support, and online booking systems. A separate study by Mishrif and Khan (2023) found that SMEs embracing digital tools like cloud computing, e-commerce, and remote collaboration platforms could withstand the disruptions caused by COVID-19.

In a rapidly changing environment, adopting digital technology allowed businesses to adapt their business models, cut costs, and preserve strong customer relationships. A related study by Das et al. (2020) highlighted that technology adoption is vital for the long-term survival of SMEs, particularly in developing nations. Companies investing in digital tools enhance productivity, streamline processes, and sustain competitiveness during uncertain economic times.

2.3.2 The relationship between ICT Resource Capability and business survival

The concept of ICT Resource Capability has not been extensively explored, and the author has discovered only a few studies that support testing this idea. These include research by Diandra (Diandra & Syahputra, 2021) and Xia (Xia et al., 2022), which investigate the relationship between digital capabilities and firm survival. The ability to utilize digital and internet technologies is crucial as they can enhance competitive advantages (Correia et al., 2020; Maulana et al., 2022; Wahyuningtyas et al., 2023). Digital capability provides firms with a competitive edge, reduces costs, and boosts operational efficiency (Nambisan et al., 2017; Vial, 2021). Maulana et al. (2024) emphasize in their study that digital capabilities, particularly ICT resources, are vital for enhancing the competitive edge and long-term viability of microbusinesses.

Additionally, ICT resource competence strengthens dynamic capabilities, serving as a link between market orientation and corporate success, according to Correia et al. (2021). Companies that effectively integrate ICT tools into their operations can anticipate consumer preferences, analyze market trends, and adjust their strategies accordingly. According to Maulana et al. (2022), SMEs especially benefit from the integration of technology commercialization and data-driven business strategies. By utilizing ICT resources such as digital marketing tools, automated financial management systems, and big data analytics, firms can optimize their operations and make informed decisions.

The study by Wahyuningtyas et al. (2023) suggests that ICT resource competency is essential for cooperative competitiveness in the digital economy. By investing in digital platforms, online marketplaces, and virtual collaboration tools, companies can expand their networks and enhance their market presence. Utilizing ICT-driven strategies allows businesses to build relationships, strengthen supply chains, and engage in community-oriented economic initiatives. According to Vial (2021), contemporary organizations must undergo digital

transformation driven by ICT resources to survive and thrive. Digital transformation helps firms improve customer satisfaction, elevate service delivery, and proactively adapt to technological advancements, ensuring competitiveness.

Adoption of internet technology significantly enhances innovation and competitive advantage, particularly in small-scale travel firms, as noted by Xue et al. (2023). Travel businesses can provide clients with seamless and personalized services through ICT resources such as digital communication tools, online booking platforms, and AI-driven customer support solutions. This not only improves operational performance but also ensures long-term survival by keeping businesses adaptable and responsive to market changes. According to Trieu et al. (2023), ICT competencies are crucial for enhancing business performance and organizational resilience, especially in SMEs.

By developing ambidexterity, the ability to balance exploration (innovation) and exploitation (efficiency) businesses can leverage ICT technologies to increase their resilience to market disruptions. Technologies such as cybersecurity solutions, digital supply chain management, and cloud-based collaboration tools allow firms to maintain stability while simultaneously exploring new growth opportunities. Through effective management and integration of ICT resources, SMEs can boost competitiveness, optimize resource utilization, and sustain growth in uncertain business environments.

2.3.3 The combined effect of digital technology adoption and ICT resource capability on Business survival

Numerous previous studies have indicated the combined effect of digital technology adoption and ICT resource capability on business survival. For example, according to Anuntarumporn and Sorhsaruht (2022), maintaining business operations in the ICT sector heavily depends on the synergy between the adoption of digital technologies and ICT resource competence. Their

research suggests that businesses that utilize ICT infrastructure alongside digital technologies gain a competitive edge by becoming more inventive, efficient, and flexible. This integration enables businesses to respond promptly to market and technological changes, ensuring their long-term survival in competitive markets.

Shahadat et al. (2023) investigate how ICT resource capabilities and digital technology adoption affect SMEs in emerging nations, where organizational, technological, and environmental limitations often impede growth. The report indicates that businesses with strong ICT capabilities are better equipped to adopt and leverage digital technology to boost productivity, optimize processes, and facilitate improved decision-making. According to Sudirman et al. (2025), SMEs formulate sustainable resilience strategies which are critical for business survival by merging the adoption of digital technology with ICT resource competence. The findings demonstrate that digitalization supported by ICT capabilities acts as a survival mechanism in volatile business environments, ensuring companies maintain their agility and competitiveness.

A meta-analysis by Karim et al. (2022) explores the moderating effect of ICT resource capabilities on the relationship between digital technology usage and company performance. The study highlights that businesses in less technologically advanced regions may struggle to achieve the same level of efficiency due to limited ICT resources, underscoring the significance of ICT proficiency in maximizing the benefits of digital adoption for long-term viability. Aghazadeh et al. (2024) examine the role of digital transformation and ICT resource competence in the internationalization of SMEs, revealing that businesses with considerable digital maturity and resilience are better equipped to enter new markets. The results emphasize that to ensure operational stability and long-term survival in foreign markets, companies seeking international expansion must balance digital adoption with ICT investment.

Manyama (2023) explores the impact of ICT adoption on SME performance in South Africa, showing that businesses that incorporate digital technology with a robust ICT infrastructure are more resilient and efficient. While adopting digital technology can enhance corporate operations, the study emphasizes that its full potential is realized only when companies possess the necessary ICT resources for effective deployment. Memon et al. (2019) argue that business performance and sustainability substantially improve when capital availability is coupled with IT capacity. Their research indicates that firms with both financial resources and a strong ICT infrastructure can better leverage digital technology to streamline processes, reduce costs, and enhance profitability.

Memon et al. (2019) stress that businesses should view ICT competence as an integral component of a broader digital transformation strategy that promotes long-term survival rather than as a standalone investment. Yang et al. (2022) investigate how SME performance is influenced by the interaction of external readiness, e-commerce functionality, and ICT resource competence. The survey indicates that ICT skills support digital tools to function optimally, allowing firms to grow successfully. This integration enables businesses to navigate digital disruptions, adapt to market changes, and achieve long-term success in increasingly competitive landscapes.

2.4 Summary of literature and research gaps

Adoption of digital technology and business survival are strongly correlated, according to the literature, especially in the tourism industry. Research indicates that Travel agencies that successfully integrated digital booking systems, e-commerce, and virtual customer service are examples of how digital transformation has helped businesses endure interruptions like the COVID-19 pandemic.

However, there is little information available about traditional travel agents in Uganda because the majority of studies focus on developed economies or large SME industries. It is still unclear how much these organizations have embraced digital technologies and what particular difficulties they encounter while using technology to stay afloat. ICT resource capability, which offers the infrastructure required for successful digital transformation, is essential to improving corporate survival. Strong ICT capabilities enable businesses to improve service delivery, optimize operations, and improve decision-making.

The combination of digital tools and ICT resources enhances long-term competitiveness, market response, and innovation. On the other hand, little is known about how traditional travel companies use ICT infrastructure to encourage digital adoption, especially in Uganda. Current research mainly concentrates on SMEs as a whole, ignoring industry-specific obstacles such as insufficient ICT investment, a lack of experience, and legal limitations. Insights on the strategic alignment of digital adoption and ICT capabilities to support the Ugandan travel industry was obtained by filling these gaps.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter outlines the methods for obtaining data from the respondents, describes the population to be studied, details the sampling method and size, presents the research design, explains the measurement of variables, and discusses data processing and analysis, as well as how reliability and validity was established. Additionally, it covered the data collection methods and acknowledge the limitations that may be encountered throughout the study.

3.1 Research design

The study utilized a cross-sectional design as the researcher collected data from a specific point in time (Creswell, 2014). Additionally, the study adopted a quantitative approach since its purpose is to test rather than generate theory and focused on describing and drawing inferences from the relationships between the independent variables (digital technology adoption and ICT resource capability) and the dependent variable (business survival).

3.2 Target population

The target population consisted of 410 traditional travel agencies that operate under the Uganda Travel Agents Association (TUGATA, 2024) in the Kampala Metropolitan region, which includes the districts of Kampala, Wakiso, and Mukono.

3.3 Sample Size

Out of a population of 410 traditional travel agencies, a sample of 196 agencies were selected as determined by Krejcie and Morgan (1970). According to the Krejcie and Morgan table (1970), a sample size of 196 is appropriate for a population of 410.

3.4 Sampling Procedure

Stratified sampling grouped different properties into strata comprising three districts of the Kampala Metropolitan region, from which the simple random sampling method was used to select the properties. Stratified random sampling was applied to ensure that the selected sample reflects the heterogeneity of the population (Creswell, 2014). Simple random sampling was used to select traditional travel agencies, as it provides an equal chance for all agencies to be selected. This sampling method used Excel to proportionately select a sample of 196 traditional travel agencies.

3.4.1 Unit of analysis and inquiry

The unit of analysis was traditional travel agencies, while the unit of inquiry included either the manager or the proprietor of the selected agency. One respondent was sampled from each traditional travel agency, resulting in a total of 196 target respondents.

3.5 Data Collection Instrument

A self-administered structured questionnaire measured respondents' perceptions, as it aids in gathering data from a large sample and saves time. The questions were close-ended because they are exhaustive and mutually exclusive. Research assistants helped administer the questionnaires. Questions were rated using a 5-point Likert Scale: strongly agree (5), agree (4), uncertain (3), disagree (2), and strongly disagree (1). The questionnaire was divided into sections to specifically address all the variables in the model.

3.6 Measurement of variables

- **Digital technology adoption** was measured using perceived usefulness, perceived ease of use, and relative advantage, as noted in the reviews of studies by Davis (1991, 2003), Rogers (1983, 2003), and Mugo et al. (2017).

- **ICT Resource Capability** was evaluated based on the availability of hardware and software, as well as workers' experience and skills, drawing from the studies by Hasniza et al. (2013) and Chai et al. (2013).
- **Business Survival** was measured by profitability, stability, and financial resources based on the tools developed by Nkundabanyanga et al. (2020), Lubowa (2021), and Mohamed Senin et al. (2024).

The aforementioned measures were implemented for this study with adaptations to accommodate the Ugandan context.

3.7 Validity and reliability

3.7.1 Validity

Validity determines whether the research accurately measures what it is intended to measure and how truthful the research results are (Golafshan, 2003). The questionnaire scale for expert validity was utilized to establish this validity. The questionnaire was provided to two experts, who evaluated the relevance of each item in the instrument to the objectives and rate each item on a scale from 1 to 5, where 1 indicates strongly disagree, 2 indicates disagree, 3 indicates not sure, 4 indicates agree, and 5 indicates strongly agree. The Content Validity Index (CVI) was employed to assess the relevance and clarity of the questions. The Content Validity Index (CVI) results were presented in Table 3.1.

Table 3.1: Content Validity Index

Variable	CVI	Number of items
Digital technology adoption	0.850	17
ICT Resource Capability	0.800	12
Business Survival	0.809	17

Source: primary data

3.7.2 Reliability

Reliability is the ability of a measure to produce consistent results when the same entities are assessed under varying conditions (Field, 2009). The Cronbach's Alpha coefficient was employed to evaluate the reliability of the instrument, and if the Cronbach's alpha coefficient exceeds 0.70, the instrument was deemed reliable. the reliability results are as shown in Table 3.2 below.

Table 3.2: Reliability Analysis

Variable	Cronbach alpha	Number of items
Digital technology adoption	0.931	17
ICT Resource Capability	0.902	12
Business Survival	0.921	17

Source: primary data

Results in the table 3.2 showed that all variables under the study had reliable items since the Cronbach's alpha statistic for all the variables were above the 0.70 threshold according to Nunnally and Nunnally (1978).

3.8 Data Processing and Analysis

The collected data was compiled, sorted, edited, classified, and coded into a coding sheet, and then analyzed using the Statistical Package for the Social Sciences (SPSS) program, version 23, to establish the relationship between digital technology adoption and ICT resource capability in relation to the business survival of traditional travel agencies. This analysis provided descriptive statistics, along with correlation and regression outputs.

Pearson's correlation coefficient was utilized to determine the strength of the relationship between the study variables. Additionally, a multiple linear regression analysis was conducted to identify the variance in the dependent variable that is explained by the independent variables.

3.9 Ethical Consideration

- The researcher received a letter of introduction from Makerere University Business School, which clearly outlines the purpose of the study, in order to request permission from traditional travel agencies before collecting data from their staff.
- As a researcher, the confidentiality of respondents was ensured. They were informed ahead of time that the information provided will be used solely for academic purposes, and any data concerning private matters will be treated with discretion and confidentiality. This commitment to confidentiality was upheld.
- The researcher also ensured that the information gathered remains confidential and is strictly for academic purposes, and respondents' names will not be required on the questionnaires. They have the freedom to choose whether or not to participate in the study.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter presents the study results and interpretation. Specifically, this chapter displays the demographic characteristics, descriptive statistics of the study variables, correlation analysis results and the regression analysis results. The analyses are guided by study objectives which are; to examine the relationship between digital technology adoption and the survival of traditional travel agencies in Uganda, to examine the relationship between ICT resource capability and the survival of traditional travel agencies in Uganda, and to find out the combined effect of digital technology adoption and ICT resource capability on the survival of traditional travel agencies in Uganda.

4.1 Response Rate

Out of 196 questionnaires distributed to traditional travel agencies, 160 questionnaires were returned and giving rise to a response rate of 81.6% which is suitable to draw valid and reliable conclusions. According to Mugenda and Mugenda (2003), a 50% response rate is adequate, 60% good and above 70% rated very well. This also concurs with Kothari (2004) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on these assertions; the response rate in this case of 81.6% was very good.

Table 4.1: Response Rate

Targeted respondents	Attained respondents	Response rate
196	363	81.6%

Source: Primary data

4.2 Demographic Characteristics of Respondents

This section presents information about the background characteristics of the respondents that took part in the study. The background characteristics analyzed include; gender, age of respondent, level of education, and number of years working with the enterprise.

Table 4.2: Showing Demographic Characteristics of the Respondents

Variable N=160	Category	Frequency	Percent
Gender	Male	95	59.4
	Female	65	40.6
	Total	160	100.0
Age	Less than 25 years	18	11.3
	25 - 30 years	56	35.0
	31 - 35 years	44	27.5
	36 - 40 years	20	12.5
	Above 40 years	22	13.8
	Total	160	100.0
Level of education	Certificate	17	10.6
	Diploma	29	18.1
	Degree	79	49.4
	Master	35	21.9
	Total	160	100.0
Number of years in the enterprise	Less than 5 years	42	26.3
	5 - 10 years	47	29.4
	11 - 15 years	44	27.5
	Above 15 years	27	16.9
	Total	160	100.0

Source: Primary Data

According to Table 4.2, 59.4% of the 160 respondents were male, while 40.6% were female. This suggests that traditional travel agencies in Uganda employ both genders, with a higher representation of male employees. The predominance of male respondents may reflect their significant involvement in roles related to digital technology adoption, ICT resource capability, potentially influencing the strategic decisions that contribute to the resilience of these agencies in a competitive, technology-driven market.

The age distribution of respondents indicates that 35.0% were aged 25–30 years, 27.5% were 31–35 years, 12.5% were 36–40 years, 13.8% were above 40 years, and 11.3% were less than 25 years. With 62.5% of respondents aged between 25 and 35 years, the majority are in their

prime working years, likely possessing the energy and adaptability needed to embrace digital technologies and ICT resource capability which are relevant in ensuring business resilience traditional travel agencies.

Regarding education levels, 49.4% of respondents held a bachelor's degree, 21.9% had a master's degree, 18.1% had a diploma, and 10.6% had a certificate. This high level of literacy, with 71.3% possessing a degree or higher, suggests that the respondents are well-educated and likely capable of understanding and leveraging ICT resources effectively. Their educational background supports their ability to provide reliable insights into the role of digital technology and ICT capability in enhancing the resilience of traditional travel agencies in Uganda during challenging times.

In terms of years of experience with the enterprise, 29.4% of respondents had 5–10 years, 27.5% had 11–15 years, 26.3% had less than 5 years, and 16.9% had over 15 years. The majority, with 56.9% having 5–15 years of experience, indicate a seasoned workforce familiar with the operational and technological dynamics of the travel industry. This experience positions them well to provide informed perspectives on how digital technology adoption and ICT resource capability contribute to the resilience of traditional travel agencies in Uganda.

4.3 Business Characteristics

This section presents information about the traditional travel agencies under study. The background information about the business analysed include the business age, number of employees, estimated annual income and business location as shown in the table below.

Table 4.3: Showing businesses Profile

Variable N=160	Description	Frequency	Percent
Business age	Less than a year	17	10.6
	1 - 2 years	25	15.6
	3 - 5 years	30	18.8
	6 - 10 years	32	20.0
	Over10 years	56	35.0
	Total	160	100.0
Number of Employees	Less than 5 people	36	22.5
	6 - 10 people	50	31.3
	Over 10 people	74	46.3
	Total	160	100.0
Estimated annual income	Less than 00 - 50m	41	25.6
	51m - 100m	45	28.1
	101m - 150m	44	27.5
	Above 150m	30	18.8
	Total	160	100.0
Business Location	Kampala	69	43.1
	Wakiso	34	21.3
	Mukono	57	35.6
	Total	160	100.0

Source: Primary Data

Table 4.3 indicates that 35.0% of the travel agencies have been operating for over 10 years, 20.0% for 6–10 years, 18.8% for 3–5 years, 15.6% for 1–2 years, and 10.6% for less than a year. With 55.0% of the businesses in existence for over 6 years, the majority have substantial operational experience. This longevity suggests that these traditional travel agencies have navigated market challenges, including the adoption of digital technologies, making their insights into ICT resource capabilities and business survival strategies reliable and valuable.

Regarding the number of employees, 46.3% of the agencies employ over 10 people, 31.3% have 6–10 employees, and 22.5% have fewer than 5 employees. The predominance of traditional travel agencies with 6 or more employees (77.6%) indicates a moderate to large workforce, likely necessitating robust ICT infrastructure to manage operations effectively. This workforce size suggests that these agencies have the human resources to implement and sustain digital technology solutions, contributing to their resilience in a competitive market.

The estimated annual income distribution shows 25.6% of agencies earning less than 50 million UGX, 28.1% earning 51–100 million UGX, 27.5% earning 101–150 million UGX, and 18.8% earning above 150 million UGX. With 74.4% of traditional travel agencies earning over 50 million UGX annually, the majority demonstrate financial stability, which may support investments in ICT resources and digital tools. This financial capacity likely enhances their ability to adopt digital technologies and ICT resources that improve operational efficiency and ensure business survival in the evolving travel industry.

In terms of business location, 43.1% of the agencies are based in Kampala, 35.6% in Mukono, and 21.3% in Wakiso. The concentration in urban centers like Kampala and Mukono (78.7%) suggests access to better infrastructure, including internet connectivity and technological resources, which are critical for digital technology adoption. These locations likely facilitate the integration of ICT solutions, enabling agencies to remain competitive and resilient in the tourism sector.

4.4 Descriptive Statistics

The summary descriptive statistics of the independent and dependent variables analyzed in the study on digital technology adoption, ICT resource capability, and business survival among traditional travel agencies in Uganda are presented in Table 4.3. The dependent variable in this study is business survival, while the independent variables include digital technology adoption and ICT resource capability. The purpose of descriptive statistics is to assess whether the calculated means accurately represent the observed data, ensuring the mean is a reliable reflection of reality (Field, 2009; Saunders et al., 2007). The descriptive statistics, including means, standard deviations, minimum, and maximum values, are summarized in the table to provide a clear overview of the data.

Table 4.4: Descriptive Statistics

	N	Min	Max	Mean	SD
Perceived usefulness	160	1.43	5.00	3.9304	.71653
Perceived ease of use	160	1.50	5.83	4.5323	.84085
Relative advantage	160	1.50	5.00	3.9312	.70262
Digital Technology Adoption	**160**	**1.35**	**4.82**	**3.9048**	**.64562**
Hardware & Software availability	160	1.40	4.80	3.8375	.75041
Workers' experience & skills	160	1.29	5.00	3.8893	.68987
ICT Resource Capability	**160**	**1.58**	**4.75**	**3.8677**	**.66017**
Profitability	160	1.13	4.75	3.6953	.74983
Stability	160	1.25	5.00	3.6953	.81151
Financial resources	160	1.20	4.80	3.7337	.77337
Business Survival	**160**	**1.29**	**4.65**	**3.7066**	**.68714**
Valid N (listwise)	160				

Source: primary source

Results in table 4.4 above indicated that the mean values for digital technology adoption, ICT resource capability, and business survival among traditional travel agencies in Uganda are 3.905, 3.678 and 3.707 respectively. The standard deviations for digital technology adoption, ICT resource capability, and business survival among traditional travel agencies in Uganda are 0.6456, 0.6602 and 0.6871 respectively. The standard deviations are all below 1, indicating low variability in responses and suggesting that the calculated means are highly representative of the observed data (Nkundabanyanga, Tauringana & Muhwezi, 2015; Field, 2009; Saunders, Lewis & Thornhill, 2007).

The standard deviation reflects the extent to which respondents' views deviate from the mean scores. A standard deviation below 1, as observed in this study, indicates uniformity in opinions, while a higher standard deviation (above 1) would suggest varying perspectives. With all means above 3.00, respondents generally agree on the importance of digital technology adoption and ICT resource capability in contributing to business survival. The low standard deviations further confirm that there is a consensus among respondents, reinforcing the reliability of these findings in the context of traditional travel agencies in Uganda.

4.5 Correlation Results

A bivariate Pearson correlation analysis was conducted to establish the relationship between the variables under study as summarized in Table 4.5 below. Correlation analysis is important to establish the strength of the relationship between the variables under study. This analysis was particularly important in addressing the study objectives. Pearson's correlation coefficient analysis was conducted to establish the relationships between predictor variables (digital technology adoption and ICT resource capability) and the outcome variable (business survival). The intention was to evaluate whether linear relationships existed between predictor variables and the outcome variable. Pearson's correlation coefficient (r) was used because it is a parametric statistic and requires interval data for both variables (Garson, 2012). As a result, bivariate-correlation analyses were performed, and Pearson Correlation coefficients were generated to measure the direction and size of relationship between digital technology adoption, ICT resource capability, business survival of traditional travel agencies in Uganda (Field, 2009).

Table 4.5: Correlations

	1	2	3	4	5	6	7	8	9	10	11
Perceived usefulness (1)	1										
Perceived ease of use (2)	.766**	1									
Relative advantage (3)	.776**	.639**	1								
Digital Technology Adoption (4)	.938**	.914**	.850**	1							
Hardware & Software availability (5)	.660**	.644**	.595**	.700**	1						
Workers' experience & skills (6)	.648**	.638**	.552**	.684**	.700**	1					
ICT Resource Capability (7)	.708**	.694**	.619**	.748**	.900**	.941**	1				
Profitability (8)	.621**	.620**	.562**	.664**	.570**	.703**	.699**	1			
Stability (9)	.525**	.474**	.554**	.562**	.461**	.470**	.505**	.605**	1		
Financial resources (10)	.689**	.619**	.622**	.711**	.472**	.554**	.561**	.706**	.743**	1	
Business Survival (11)	.693**	.655**	.649**	**.732****	.577**	.675**	**.685****	.915**	.835**	.900**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: primary data.

4.5.1 The relationship between digital technology adoption and business survival

The results in Table 4.5 indicate a positive and significant relationship between digital technology adoption and business survival among traditional travel agencies in Uganda (r = .732**, p< .01). This suggests that an increase in the adoption of digital technologies translates into a positive improvement business survival of traditional travel agencies in Uganda. Furthermore, the individual dimensions of digital technology adoption, including perceived usefulness (r = .693**), perceived ease of use (r = .655**), and relative advantage (r = .649**), are positively and significantly associated with business survival of traditional travel agencies in Uganda. Thus, first objective of the study is achieved.

4.5.2 The relationship between ICT resource capability and business survival

The results in Table 4.5 also reveal a positive and significant relationship between ICT resource capability and business survival among traditional travel agencies in Uganda (r = .685**, p< .01). This indicates that improvements in ICT resource capabilities leads to positive change in business survival of traditional travel agencies in Uganda. Additionally, the individual dimensions of ICT resource capability, including hardware and software availability (r = .577**) and workers' experience and skills (r = .675**), are positively and significantly associated with business survival of traditional travel agencies in Uganda. Thus, achieving the second objective of the study.

4.6 Regression Results

Regression is the predictive potential of the independent variables on the dependent variable. The regression model was used to determine the extent to which digital technology adoption and ICT resource capability predict business survival of traditional travel agencies in Uganda. The results are presented in the Table 4.6. *Adjusted* R^2gives the idea of how well the regression model generalizes the study variables and ideally every researcher would like its value to be

the same or very close to the value of R2. Table 4.6 bellow shows the results from regression analysis.

Table 4.6: Shows the regression results of the study variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.379	.230		1.649	.101
	Digital Technology Adoption	.532	.083	.500	6.397	.000
	ICT Resource Capability	.324	.081	.311	3.983	.000
	R=.761[a], R^2=.579, Adjusted R^2=.573, F=107.881, Sig=.000, e=0.4877					

a. Dependent Variable: Brand Experience

Source: Primary Data

The results in Table 4.6 show that digital technology adoption and ICT resource capability predict 57.3% of the variance in business survival of traditional travel agencies in Uganda (Adjusted R Square =.573). This means that, there are other factors which explain the remaining 42.7% of the variance in brand business survival of traditional travel agencies in Uganda. It was also noted that digital technology adoption (Beta = .500, sig.=.000) is a better predictor of brand experience in the brand business survival of traditional travel agencies in Uganda than ICT resource capability (Beta = .311, sig. =.000). This implies that management of traditional travel agencies in Uganda should emphasize digital technology adoption through enhancing their perceived usefulness, perceived ease of use, relative advantage of the digital technologies in their operations in order to improve the resilience of their agencies. The regression model in this case was statistically significant (sig. <.000). Thus, objective three of the study is achieved.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the detailed discussion of the findings guided by the objectives of the study; the chapter also covers the conclusions, recommendations, limitations and suggested areas for further research. These are presented below.

5.1 Discussion of Findings

This study aimed at examining the relationship between digital technology adoption and the survival of traditional travel agencies in Uganda, the relationship between ICT resource capability and the survival of traditional travel agencies in Uganda, and the combined effect of digital technology adoption and ICT resource capability on the survival of traditional travel agencies in Uganda.

5.1.1 Relationship between digital technology adoption and business survival

The findings indicate a positive and significant relationship digital technology adoption and the survival of traditional travel agencies in Uganda. This is further evidenced by the predictive potential of digital technology adoption to attain survival of traditional travel agencies in Uganda, as shown by the regression results. It is thus important for traditional travel agencies in Uganda enhance the level of digital technology adoption to achieve high levels of resilience in the market. This can be done by improving enhancing their perceived usefulness, perceived ease of use, relative advantage of the digital technologies in their operations.

In this study, it is clear that the majority of traditional travel agencies in Uganda strongly agreed with statements highlighting the value of digital technology in their operations. Respondents confirmed that digital technologies simplify the use of travel systems, are highly useful for employees in performing their tasks, and enable accurate execution of work. Additionally, they

found it easy to recall how to perform tasks using digital tools and to apply these technologies across various activities. The adoption of suitable digital technologies was seen to enhance the management of operations and tasks assigned within the firm. Furthermore, respondents noted that leveraging digital technology provides a competitive edge over other travel agencies, contributing to improved efficiency and business survival. Thus, to improve business survival levels, traditional travel agencies need adopt digital technologies.

The findings align with prior research on digital technology adoption in the travel industry. Ikol (2023) found that digital tools like automation and data analytics boost operational performance, productivity, and customer service in Kenyan travel businesses, ensuring long-term survival. Similarly, Chu (2024) noted that digital adoption enhances consumer engagement, efficiency, and resilience in the evolving travel sector. Ginting et al. (2022) highlighted that online booking tools and digital marketing improve adaptability, customer retention, and competitiveness. Abed (2022) emphasized that technology-enabled firms performed better during COVID-19 disruptions. Teoh et al. (2023) showed that innovative digital business models enhance SME survival, particularly for travel agencies. Islam and Fatema (2023) underscored the critical role of digital technology in sustaining travel-related firms during the pandemic. These studies collectively support the current findings, affirming the importance of digital technology for business survival and competitiveness in Uganda's travel sector.

5.1.2 Relationship between ICT resource capability and business survival

The study results indicate that there is a significant relationship between ICT resource capability and the survival of traditional travel agencies in Uganda. This is further evidenced by the predictive potential of ICT resource capability to attain survival of traditional travel agencies in Uganda, as shown by the regression results. Therefore, the management of traditional travel agencies in Uganda should emphasize should enhance ICT resource capability

through hardware and software availability and workers' experience and skills to attain the desired level of business survival.

In this study, it is evident that most traditional travel agencies in Uganda strongly endorsed statements emphasizing the strength of their ICT resource capabilities. Respondents confirmed that their firms are equipped with essential ICT tools, such as computers, and have established IT departments with dedicated IT personnel. They also affirmed the presence of robust travel systems within their organizations. Furthermore, employees possess the necessary training and practical knowledge to effectively utilize ICT, regularly participate in seminars or workshops to enhance their ICT skills, and frequently consult senior staff for guidance on computer usage. Workers stay well-informed about various ICT techniques and materials used in the firm and demonstrate basic ICT skills for operating travel systems, reinforcing the critical role of ICT capabilities in supporting business survival. Thus, to improve business survival levels, traditional travel agencies to enhance ICT resource capabilities.

The findings of this study align with prior research on ICT resource capabilities in the travel industry. Correia et al. (2020) and Maulana et al. (2022) highlight that digital and ICT competencies enhance competitive advantages, reduce costs, and improve operational efficiency. Maulana et al. (2024) emphasize that ICT resources are critical for microbusinesses' viability and competitiveness. Correia et al. (2021) note that ICT strengthens dynamic capabilities, linking market orientation to business success. Firms leveraging ICT can anticipate consumer needs and adapt strategies effectively (Nambisan et al., 2017; Vial, 2021). Wahyuningtyas et al. (2023) suggest that ICT competency fosters cooperative competitiveness through digital platforms and virtual tools. Vial (2021) underscores ICT-driven digital transformation as essential for organizational survival. Trieu et al. (2023) affirm that ICT competencies enhance SME performance and resilience. These findings consistently support

the current study's results, emphasizing the critical role of ICT resource capability in the survival and competitiveness of Uganda's traditional travel agencies.

5.1.3 The combined effect of digital technology adoption and ICT resource capability on Business survival

The study results indicate that digital technology adoption combined with ICT resource capability positively and significantly affect business survival of traditional travel agencies in Uganda. This is evidenced by the variance of digital technology adoption and ICT resource capability in attain business survival of traditional travel agencies in Uganda given by (Adjusted R Square =.573) as shown by the regression results. Thus, to improve the level of business survival of traditional travel agencies in Uganda, it's important to improve both digital technology adoption and ICT resource capability. Much emphasis should be given to digital technology adoption through enhancing their perceived usefulness, perceived ease of use, relative advantage of the digital technologies in their operations since it emerged a better predictor of brand experience.

The findings of this study are consistent with the prior literature. For example, in their study, Anuntarumporn and Sorhsaruht (2022) highlight that integrating digital technologies with ICT infrastructure enhances innovation, efficiency, and adaptability in businesses. Shahadat et al. (2023) note that strong ICT capabilities enable SMEs in emerging markets to leverage digital tools for improved productivity and decision-making despite limitations. Sudirman et al. (2025) emphasize that combining digitalization with ICT competence fosters sustainable resilience strategies critical for SME survival. Aghazadeh et al. (2024) show that digital maturity and ICT investment support SME internationalization and operational stability. Manyama (2023) demonstrates that ICT adoption boosts resilience and efficiency in South African SMEs. Yang et al. (2022) indicate that ICT skills enhance e-commerce functionality, driving SME growth. These findings reinforce the current study's results, underscoring the

vital role of digital technology and ICT capabilities in ensuring the survival of Uganda's traditional travel agencies.

5.2 Conclusion

The objectives of this study were; to the relationship between digital technology adoption and the survival of traditional travel agencies in Uganda, the relationship between ICT resource capability and the survival of traditional travel agencies in Uganda, and the combined effect of digital technology adoption and ICT resource capability on the survival of traditional travel agencies in Uganda. The above three objectives were achieved through a questionnaire survey of 160 traditional travel agencies in Uganda from Kampala, Wakiso and Mukono representing a response rate of 81.6%. The findings of the study indicated that independent variables (digital technology adoption and ICT resource capability) predict 57.3% of the variance in affect business survival of traditional travel agencies in Uganda. Digital technology adoption emerged a stronger predictor of business survival, therefore the management of 160 traditional travel agencies in Uganda needs to emphasize digital technology adoption through enhancing their perceived usefulness, perceived ease of use, relative advantage of the digital technologies in their operations to attain the desired level of business survival. Furthermore, for traditional travel agencies in Uganda need to enhance the brand experience, they need to improve the ICT resource capability through hardware and software availability and workers' experience and skills to attain the desired level of business survival. Overall, the findings clearly show that an effective digital technology adoption combined with ICT resource capability can significantly influence the survival of traditional travel agencies in Uganda.

5.3 Recommendations

i. The management of traditional travel agencies in Uganda should make more efforts to adopt digital technologies to attain a high level of business survival. This can be done

through enhancing their perceived usefulness, perceived ease of use, relative advantage of the digital technologies in their operation.

ii. Traditional travel agencies in Uganda should ensure that their management also enhance ICT resource capability through availing hardware and software and improving workers' experience and skills in order to attain high level of business survival.

iii. The management of Traditional travel agencies in Uganda should invest in the development of their employees through trainings and organizing workshops to enable them acquires knowledge on digital technology adoption and ICT resources which are required for enhancing business survival.

5.4 Study limitations

- The data collection instrument is a standard questionnaire, which usually limits the ability to gather views about information outside the posed questions. However, the self-administered questionnaire was tested and the questions were found valid and reliable to gather the right information required by the study.
- This research focused on three factors, constraining the researcher to the relevant variables being studied. However, further studies may be conducted to ascertain other predictors of survival of traditional travel agencies in Uganda.
- The findings only represented traditional travel agencies in Kampala, which may not accurately reflect the perspectives of all travel agencies in Uganda, including their owners and employees. Further investigation, considering other national contexts and regions of the country, would be essential to address this.
- Since this study was cross-sectional, it may not capture changes in people's perceptions over time. Therefore, a longitudinal study may be necessary.

5.5 Areas for further research

This study focused on digital technology adoption, ICT resource capability and the survival of traditional travel agencies in Uganda considering agencies in Kampala, Wakiso and Mukono. Further studies should sample various other firms in the country like SMEs or other traditional firms in other districts. Additional studies should also be carried out to identify other factors that predict business survival of traditional travel agencies in Uganda, as the current independent variables only account for 57.3%.

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APPENDICES

Appendix i: Questionnaire

Makerere University

Makerere University Business School

Dear Sir / Madam,
My name is Bamwesigye Dickson, and I am a student at Makerere University Business School, pursuing a Master's degree in Hospitality and Tourism Management at Makerere University. As part of my academic work, I am conducting a research study on **"*Digital Technology Adoption, ICT Resource Capability, and Business Survival: A Case of Traditional Travel Agencies in Uganda*.** You have been selected to participate in this study because you possess valuable information and insights that are needed for the research. The information requested is solely for academic purposes, and your participation is entirely voluntary and essential for the success of this study. I kindly ask you to respond truthfully and honestly to ensure the study's success. All information provided will be treated with the utmost confidentiality.

SECTION A-1: Respondent Profile (Please tick where applicable)

1. **Gender**
   Male ☐ Female ☐
2. **Age:**
   Lest than 25 years ☐ 25-30 years ☐ 31-35 years ☐ 36-40 years ☐
   Above 40 years ☐
3. **Level of education**
   Certificate ☐ Diploma ☐ Bachelor ☐ Master ☐ Other ☐
4. **No. of years while managing the firm**
   Less than 5 years ☐ 5-10 years ☐ 11-15 years ☐ Above 15 years ☐

SECTION A-2: Business Profile

5. **Business Age**
   Less than a year ☐ 1 – 2 year ☐ 3 – 5 years ☐ 6 – 10 years ☐
   Over 10 years ☐
6. **Number of employees**
   Less than 5 people ☐ 6 – 10 people ☐ Over 10 people ☐
7. **Estimated annual Income**
   Less than 00 - 50m ☐ 51m-100m ☐ 101m-150m ☐ above 150m ☐
8. **Business Location**
   Kampala ☐ Wakiso ☐ Mukono ☐

SECTION B, C &

The table below shows the alternative responses and the number assigned to each response. Please evaluate the statement by ticking in the box with the number that best suits your response. The options are;

Strongly disagree	disagree	Not sure	agree	Strongly agree
1	2	3	4	5

SECTION B: Digital Technology Adoption

PU	***Perceived Usefulness***	***1***	***2***	***3***	***4***	***5***
Pu1	Digital technology makes use of the travel systems easy					
Pu2	Digital technologies are useful in my job					
Pu3	Digital technology enables me to do my work the right way.					
Pu4	Digital technology makes it easy for me to perform my tasks					
Pu5	Digital technology supports me to maintain work quality					
Pu6	Digital technology improves productivity at the agency					
Pu7	Digital technology enables me to have greater control over my firm					
PEU	***Perceived Ease of Use***	***1***	***2***	***3***	***4***	***5***
Peu1	It is easy to remember how to perform tasks using digital technology					
Peu2	I find it easy to apply digital technology in my work					
Peu3	I can apply digital technology across several activities					
Peu4	I find the use of digital technology friendly					
Peu5	I find digital technology easy to use					
Peu6	Learning how to use digital technology is easy					
RA	***Relative Advantage***	***1***	***2***	***3***	***4***	***5***
Ra1	Adopting appropriate digital technologies enables me better run operations and tasks assigned to me at this firm					
Ra2	Using digital technology can put me ahead of other travel agencies in the areas					
Ra3	It is better for me to adopt digital technology than lose time and efficiency at work					
Ra4	Using digital technology gives me a clear advantage over other travel agencies					

SECTION C: ICT Resource Capability

Has	***Hardware & Software Availability***	***1***	***2***	***3***	***4***	***5***
Has1	We have the necessary ICT equipment like computers at this firm					
Has2	We have an established IT department & IT worker					
Has3	We have an established travel system at the firm					
Has4	The company has an established Internet connection					
Has5	The firm have up-to-date cybersecurity measures to protect ICT systems					
Wes	***Workers Experience and Skills***	***1***	***2***	***3***	***4***	***5***
Wes1	Our workers have the necessary training to use ICT in this firm					
Wes2	Our employees have practical knowledge about the usage computers.					
Wes3	Our employees regularly attend seminars or workshops relating to ICT usage					
Wes4	Our employees usually consult my seniors on the usage of computers					
Wes5	Our workers stay informed on different ICT techniques & materials used in the firm					
Wes6	Our workers have basic ICT skills on how to use the travel systems					
Wes7	Our workers have the ability to assess the risks of ICT usage before making a final decision.					

SECTION D: Business Survival

Prof	***Profitability***	***1***	***2***	***3***	***4***	***5***
Prof1	Over the years, I have noticed an improvement in the financial position of my firm.					
Prof2	The return on investment in my company is good.					
Prof3	The total costs of the business such as operational costs, transportation, distribution costs, among others have reduced substantially over the years.					
Prof4	The overhead costs such as rent, repairs, water bills, travel, telephone bills, insurance, supplies, water bills, and taxes, among others, have reduced substantially over the years.					
Prof5	Our processes are constantly reviewed to minimize defects in operations					
Prof6	Our firm's profits have consistently increased year on year					
Prof7	Our firm has registered increasing sales revenue over the years					
Prof8	We have maintained a constant selling price for our services across the years					
Sta	***Stability***	***1***	***2***	***3***	***4***	***5***
Sta1	I and my family can depend on this business for our life time livelihood and employment					
Sta2	All payments for obligations for my business are paid on time					
Sta3	The business is able to survive, withstand and is resistant to economic shocks.					
Sta4	The business is able to keep and maintain its workforce for the next 10 years without any major challenges.					
Fr	***Financial resources***	***1***	***2***	***3***	***4***	***5***
Fr1	The business has always had enough financial resources to enable it to run smoothly					
Fr2	I am not worried about capital for my business because it always generates its own.					
Fr3	The business has all the financial resources and capacity needs, such as storage, normal workloads, technological aspects, and contingencies.					
Fr4	Our Accrued expenses have reduced in recent years					
Fr5	In our firm, we have adequate liquidity levels to finance day-to-day activities					

Thank You for Your Corporation

Appendix ii: Krejcie and D. W. Morgan table for Sample Size (s) determination

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	301	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

From: R.V. Krejcie and D. W. Morgan (1970)