

UNIT IV

Consumer buying behavior

The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

- how consumers think, feel, reason, and select between different alternatives (e.g., brands, products, and retailers);
- how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Consumer behavior involves services and ideas as well as tangible products. Main applications of consumer behavior

- **marketing strategy**—i.e., for making better marketing campaigns
- **public policy**
- **Social marketing** involves getting ideas across to consumers rather than selling something.
- **studying consumer behavior** should make us better consumers

three ways of analysing consumer buying decisions

- Economic models - These models are largely quantitative and are based on the assumptions of rationality and near perfect knowledge. The consumer is seen to

maximize their utility. See consumer theory. Game theory can also be used in some circumstances.

- Psychological models - These models concentrate on psychological and cognitive processes such as motivation and need recognition. They are qualitative rather than quantitative and build on sociological factors like cultural influences and family influences.

Consumer behaviour models - These are practical models used by marketers. They typically blend both economic and psychological models

General model for Consumer Behavior

- A general model of the **buyer decision process** consists of the following steps:
 - Problem recognition;
 - Information Search
 - Evaluation of Alternative
 - Purchase decision
 - Purchase
 - Post-purchase behavior/buyer's remorse (cognitive dissonance)
- AIUAPR MODEL
 - Awareness
 - Interest
 - Understanding
 - Attitude
 - Purchase
 - Repeat purchase

Marketing Competitive Differentiation

- Treacy & Wiersema say that there are primarily three ways in which a company can build competitive differentiation

- **Operational Excellence/Cost Leadership**
 - Provide middle-of-the-market products at the best price and the least hassle.
 - *Example:* Wal-Mart.
- **Product Leadership**
 - Provide the best product, period. Continue to innovate year after year.
 - *Example:* Intel, Nike.
- **Customer Intimacy**
 - Provide unique solutions to customers by virtue of intimate knowledge of their needs.
 - *Example:* IBM.

every company that is a leader in its market chooses to differentiate itself on one and only one of these three "value disciplines".

- For example, if a company tries to be the cost leader as well as the product leader in its market - over time, it will end up as neither, Wal-Mart doesn't sell Armanis, Nike doesn't sell cheap shoes, and IBM sells neither the cheapest nor the best products.

How Durable Is Your Competitive Advantage?

- If your company chooses to be a product leader, continue to innovate year after year
 - Intel, for example, has sustained product leadership over a very long period by out-innovating competitors. Dell, likewise, has held cost leadership for the better part of the last two decades.
- Differentiate or Die?
 - If your company's products are not differentiated in ways that really matter to your customers, your products may not necessarily die - but they certainly will be commoditized over time and at best will end up as also-ran products.

- Identify areas where your products can have strong, sustainable competitive differentiation and execute to make that the reality. This is one of the biggest values you can add to your company.

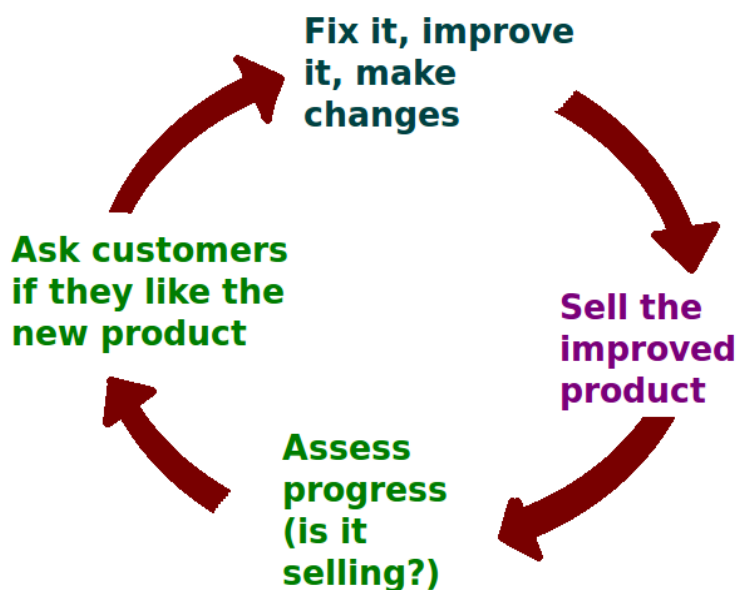
Competitive Marketing Strategy

- **Marketing strategy** is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage
- marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year
- Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned
- involves careful scanning of the internal and external environments, Internal environmental factors include the marketing mix, plus performance analysis and strategic constraints
- External environmental factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success
- Once a thorough environmental scan is complete, a strategic plan can be constructed to identify business alternatives, establish challenging goals, determine the optimal marketing mix to attain these goals, and detail implementation.
- A final step in developing a marketing strategy is to create a plan to monitor progress
- Typically there are four types of market dominance strategies:
 - Leader
 - Challenger
 - Follower
 - Nicher
- generic strategy framework (porter 1984)
 - Product differentiation (broad)

- Cost leadership (broad)
- Market segmentation (narrow)
- Innovation strategies
 - Pioneers
 - Close followers
 - Late followers
- Growth strategies
 - Horizontal integration
 - Vertical integration
 - Diversification
 - Intensification

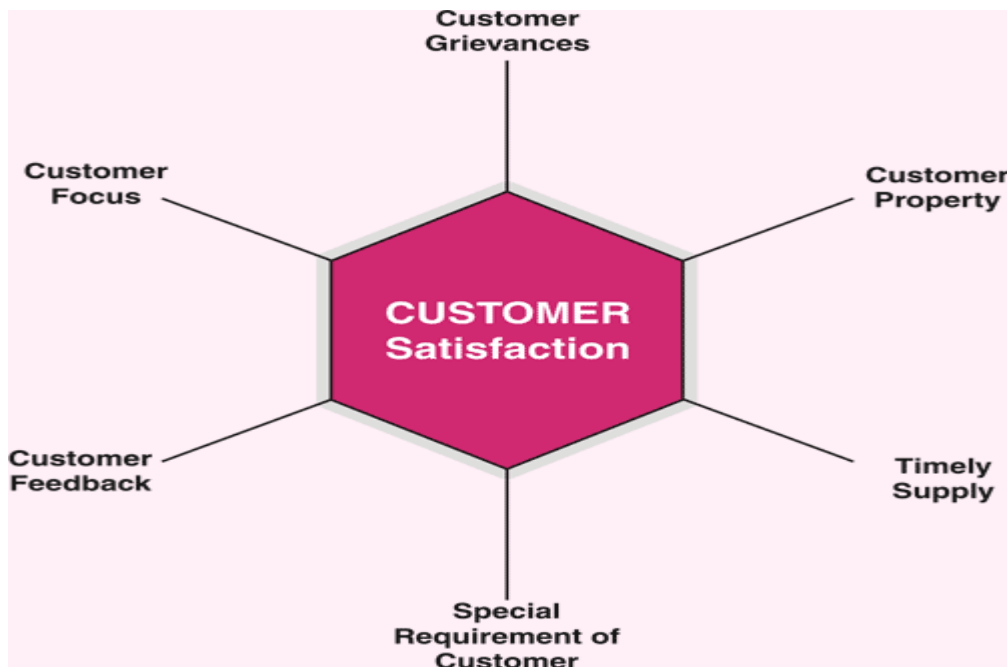
Customer Satisfaction

Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals."



Customer Satisfaction in 7 Steps

1. Encourage face-to-face dealings
2. Respond to messages promptly & keep your clients informed
3. Be friendly and approachable
4. Have a clearly-defined customer service policy
5. Attention to detail (also known as 'the little niceties')
6. Anticipate your client's needs & go out of your way to help them out
7. Honour your promises



Customer Retention

Customer retention is crucial for businesses in all industries. While traditionally there hasn't been much of a targeted focus on retention in the travel sector, it's one of the key KPIs of most large-scale businesses, and should be adopted as part of a wider customer strategy. New customers can cost hundreds, if not thousands, more to acquire than successfully retaining a previous customer, so creating customer retention and brand loyalty is important for businesses across the travel sector.

Below, we explore some of the best customer retention strategies for the travel industry.

1. Don't overlook anyone

With more and more entrepreneurs, Gen-Z and millennials turning to travel as an escape from reality, the travel industry is booming on the whole. Booking.com's research also showed that grandparents are more likely to take their grandchildren abroad, and that the current older generation is much more adventurous and travel-hungry than their predecessors.

Unfortunately for the travel sector and for hotels in particular, the tide is turning and long gone are the days of people visiting the same place for the same family holiday each year. With so much competition online, holidays and flights are now more affordable than ever, giving more choice to single travellers and families alike, making it much for people to fill their appetite of exploring new places and trying new things.

Therefore, it's important not to rule anyone out. While the trend of a one-off trip abroad is prevalent, that doesn't stop your customers from sharing their experience with their friends, family and followers both while they're travelling with you, and once they return. The power of personal recommendations shouldn't be underestimated, so it's really important to prioritise your customer experience for all of your travellers, even if they only intend to travel with you once.

Be sure to capitalise on people's experience while travelling with you too. Can you create a hashtag, encourage user-generated content or engage with your current visitors on your social channels?

2. Personalise the experience

Customer expectations are ever-evolving, and personalisation is a big trend in digital marketing globally. For the travel and leisure industries, this means creating tailor-made experiences. Booking.com's research also found that, generally, younger generations are now attracted to unexplored territories, want to seek out new experiences and want to make the most of short holidays.

So, by creating cost-effective options for trip personalisation, this can create unique experiences for travellers, and encourage them to travel with you again to more destinations.

3. Embrace the use of technology

Interestingly, a recent study from the Digital Innovation Observatory in Tourism report showed that almost two-thirds of people who booked a holiday online did so from smartphones in the past year. The research also showed that live chats are used by 10% of tourists and that 10% of tourists also used a chatbot during their most recent holiday to ask for information. By prioritising your mobile experience and customer support technologies, you can not only improve the booking experience but are more likely to retain your customers by providing real-time, 24/7 accessible support and answers to their queries.

Booking.com also found that almost half (46%) of global travellers would use an app that makes it fast and easy to explore and book activities in real time while travelling, so embracing technology to make last-minute decisions even easier can really support your customer retention strategy.

4. Go the extra mile

While the majority of your customers may be happy customers, to turn a happy customer into a true brand advocate is the final hurdle. By taking extra steps to create a positive experience for your customers, this can increase brand loyalty which, in turn, reduces customer churn rates. Some ideas for going the extra mile include:

- Personalised recommendations for excursions
- Opportunities for upgrades or free gifts
- Creating achievable loyalty schemes

There is one crucial part of your communications with your customers that you need to consider, and that's the positioning of your offers. If you're sending weekly emails with random excursions, irrelevant upgrade options or talking about other places to stay before they've left for their first trip, these can be off-putting and annoying if they're too regular and irrelevant.

However, if you were to send a weekly countdown of how long until your customers take their trip, with various relevant options for excursions, add-ons or meal bookings, this would be much more helpful and increase brand loyalty before they even travel with you!

It's also important to note that achievable loyalty schemes for consumers and businesses are very different. Realistically, you have to think about whether or not your customers are likely to use them, or if your loyalty scheme is just not obtainable for travellers.

For example, if your hotel gives a free night on someone's third stay with you, that's probably not realistic for most travellers, especially now when people only tend to holiday to the same country once or twice.

However, if you were to give a free beauty treatment, massage or main course if they stay for four nights with you, or a free night's bed and breakfast on their second stay with you, that's much more likely to be used, and you'll be much more likely to retain this customer.

You could also consider making these incentives transferable. Could a friend or family member who is visiting on another occasion benefit from a free night if they travel with you? It's important to take into consideration all types of travellers when thinking about creating a loyalty scheme.

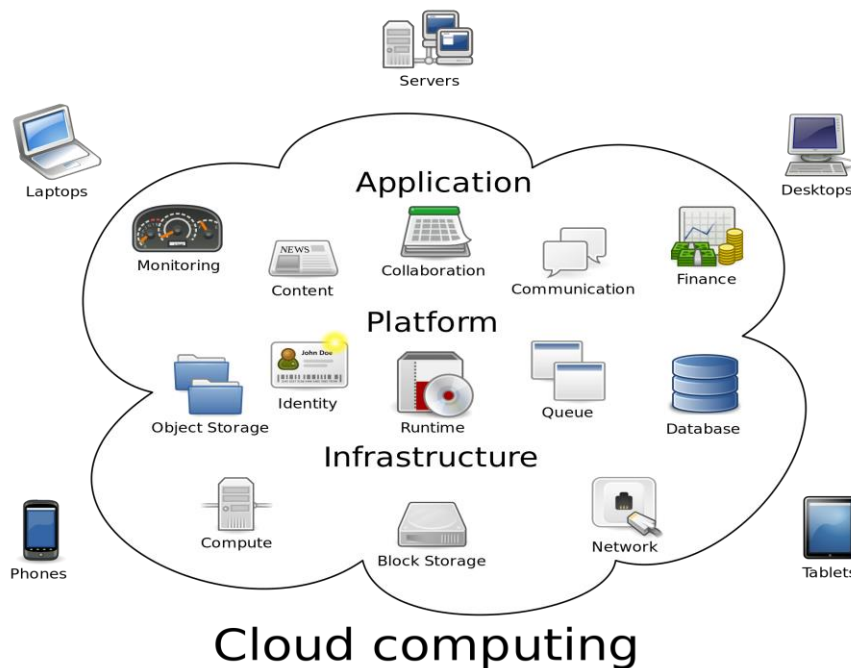


To conclude, customer retention in the travel industry should be at the forefront of your plans. With huge cost savings, an increase in brand loyalty and word-of-mouth recommendations, creating a robust customer retention strategy can really help your travel business survive and thrive in the current climate.

CLOUD COMPUTING :

Cloud computing is the on-demand availability of computer system resources , especially data storage and computing power , without direct active management by the user. The term is generally used to describe data centres available to many user over the internet. Large clouds , predominant today , often have functioning distributed over multiple locations from central services. If the connection to the user I relatively close , it may be designed an edge service .

Clouds may be limited to a single organisation (enterprise clouds) , or be a available to many organisation (public clouds) . It relies on sharing on resources to achieve coherence and economic of scale

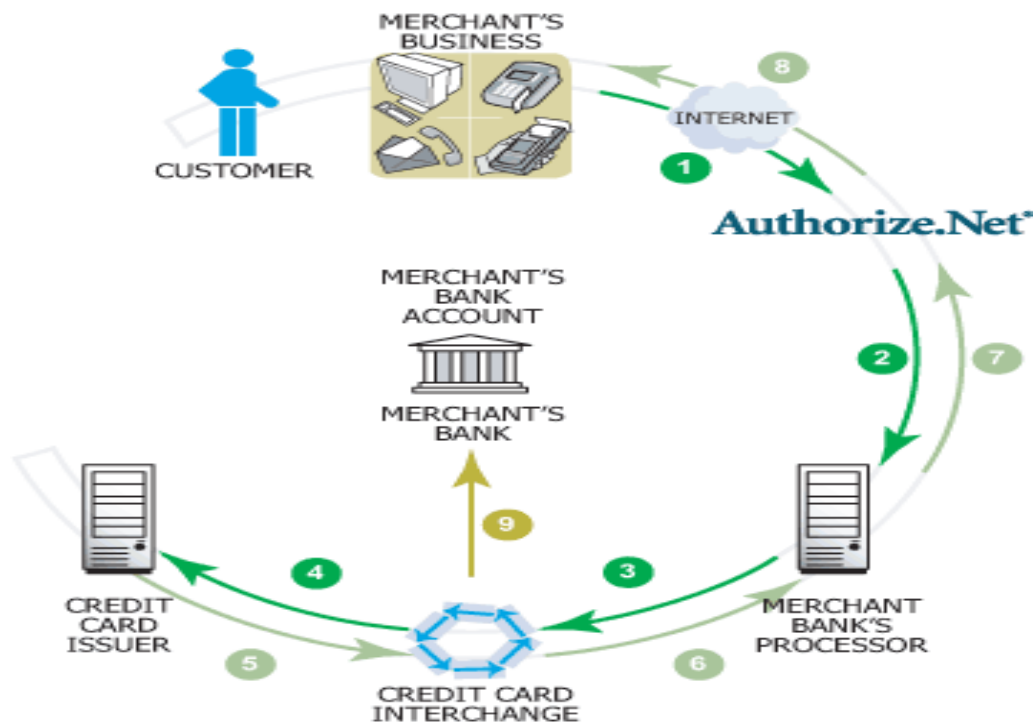


ELECTRONIC PAYMENT SYSTEM:

One of the most important catalysts to global tourism has been the development and growth of electronic payments. The World Bank succinctly summed up the importance of modern payment systems to emerging economies when it said: Effective and efficient payment systems

are vital for the economic development of emerging countries... to promote the development of commerce, enhance economic policy oversight, reduce the financial, capital, and human resources devoted to the transfer of payments and control the risk inherent in moving large values.

Payment gateway is a web-based service that integrates into an e-commerce website's shopping cart and collects payment information provided by customers at the check-out. The gateway then encrypts the data as a protective measure and transmits it to the card issuing bank for authorization. The authorization response is then sent to the merchant and is displayed to the cardholder. A payment gateway facilitates the transfer of information between a payment portal (such as a website, mobile phone or Interactive Voice Response (IVR) service) and the Front End Processor or acquiring bank. In essence, the payment gateway serves for web-based merchants the same purpose that a point-of-sale (POS) terminal does for brick-and-mortar businesses. Thus a Payment Gateway enables a website to accept payments from customers over the Internet. An e-commerce site would be incomplete without a mechanism to accept payments in real time from customers.



Payment Systems

An Internet-enabled business such as e-Tourism has global reach. In this context, it is to be noted that payment infrastructure and payment culture differ significantly by region and country. Maximizing sales in a specific country requires an understanding of how customers

prefer to pay for their purchases online, as payment preferences differ worldwide. Unlike the United States, where credit and debit cards are commonly used online, other regions may be more accustomed to bank transfers, direct debit or even cash-on-delivery (COD).

An electronic payment system (or an e-commerce payment system) facilitates the acceptance of electronic payment for online transactions. Also known as a sub-component of Electronic Data Interchange (EDI), e-commerce payment systems have become increasingly popular due to the widespread use of the internet-based shopping and banking.

METHOD OF ONLINE PAYMENT:

When deciding to accept a particular payment type, most companies evaluate whether the additional revenue generated will offset the operational costs incurred throughout the entire “payment pipeline”.

1. Bank payments

This is the system that does not involve any sort of physical card. This is used by customers who have accounts enabled with internet banking. Instead of entering card details on the purchase sites, in this system the payment gateway allows one to specify which bank they wish to pay from. Then the user is redirected to the bank's website, where one can authenticate oneself and then approve the payment.

2. Mobile money wallets

In developing countries, many people don't have access to banking facilities, especially in tier 2 and tier 3 cities. Taking the example of INDIA, there are more mobile phone users than there are people with active bank accounts. Telecom operators, in such locations, have started offering mobile money wallets which allow adding funds easily through their existing mobile subscription number, by visiting physical recharge points close to their homes and offices and converting their cash into mobile wallet currency. This is used for online transactions and e-commerce purchases.

ARTIFICIAL INTELLIGENCE:

Artificial intelligence (AI) refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions. The term may also be applied to any machine that exhibits traits associated with a human mind such as learning and problem-solving.



How Artificial Intelligence is Changing the Travel Industry

Artificial intelligence is improving all the time, making it more reliable and more attractive as a business solution. In particular, businesses in the travel industry are taking advantage of AI in order to perform a variety of administrative and customer service tasks. Here, you will learn the uses and benefits of artificial intelligence, and explain how it is changing the way travel companies operate.

Understanding Artificial Intelligence

The concept of artificial intelligence, or AI, is often discussed, but can be slightly more difficult to define. Essentially, it refers to computers or machines performing tasks that would normally

require human intelligence to carry out. This could, for example, be learning lessons, making decisions, or recognising and interpreting speech.

Artificial intelligence has existed for decades, but it is only relatively recently that computers and other machines have become advanced and reliable enough to carry out complex tasks without assistance. The concept is strongly linked to ideas of automation, where processes are carried out with little or no human intervention.

In the modern age, it is an accepted fact that businesses will collect and store vast quantities of data. This can help to enable AI, with machines using the data to perform tasks ranging from data analysis and problem-solving, through to speech translation, direct messaging and improving personalisation during the customer journey.

The Role of AI Within the Travel Industry

The capacity for artificial intelligence to perform tasks that have traditionally required human cognitive function has made it especially useful for those in the travel industry, because deploying AI can save businesses time and money, while potentially eliminating human error and allowing tasks to be performed quickly, at any time of the day.

Most hotels and resorts rely heavily on delivering excellent customer service to build their reputation and AI technology can assist with this in a wide variety of different ways. For example, artificial intelligence can be used to improve personalisation, tailor recommendations and guarantee fast response times, even in the absence of staff.

has advanced to the point where it is regularly used to assist and communicate with customers, 'learning' from each of these interactions and improving future interactions as a result. Moreover, AI can assist with tasks like data analysis, calculations and problem solving, all of which can be valuable to hotel owners.

Examples of AI Within the Travel Industry

The role of artificial intelligence within the business world has increased dramatically over the past decade, and the last few years, in particular, have seen much more widespread adoption in the travel industry. Below, you find three of the most significant ways the technology is currently being deployed.

1. Chatbots and Online Customer Service

For hotels and other businesses in the tourism industry, one of the most exciting uses for artificial intelligence is for providing assistance to customers online. In particular, there has already been widespread adoption for the purposes of powering chatbots on social media platforms, as well as instant messaging apps.

Used in this way, AI is able to respond to questions and provide valuable information to customers, even when a customer service rep is not available. Customers are demanding faster and faster response times on online platforms, and artificial intelligence allows businesses to deliver times that would be impossible for humans.

Example: Sam, intelligent travel chatbot!

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2. Face-to-Face Customer Service

While the use of artificial intelligence for powering online customer service is now relatively commonplace, one of the emerging trends is for the technology to be used for face-to-face customer service interactions too. Crucially, this has the ability to cut queues at information or reception desks, and improve overall efficiency.

One example of this technology in action is the AI robot '*Connie*', which has been deployed by Hilton. This robot uses artificial intelligence and speech recognition to provide tourist information to customers who speak to it. Each human interaction also helps to teach the robot, improving the quality of all future communications.

Example: Meet Connie, Hilton Hotels' First Robot Concierge

3. Data Processing and Data Analysis

Finally, it is important to understand that the applications of AI within the travel and tourism industry are not limited to customer service alone. In actual fact, one of its most popular and effective uses is for gathering and interpreting data in order to draw conclusions about customers, business practices and pricing strategies.

The key advantage of artificial intelligence in this particular field is its ability to sort through huge amounts of data quickly and accurately, where the equivalent for humans would take

significantly more time and potentially contain more errors. The Dorchester Collection hotel, for instance, has used AI to sort through customer feedback from surveys, reviews and online polls, in order to build a clearer picture of current opinion, in real-time.

Virtual Reality & Augmented Reality

Would you like to learn more about other digital technologies which can benefit your business? Have also a look at the articles “How Virtual Reality is Transforming the Travel Industry” and “How Augmented Reality is Revolutionising the Travel Industry”.

More Innovating Technologies Within Travel

With technology continuously evolving, it should come as little surprise that its applications within the travel industry evolve too. In the following articles we piled up some more innovating technologies in today’s travel and tourism industry.

- Blockchain Technology and Its Uses in the Travel Industry
- Robots in the Travel Industry: 8 Real-World Examples
- How the Internet of Things (IoT) can Benefit the Travel Industry?
- How Can Voice Control Benefit the Travel Industry?
- 4 Ways Facial Recognition Can Be Used in the Travel Industry

Economic Implication

Information and communication technologies (ICTs) have interested the tourism sector since the emergence of computer reservation systems in the airlines industry in the 1970s and the introduction of global distribution systems in the late 1980s.

Yet, it is the diffusion of the Internet since the late 1990s to have profoundly revolutionized the travel and tourism market in a way to boost the application of ICTs in all processes and value chains of tourism, thus creating the baseline for the development of the so-called e-Tourism (electronic tourism)

e-Tourism has drastically modified the ways in which tourism products and services are produced, accessed, and consumed as well as the business strategies for their customization and marketing.

e-Tourism has also facilitated the creation, exchange, and processing of large amounts of information, which unavoidably involve modern ways of establishing and managing commercial relationships.

All traditional business functions (commerce, marketing, finance and accounting, human resource management, research and development, etc.) and players of the tourism marketplace (airlines, hospitality, tour operators, travel agencies, etc.) have benefited from the new opportunities created by the introduction of the ICT instruments in the tourism domain. A new set of information-intensive activities and instruments have made their appearance in the market for selecting accommodation, transportation, sightseeing tours, and so on, definitely changing the rules of the game. Nowadays, most of the tourism information is accessed through the Internet and websites have evolved from pages displaying static information to complex environments where tourists are directly involved in creating their own experience. Smart technologies have allowed travelers to become active codesigners, co-marketers, co-advertisers, copromoters, and co-distributors of tourism experience through user-generated content, customer review platforms, social media, blogs, and so on ([Buhalis, 2019](#)).

ICTs have reduced time lags in the information search, enabled tourists to access up-to-date information about the destination and operators to communicate their offers.

The use of smartphones, then, has greatly facilitated this process and improved the communication between the participants of the tourist market. In this way, e-Tourism has made the travel process far more enjoyable and it has led to increased operational efficiency, reduced costs, and improved services and customer experience ([Liang et al., 2017](#)).

This special issue deals with several economic aspects related to the introduction of ICTs in the travel and tourism domain, a topic that has received so far a fragmented interest.

Nine full articles discuss consumer's behavior and purchasing dynamics, socioeconomic factors affecting tourists' expenditures and inbound flows, market strategies of the online travel agencies (OTAs) and the business model (BM) of daily deal (DD) providers, tourism advertising, principal features of booking websites, and smart tourism characteristics in the new context of e-Tourism.

On the demand side, the rise of the Internet has drastically changed the way tourists prepare and book trip arrangements, travel, and share their experience. The general advantages of electronic commerce (24/7 coverage, lower prices, a wider range of services, the possibility of price comparisons, easier changes and cancellations, the use of customers reviews, etc.), the immediacy of the purchase of holiday and leisure services (hotel reservations and airline tickets, for instance), and the information-intensive characteristic of travel products have favored the consumer's adoption of e-Tourism as an information or shopping channel for tourism products (Camilleri, 2018; Ramos and Rodrigues, 2013).

The consumer's behavior in relation to the adoption of the Internet is investigated by Garín-Muñoz, Pérez-Amaral, and López ("Consumer Engagement in e-Tourism. Micro Panel Data Models for the Case of Spain"). The study uses cross-sectional data for the years 2008–2016 derived from the annual surveys conducted by the National Statistics Institute of Spain on equipment and use of information and communication technologies in households (ICT-H survey).

Results reveal that education, family size, digital skills, income, habitat, and employment are all significant for explaining the online booking of transportation or accommodation services; while gender and age are not significant, although for accommodation and for the general model, being a man and being young positively affect the likelihood of buying online. Gender has also a significant effect on the use of the Internet for purchasing tourism services or searching for information (bookers vs. lookers) as the study shows that men are more inclined to buy or book tourist services online than women.

Obviously, consumer's patterns on the Internet are also strictly determined by the nature of the tourism product. In fact, the higher confidence in real sellers, the fear of making some mistake in the case of self-booking and online purchase, and fewer problems when filing a complaint make the phenomenon of buyers switching from the online information channel to the off-line purchase the most frequent path observed for holiday packages. Gender, age, education, financial standing, residence, and occupation along with number of all family members and minor children are the explanatory variables used for the investigation. The statistical analysis conducted with a classification and regression tree confirms the correlation between age, educational level, and residence of buyers and the occurrence of their ROPO behavior. In particular, holiday packages buyers under 60, presenting at least secondary education, and living in medium-sized towns are identified as more likely to retain the ROPO behavior pattern.

No correlation is found between the ROPO-trend and the other socioeconomic factors under investigation, instead.

For a more general analysis of the effects of ICTs on tourism demand, Kumar and Kumar (“Relationship Between ICT and International Tourism Demand: A Study of Major Tourist Destinations”) present an investigation conducted in nine leading tourist destinations ranked by visitors arrivals. Two balanced panels include data for visitor arrivals, tourism prices, tourist’s income, income at destination, and ICT infrastructures in China, France, Germany, Italy, Mexico, Russia, Spain, United Kingdom, and United States.

Mobile and broadband subscriptions in the selected countries are used to proxy for ICT for the periods 1995–2017 and 2002–2017, respectively. The short- and the long-run results indicate that source country income and ICT are positively associated with visitor arrivals, whereas price shows a negative association. Furthermore, the study reveals a unidirectional causality from ICTs to tourism demand and destination country’s income. In other words, ICTs appear to cause tourism demand and support the technology-led growth hypothesis in the major tourist destinations.

These results are confirmed by Rehman, Liu, Rauf, Slama, and Amin (“Internet Tradition and Tourism Development—A Causality Analysis on BRI Listed Countries”). The study discusses how proper information and communication (ICT) structures affect tourist expenditures and inbound flows on the long- and short run. The analysis concerns 65 countries listed in the Chinese project named “Belt and Road Initiative” project, divided into high-income and low-income nations. The variables individuals using the Internet (IU), mobile cellular telephone subscribers (MCTS), fixed telephone subscription (FTS), and percentage of individuals using the Internet (PII) are considered to proxy ICTs over the period 1990–2017. Results show a long-run significant association between ICT proxies and tourism expenditure in developed economies. IU, MCTS, FTS, and PII are significant in the case of Europe, Middle East and North Africa, South Asia, and high-income countries both in the long run and in the short run. Instead, the low-income countries or underdeveloped economies are getting influenced by ICTs in the short run only.

On the supply side, the introduction of ICTs in the travel and tourism sector has clearly generated new opportunities and the need to rethink economic and BMs. Two conceptual schemes of the new tourism context are discussed in this special issue: OTAs and DD

providers. In particular, Huang, Liu, and Lu (“Proposing a Model for Evaluating Market Efficiency of OTAs: Theoretical Approach”) introduce a theoretical model where the matching ability and market size of the OTAs are identified as the two determinants of their market efficiency. Differently from traditional travel agencies, the OTA has adopted the long tail marketing strategy, which includes custom-made travel products, smaller and less known scenic spots tours supplemented with other nontraditional products such as accident assistance, shopping and transportation services, insurance and attraction tickets, and wedding tours. Because of its anywhere accessibility, strong aggregation of travelers and travel products, and intelligent search function, the OTA has a unique competition scheme. The study provides a new theoretical explanation for understanding the operation mechanism and competition strategy of the OTA market.

Next to the OTAs, another particular BM is the one adopted by the DD providers. In the study conducted by Budler, Bratec, Minor, and Tomat (“A Business Model Approach Towards Understanding the Daily Deals in Internet Distribution Systems”), the BM approach is followed to identify the distinct characteristics of generic and tourism-focused niche DD providers in internet distribution systems (IDSs) and to benchmark them against the OTAs. More specifically, the authors aim to uncover the DD BM dimensions and elements that allowed the DD providers to proliferate mid- and postrecession, respectively. Authors’ discussion demonstrates how DD BMs unique characteristics enabled and sustained the long-term presence of DD providers in IDS. Differentiation within the industry of DD BMs and a stronger collaboration within the IDS network are identified as key elements for the DD providers to capitalize on the opportunities created by the BM transformation and compete with OTAs in the long run.

In the context of promotional campaigns, ICTs provide destination management organizations (DMOs) with a strategic tool for favoring the tourist experience before, during, and after the visit, to provide information and accept reservations, to coordinate the activities of local enterprises, and to facilitate the expenditure of tourists. Souza, Mendes-Filho, and Buhalis (“Evaluating the Effectiveness of Tourist Advertising to Improve the Competitiveness of Destinations”) use a destination advertising response model to evaluate the effectiveness of promotional campaigns on visitor expenditure in destination, accommodations, attractions, restaurants, events, and shopping. The model uses data from a survey conducted in all regions of Brazil and involving 384 travelers divided into three groups: those intermediated by

traditional agencies, those intermediated by OTAs, and self-planners (i.e. those who had planned and purchased the travel components on their own). The study also explores how destinations can improve their competitiveness on tourist advertising by using new technologies. Results indicate that destination advertising influences each trip facet to varying degrees: shopping and accommodations are the two facets most influenced, whereas destination choice and events are the least influenced ones. Spending on destination and accommodations has a high correlation with total expenditure for all the groups of travelers, confirming the importance of the two trip facets for measuring the effectiveness of destination marketing campaigns. The study also explores how destinations can improve their competitiveness on tourist advertising by using modern technologies.

As a matter of fact, nowadays, most of the promotional campaigns are conveyed through web platforms, as part of a global marketing strategy, and search engines have become one of the primary tools for travel planning (Li et al., 2017).

In this context, understanding the needs of website users becomes crucial to create a favorable tourism experience and influence their intention to purchase. Foris, Tecau, Hartescu, and Foris (“Relevance of the Features Regarding the Performance of Booking Websites”) provide an insight regarding the tourists’ preferences and their interface needs as well as which filters and options may help them achieve the most relevant results for the chosen destinations. A comprehensive performance evaluation model is developed for the classification and evaluation systems of six booking websites: three used at the international level and three used in Romania only. The study confirms the hypothesis that complex booking websites are the most used ones for the wide range of options and the large number of tools they implement. In fact, most of the facilities made available by online booking platforms are considered important and are being used by the surveyed population. These results provide some useful arguments for developers to analyze their actual booking website and reflect on the possible improvements to be made in the future search engines and website design.

Finally, the last question closes this special issue: Can smart tourism be considered a market segment?

Gajdošík (“Smart Tourists as a Profiling Market Segment. Implications for DMOs”) provides us with an answer based on a questionnaire survey conducted among 5975 tourists in Slovakia from January to March 2018. The analysis proved that smart tourism is a real market segment

with different characteristics and customer behaviors, suitable in size as it accounts for more than 14% of tourists. Smart tourists are accustomed to use the information technologies during all the trip experience for collecting real-time information about the destination and its services in the planning phase and for exploring the destinations during the trip and reliving the experience by providing the descent feedback after the trip. To say it short, with the development and everyday use of ICTs by consumers, a new market segment in tourism is being constructed (Jovicic, 2019). Further, for DMOs, smart tourism is an economically interesting segment as, besides the different behaviors, the article reveals that the average consumption of a smart tourist in a destination is much higher than for other segments.

Future of E- Tourism

Future trends for e-Tourism Services Some key trends and drivers on the way towards ICT-supported tourism services have been pointed out as well as some possible constraints. Developments further ahead into the future with the intention to identify some likely future profiles of the tourism business and service provision up to 2010, even if limited to a very rough outline at this stage, are far from being predictable reliably. A view on some 10 years ahead to outline some key trends and future attributes of tourism services suggests the following tentative points

- Increased popularity and capabilities of the Internet for a wide spectrum of applications for electronic services in tourism, making distribution channels less dependent from traditional CRS/GDS of airlines;
- Internet and supporting services by further new intermediaries will significantly transform, if not eliminate, the role of traditional travel intermediaries (travel agents working on commissions paid);
- Direct on-line bookings by customers will make up a significant market share by 2010 with access available to most of the population in industrialised countries;
- “Virtual tourists” will have an increasing demand for multi-media travel information;
- Interactive TV and mobile devices will increasingly be used for the distribution of tourism products and services
- The majority of tourism organisations will also use Intranets;
- Various types of smart agents supporting both tourism suppliers and customers will emerge;

- Products and services will reach a much higher level of personalisation together with a corresponding demand;
- The strongly risen share of people over 50s in the industrialised countries will effect a higher demand for e-services related to foreign travel, particularly to long haul destinations and travel for culture purposes as well as eco-tourism;
- Further growth of “time poor” – “money rich” people will entail a high demand for short time holidays while, on the other hand, all-inclusive holidays will be demanded by a large number of people with needs for complete, unburdened relaxation and release from job pressures;
- Particular uses of electronic technology will include smart cards for a variety of functions, including the management of destination loyalty schemes (discounts in exchange for customer data and loyalty), bonus schemes for environment-protective behaviour, etc.;
- Internet video telephony will allow customers to take test-drives for a particular destination by pictures from cameras placed at various sites in the holiday locality and transmitted via Internet;
- Ticketing automation (satellite ticket printers) will be widespread and e-ticketing including mobile phone based forms will make up a major portion of air travel as well as railway travel during the next decade;
- Efforts to build up central databases of traveller information will be continued for use to get extensive insight into individual preferences and behavioural patterns so that the information can be used for active marketing;
- Mobile city guides will be widespread and electronic brochures in the form of CD-ROMs will increasingly replace paper brochures.
- Tourism providers will more easily and more often form strategic partnerships, offering complementary products.
- Small and medium sized businesses will be forced to take a more strategic approach on doing business; new mediators on the market will assist in doing so.
- Tourism regions will increasingly have to employ extensive branding and marketing strategies For the New Accession States, the future of e-tourism will strongly depend on the availability and affordability of Internet services for a greater portion of the domestic population, the development of the general environment for tourism (including transport infrastructure, general economical situation), the awareness of the

tourism services abroad, adoption of new technology and the will of entrepreneurs and local rural people to invest in areas related to tourism. In order to attract critical tourists, the need for sustainable tourism will be recognized.

The wider availability of mobile web access at affordable costs will significantly increase Internet service users and entail more personal and intensified marketing of tourism services. As e-tourism services could save both time and money, they will very likely become a popular form of individual tourism.
