E-TOURISM

Objectives of the Paper

- To gain knowledge on the concept and the role of information technology in tourism industry

- To learn the emerging ICT tools and its impact in the industry

- To understand the local network of tourism industry in the era of Internet.

- To understand entrepreneurial and managerial aspects of electronic business in tourism.

Syllabus

- **UNIT- I**
- Introduction to E-tourism, Historical Development - Electronic technology for data processing and communication – Strategic and Operational use of IT in Tourism

- **UNIT – II**
- Global Distribution System: History & Evolution –CRS, HRS, GDS, Hotel Distribution System- Cases of Amadeus, Galileo, Sabre, Abacus - Changing Business models of GDS, NDC.

- **UNIT – III**
- Typologies of E-tourism: Business models - Business to Business (B2B) - Business to Consumer (B2C) - Consumer to Business (C2B) - Consumer to consumer (C2C) - Business to Employees (B2E) & Business to Government (B2G). Case Studies of Red Apple DMC, OYO Rooms, OLX, Zoom Car, Ofo Cycles

Conti…

- **UNIT- IV**
- Payment Systems in E-tourism - Payment Gateway - Billing and Settlement Plan (BSP) - Security Issues and Certification- Usage of Wallets- Quick pay options(Tez, Samsung Pay, BHIM) - Virtual Banks (Paytm, Airtel)- Case studies of e- wallets –Freecharge, Mobikwik – OTA's – OTA Wallets – Coupons and Cashbacks

- **UNIT – V**
- Future of E-tourism - E-marketing and Promotion of Tourism Products – Facebook, Twitter, YouTube, WhatsApp - Travel Blogs –Usage of Artificial Intelligence- Virtual Reality - Challenges for conventional business models & Competitive strategies

- **PRACTICAL EXERCISE**
- Technical Writing – Travel Blog
- Destination Documentary – Promotional Video (To be published in Social Media)

Intro → etourism

- Not a decade ago, It was just 2017, we wonder looking at this...

Reality Now…!!!

Even in 2018…!!!

- [Early](#) '18
- [Mid](#) '19
- [Right](#) now

"TECH" in Future

- How its [gonna](#) be….!!!!????!!!

Isn't it..???

What is E-Business?

- Using Internet technologies to empower...
  - Business processes
  - Electronic commerce
  - Collaboration within a company
  - Collaboration with customers, suppliers, and other business stakeholders
- In essence, an online exchange of value

E-Business Use

- Reengineering
  - Internal business processes

- Enterprise collaboration systems
  - Support communications, coordination and coordination among teams and work groups

- Electronic commerce
  - Buying, selling, marketing, and servicing of products and services over networks

e-TOURISM

AN INTRODUCTION

Lecture Outline

- Role of ICT
- E-Tourism
  - Definitions
  - Outcomes
- History of ICT in tourism
- Benefits of E-Tourism
- Issues with E-Tourism

Role of ICT

- ICTs are now critical for strategic management of organisations as they allow:
  – Expansion into new markets
  – Empowering of employees
  – Lowering of costs
  – Enhancing distribution
- Gates (1999) said that business now conducted at speed of thought
- ICTs great for time poor but cash rich consumers

Increasing Speed of Uptake of Technology

- 35 years for radio to reach 50 million
- 13 years for television to reach 50 million
- 5 years for internet to reach 50 million
- 1 year for ipods to reach 50 million
- 6 months for facebook to reach 100 million

Definition

- E-tourism is the digitisation of all the processes and value chains in the tourism, travel, hospitality and catering industries that enable organisations to maximise their efficiency and effectiveness.

(Buhalis 2003)

E-tourism Includes All Business Functions

- E-commerce and E-marketing
- E-finance and E-accounting
- E-HRM
- E-Procurement
- E-Strategy
- E-Planning
- E-Management

Outcomes of E-tourism
(Buhalis 2003)

- It revolutionises all business processes, the entire value chain as well as the strategic relationships of tourism organisations with all their stakeholders

- It takes advantage of intranets for reorganising internal processes, extranets for developing transactions with trusted partners and the internet for the interacting with all its stakeholders

Outcomes (Cont)

- E-tourism increasingly determines the competitiveness of the organisation and therefore it is critical for the competitiveness of the industry in the longer term.

Characteristics of Tourism

- Intangible
  - Can't be physically displayed or inspected before purchasing
- Separation between purchase & consumption
- Perishable inventory
- High risk
  - Psychological and financial
    - Often involve the whole family
- Information intensive activity

Characteristics (Cont)

- Dominated by small enterprise
- History of lengthy supply chains based on commissions
  - Product suppliers
  - Consolidators
  - Wholesalers
  - Retailers
  - Consumers

Problems with Traditional Approach

- Small operators totally dependent on conditions set by large companies in the supply chain

- Often too small to participate in opportunities

- Pricing and other conditions locked down for up to 2 years

- Very limited ability to access the market directly

E-Tourism

"e-Business requires a customer-centric view and a shift away from mass production to mass customisation and from selling to relationship-building."

Victor Garland

(Head of IT at Aer Lingus, 2001)

Drivers for e-Business in Tourism

- Economic necessity
- Rapid advancements in technology
  - Reduced cost
  - Ease of access
- Rising consumer expectations
  - Time poor
  - Overcame fears regarding security

History of ICTs in Tourism

- Central Reservation Systems (CRSs)
  - Introduced by airlines in 1960s
  - Hotels then came onboard
  - Dominated the industry

- Airline computer reservations systems emerged to become global distribution systems (GDSs)
  - Incorporated a wide range of services and products for the entire industry
  - Examples included Amadeus, Sabre & Galileo
  - Owners charged commissions and participation fees
    - Transaction costs too high for small operators

History (Cont)

- Until mid 1990s, over half the world's electronic transactions were in tourism
    - Largely airlines

- Destination management systems (DMS) then emerged
    - Information on locally available attractions and products
    - Useful for helping to overcome seasonality problems by spreading and balancing tourism demand

History (Cont)

- For many years, industry based on:
  - Traditional supply chain
  - Brochures
  - Free-sale allocation
  - Telex confirmations

- Telex to fax to email

- Access to funds internationally – replace travellers cheques
  - Changed travel behaviour

- As SME dominated, ICT had slower uptake.

- Uptake pushed by consumers

Historical Development of e-tourism

Traditional Tourism with email support

↓

Emergence of CRS (Computer Reservation System)

↓

CRS emerged into GDS (Global Distribution System)

↓

IDS (Internet Distribution System)

↓

DMS (Destination Management System)
E-destination & regional tourism Websites
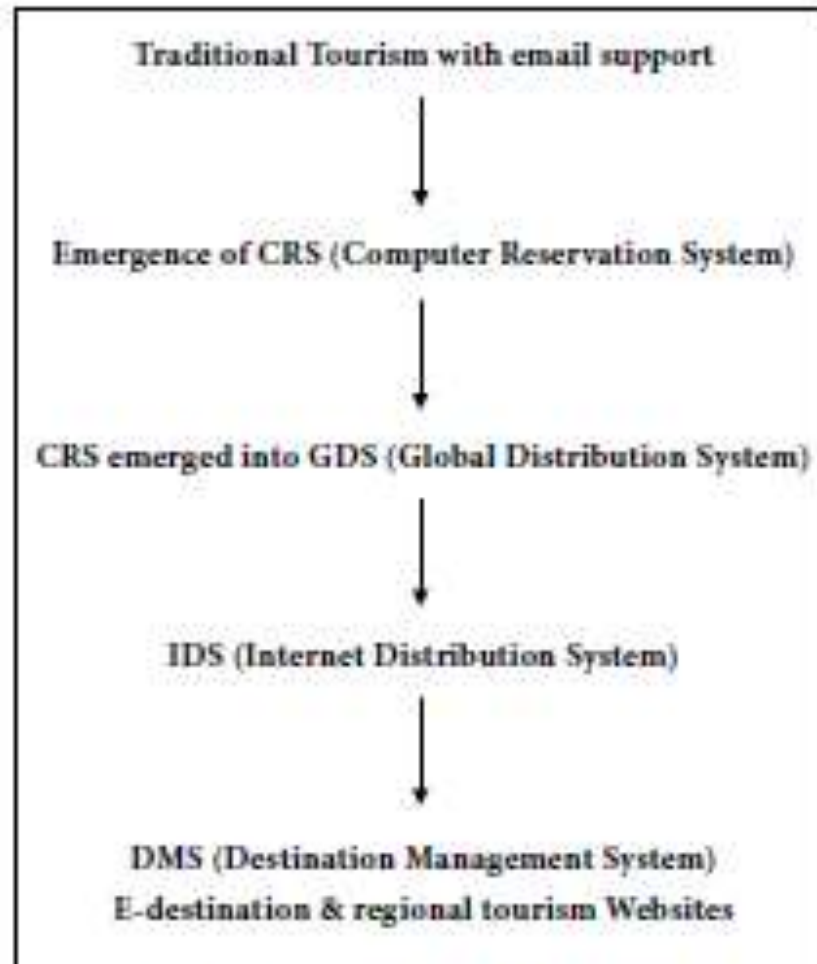
Historical Development of e-tourism

Historical Development of e-tourism

- First Stage - 1970s: Computer Reservation Systems (CRSs)

- Second Stage – 1980s: Global Distribution Systems (GDSs)

- Third Stage –since the last decade of the 20th century: IDS (Internet Distribution system)& DMS (Destination management systems)

Eg: IDS (Internet Distribution system)

DMS

DMS tries to focus on following aspects:

• Provide information and undertake some marketing activities through mass media advertising;

• Provide advisory service for consumers and the travel trade;

• Design and distribute brochures, leaflets and guides; and Coordinate local initiatives.

• Information on locally available attractions and products

• Useful for helping to overcome seasonality problems by spreading and balancing tourism demand

E-Business and Industry Value Chains

Suppliers

Transporters

Manufacturers

(Supply Chain Management Systems)

Distributors

(Inventory Management Systems)

Retailers

(Efficient Customer Response Systems)

Customers

Alternative Direct Channel (e.g. The Web)
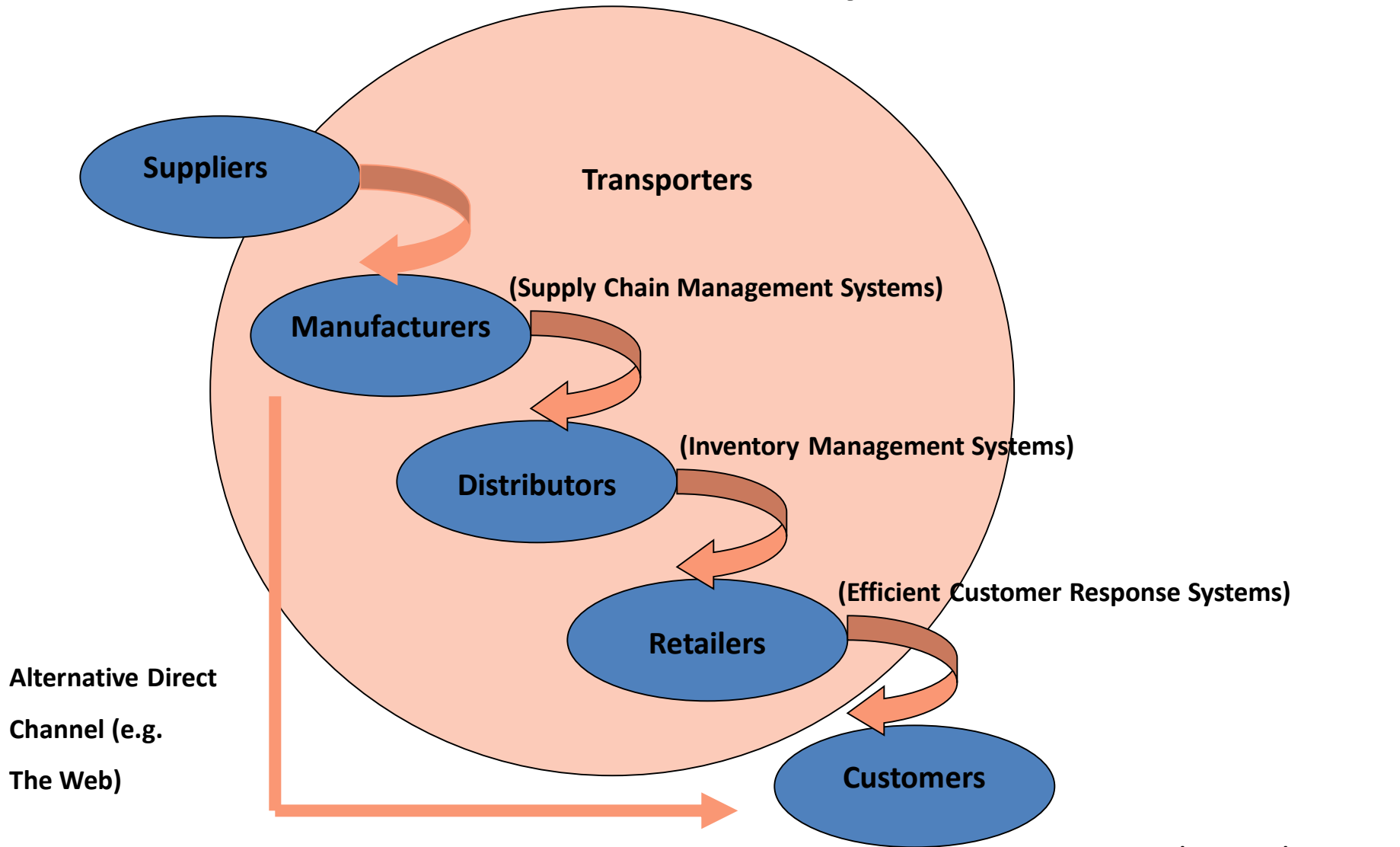
Source: Laudon and Traver (2002)

Benefits of ICTs for Tourism

- Allow small businesses to compete internationally

- Dispose of unwanted inventory
  - Eg: wotif.com and lastminute.com
  - These systems pose problems as well

- Consumer can now package their own product but does require effort hence agents still used. Also someone to blame if there are problems.

Benefits of ICTs for Tourism (Cont)

- Changed the structure of the industry
  - Many intermediaries have gone or have been swallowed up as part of vertical integration

- Internet great for brand enforcement, enlargement and expansion
  - Clutter now becoming a problem.

- Can set price in real time to help manage demand

Benefits of ICTs for Tourism (Cont)

- Sophisticated yield management to maximise profits
  - Initially only airlines
  - Then hotels
  - Now open to smaller operator

- Underpin strategic alliances for airlines

Benefits of ICTs for Tourism (Cont)

- Sophisticated ICTs allow organisations to predict and target consumer needs
  - Differentiate product for different consumer groups
  - Foster relationship management & marketing
    - Loyalty programs

Frequent Flyer Programs

- Club concept with rewards for loyalty
- Development linked to ability to capture sophisticated customer data
- Higher returns, from repeat sales over time
- Higher costs associated with attracting new customers than keeping existing customers
- Scope for cross-selling
- Loyal customers recommend by WoM
- Promotional costs to acquire new business reduced

Issues

- Online pricing compared to other pricing
  - LCCs push online
  - Full service carriers use consolidators and intermediaries to sell their discounted seats to protect the brand

- Bundling product
  - Once the role of intermediaries but now consumers

Issues (Cont)

- Survival of travel agents
  - Commission versus service fee

- Tourist information & tour guiding
  - Mobile phone technology

- Smart websites and search engines
  - Consumer preferences

Issues (Cont)

- How do we get the various databases to communicate?

- Harmonise Project (EU project in tourism)
  - Allows the reconciliation of different standards and provides the minimum ontology to formally describe the domain of reference.
  - It will allow providers and users to communicate, while keeping their proprietary data formats.

- Growth of blogs (Consumer generated content)

- Will virtual travel replace real travel?

E-Tourism Players and their Activities

- **E – Airlines**

E-airlines focus on the following aspects:

➢ Improving the accessibility, customer relationship and their business associates;

➢ Electronic bookings

➢ Online ticketing;

➢ Yield management

➢ E-auctions for very last minute available seats

➢ Disintermediation and restructuring of agency charge schemes

➢ Increasing the productivity of the new channel in electronic distribution
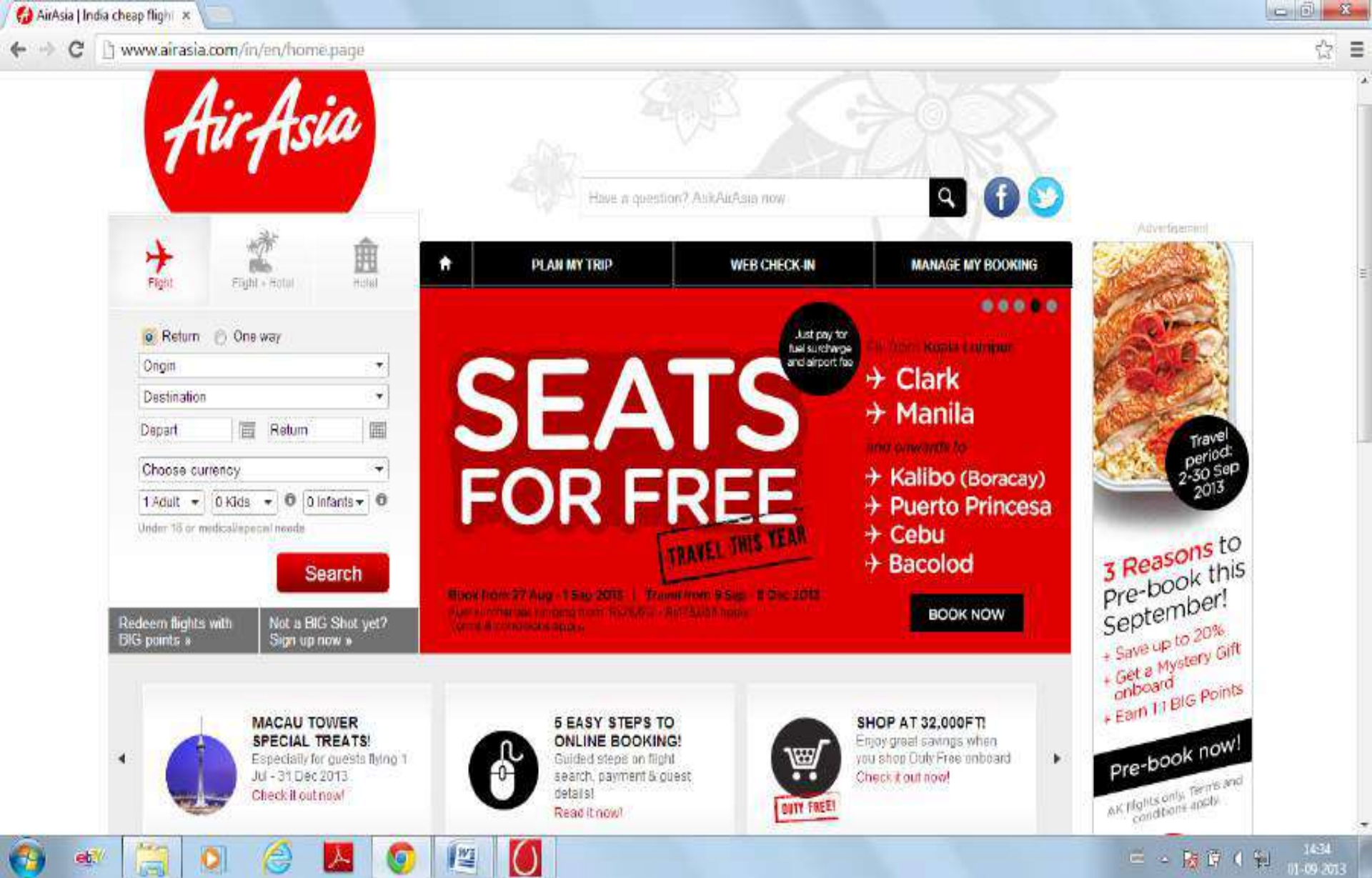
AirAsia– example of an Airline whose business model is powered by the Internet

E-Hospitality

- **e-hospitality is beyond just distributing, servicing, as it offers more than that**
- by supporting proven hospitality and technology products for the Hospitality Industry.
- Additionally, **e -Hospitality offer support and services beyond just that of a front desk**
- system vendor, therefore it is postured to assist properties with all aspects of the front desk
- and associated guest amenities from the phone system and voice mail to Pay per View (PPV) movies, secure high speed in rooms, lobby kiosks, and even guest printing/faxing from the guest rooms.

Example - E-hospitality solution
Source: http://www.ehospitalitysystems.com/

E-Tour Operators

- Leisure travellers often purchase "packages," consisting of charter flights and accommodation, arranged by tour operators.

- Tour operators tend to pre-book these products and distribute them through brochures displayed in travel agencies.

- Recent times in India, the tour operators realized the benefits of utilizing communication technology in organising, promoting, distributing and coordinating their packages.

Webpage of SOTC – Example for e-tour operator

E-Travel Agencies

- GDSs have been critical for business travel agencies to access information and make reservations on scheduled airlines, hotel chains, car rentals and a variety of ancillary services.

- GDSs help construct complicated itineraries, while they provide upto-date schedules, prices and availability information, as well as an effective reservation method.

- In addition, they offered internal management modules integrating the "back office" (accounting, commission monitor, personnel) and "front office" (customers' history, itinerary construction, ticketing and communication with suppliers).

Web page of Yatra.com – example for online travel agency (OTA)

E-Destinations

e tourism-india.com

India Tourism Offers Incredible India Tours, Rajasthan Tours, Kerala Tours, Goa Tours, Taj Mahal Tours, Wildlife Tours, North India Tourism, South India Tourism, Central India Tourism, West India Tourism, East India Tourism, Festivals in India, Monuments in India, Taj Mahal Information

Home | About Us | Contact Us | Reservation | Email | Disclaimer | Travel Agents in India | Tour Operators in India
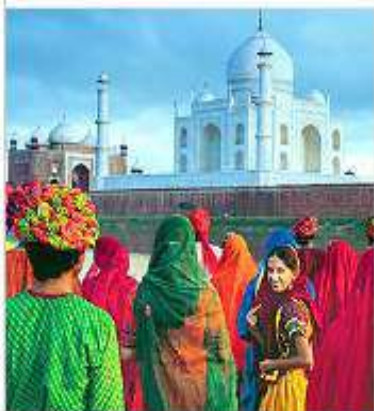
Welcome to India Tourism *Padharo Maharo Desh*

India is magnified country with more to do, see and discover than virtually any other place on our planet with sun swept beaches , towering mountain busting cities sparkling rivers quaint villages and vast forest how much of this abundant beauty have any of us actually seen. India is magnified country with more to do, see and discover than virtually any other place on our planet.

Rajasthan Tours	Kerala Tours	Goa Tours
--» Colourful Tour	--» Ayurveda Package	--» Exotic Holidays
--» Desert Safari Tour	--» Honeymoon Package	--» Carnival Holidays
--» Forts & Palaces Tour	--» Houseboat Package	--» Honeymoon Holidays
More Tours...	More Tours...	More Tours...

Khajuraho Temples

India Tourism - North India Tourism | South India Tourism | Central India Tourism | West India Tourism | East India Tourism

Taj Mahal Tours

Wildlife Tours

Incredible India Tours

When do you plan to travel?
DD ▼   MM ▼   YYYY ▼

How many people on this tour?
Adults ▼   Children ▼

Suggestions

Name

phone

Email

Country

Festivals in India

India Tour Packages by Category

Taj Mahal

Incredible India Tours
Incredible Adventure Tour || Incredible Goa Tour || Incredible Kerala Tour || Incredible Rajasthan Tour || Incredible Wildlife Tour

• Carnival in Goa

• Architecture

Roaring

20:34
01-09-2013

Strategic and Operational use of IT in Tourism

Dr. A. Saravanan

AGENDA

- Understand the use of information technology in the Indian tourism scenario

- Gain knowledge on the impact of ICT on the Tourism industry structure

- Appreciate the use of ICT at strategic, tactical and operational levels of tourism players

- Know the impact of electronic mode of tourism on customers &businesses.

Dr. A. Saravanan

Adoption and use of ICT in Indian Tourism

- **Historical View**
- Prior to 1995, when internet access wasn't readily available in India,
- Printed brochures from Indian embassies abroad,
- A few published guides(e.g., Lonely Planet) and feedback from those tourists who had visited India before.
- Domestic tourists used brochures available at state tourism department offices and feedback from relatives.
- Internet access came to India in August 1995, courtesy VSNL.

Dr. A. Saravanan

Conti…

- Currently, http://www.incredibleindia.org serves as the main promotional portal of the Ministry of Tourism,

- And http://tourism.gov.in/ (or http://www.tourism.nic.in/) provides all the organizational activities/ policies of the Ministry of Tourism.

Dr. A. Saravanan

The Internet Impact on the Tourism Industry Structure

- The Internet as a channel of distribution has become one of the most successful channels used by consumers to research travel options, compare prices and make reservations for airline tickets, hotel rooms and car rental.

- Therefore, the provision of online travel services is the single most successful B2C segment on the Internet.

- Apart from accommodations, flights and car rentals, the growth of travel offerings on the Internet now include vacation packages, cruises, events, tours and attractions.

Dr. A. Saravanan

Traditional tourism structure(without internet)

Producers	Intermediaries		Consumers
Hotels	**Hotel Chains**		
Restaurants		**Tour Operators**	
Airlines		**Travel Agent**	Tourists
Provisions	**CRS/GDS***		
Recreation			
	Tourism Industry Association		
		DMOs	

Internet-enabled tourism

| Producers	Intermidiaries	Infomediaries		Consumers
Hotels	Hotel Chains		hotel.com	
Restaurants	Tour Operator		airline.com	
Airlines	Travel Agent	Web-based travel and tourism booking (travelocity, expedia...)	tour_operator.com	Tourists
Provisions	CRS/GDS (Galileo, Sabre...)		travel_agent.com	
Recreation			other_producers.com	
	Tourism Ind. Assoc.		hotel_chain.com	
	DMOs		tourism_ind_assoc.com	
	Networking/switching (Cisco, WizCom)		DMO.com	
			travel_guide.com	

The Internet Impact on the Providers

- Increase their internal efficiency and manage their capacity and yields better.

- Interact effectively with consumers and personalise the product.

- Revolutionise tourism intermediation and increase the points of sale.

- Empower consumers to communicate with other consumers.

- Provide Location Based Services by incorporating data, content and multimedia information on Google Maps and Google Earth.

- Support efficient cooperation between partners in the value system

- Enhance the operational and geographic scope by offering strategic tools for global expansion

Dr. A. Saravanan

Strategic, Tactical and Operational use of it in Tourism

- Information technology can be strategically used by the players and partners of the tourism industry to not only make the process efficient and gain competitive advantage but also supports in customising the services based on the customer requirements

a.   **Information Technology (IT) as a Business Tool**
b.   **Information and Communication Technology as Means to Competitiveness**
c.   **Information Technology as a Key to Satisfying the Tourism Demands**
d.   **IT as a Driver to Re-Engineer the Production and Distribution of Tourism**

- Gain a competitive advantage;

- Improve productivity and performance;

- Facilitate new ways of managing and organising; and

- Develop new businesses.

Integrated Approach to Information Technology & Tourism Value Chain

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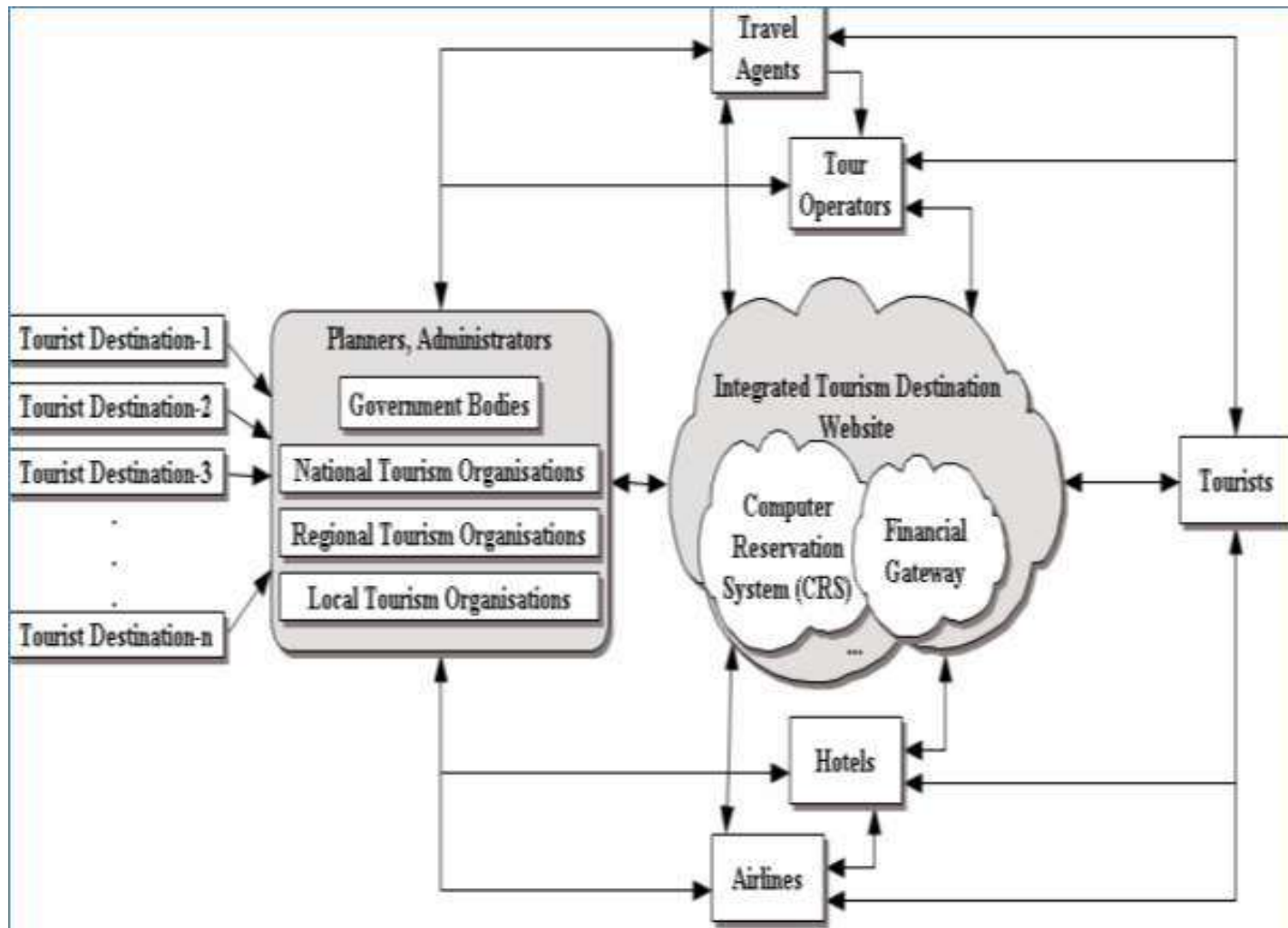
Imperatives of Successful E-Tourism System

1. Focus on Customers, not Channels

2. Win in the Era of 'Big Data'

3. Unlock the Power of Partnerships

- Eg: RoomKey.com, founded by Marriott International, Hilton Worldwide, Hyatt Corporation, Inter Continental Hotels Group, Choice Hotels International, and Wyndham Hotel Group.

4. Master the Entire Customer Experience

- Eg: British Airways' use of the iPod, these innovations deploy technology to shape the customer *experience*

END

Dr. A. Saravanan