

Caribbean Tourism Organisation's
5th Tourism Educators' Forum

eTourism
***Exploring the Online Travel &
Tourism Sector***
May 26 – 28, 2004
St. Maarten



Overview

- **What is eTourism?**
- **eTourism Domains**
- **Areas of Impact**
- **The Destination Challenge**
- **Competitive Strategy Benefits**
- **Destination Applications & Benefits**
- **eTourism Trends**



eTourism, What is it?

- A dynamic interaction between Information & Communication Technologies (ICTs) and Tourism exists. Each transforms the other
- This process has had revolutionary impact and is NOT (an entirely) new one!
 - *e.g. telex, facsimilie and now email*
- ICT development witnessed new approaches in Tourism Marketing and Distribution

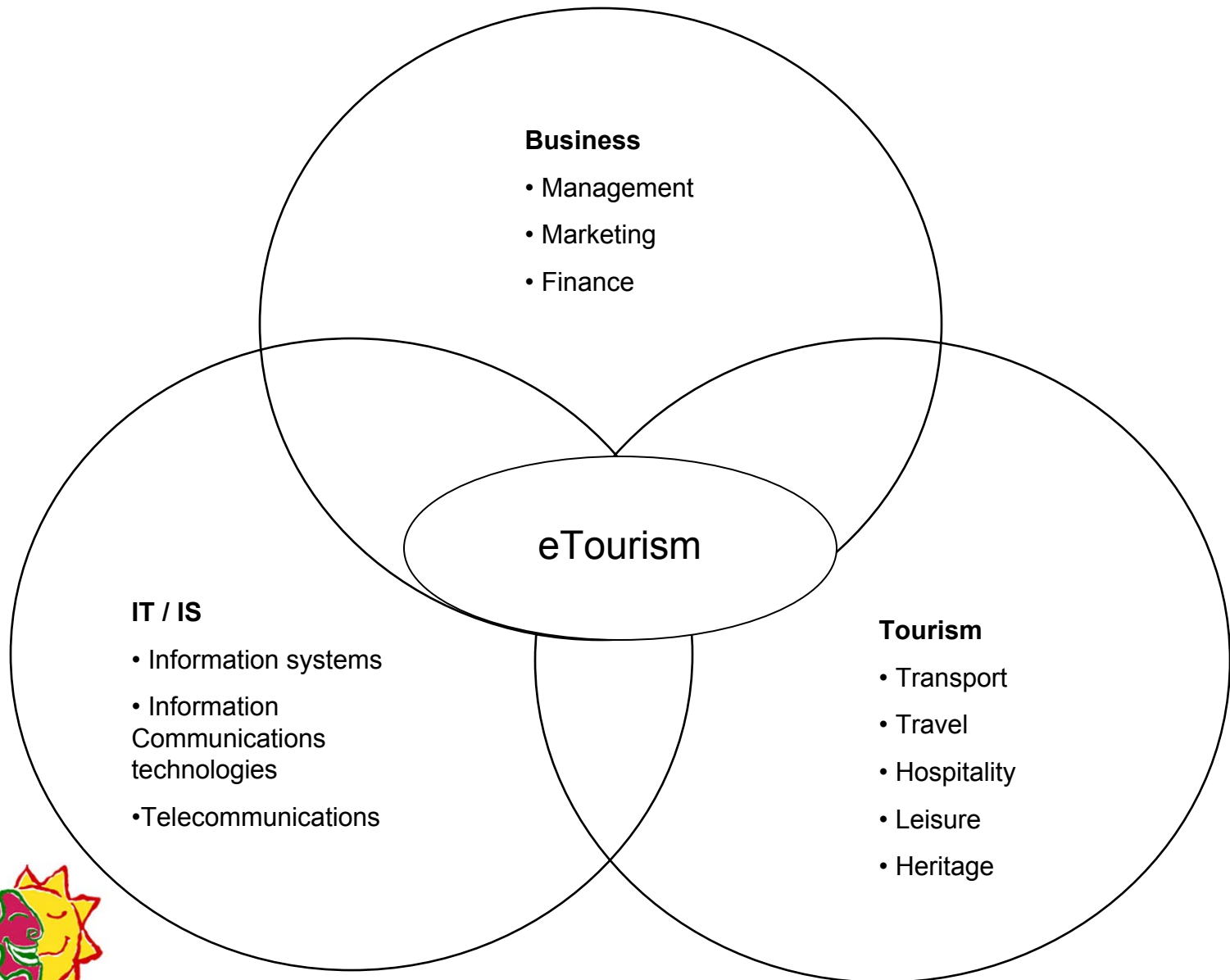


eTourism, What is it?

- **Defined as: the process by which tourism / hospitality processes and affiliated activities are digitalised**
- **ICTs are applied to tourism processes to maximise efficiency and effectiveness of the organisation**
- **eTourism unites Business Management, Information & Communication Technologies (ICTs) and Tourism**



The eTourism concept and eTourism domains (Buhalis 2003)



Areas of Impact

- **Information Dissemination**
 - Kiosks & touch screen terminals
- **Business Process Management**
 - Self check in, office management, staff scheduling
- **Travel Distribution & Intermediation**
 - eMediaries e.g. Travelocity, Expedia



Areas of Impact

- **Knowledge & Data Management Systems**
 - Destination Management Systems, reservation systems
- **Stakeholder & Value Chain Management**
 - Extranets, intranets
- **Communication**
 - Information now pushed toward consumers over new improved technological platforms - Internet, wireless, mobile
- **CRM**
 - Strategic communications, benefits administration,



Areas of Impact

- ***Structural / Industry Changes***
 - Competitive and highly specialised
 - New conglomerates
 - Expanded distribution, communication channels
 - Key Metrics: Cost minimisation / Revenue Maximisation, Market Share Defence & Acquisition



The Destination Challenge

- **Destinations are late adopters of Technology (Hudson & Lang, 2001)**
- **Changing Market conditions dictate new NTO roles and processes**
 - Greater proactivity and involvement
 - Emphasis on communications, networking, customisation, clientele development and service/product delivery
- **Must therefore apply eTourism capabilities to achieve strategic competitive advantage**



Competitive Strategy Benefits

- Market Development and Innovation
- Prospect / Consumer Communications
- Market Research Facilitation
- Corporate Memory Acquisition & Development (intranet)
- Customer Segmentation / Profile Development
- Improved Tactical Offence (Speed, Accuracy, Customer Convenience)
- Improved Marketing Programme implementation
- Improved Customer Loyalty
- Overall Efficiency & Increased Profitability



Exploring eTourism Uses & Benefits

- **Strategic Change Catalyst – distribution, research, marketing & communications**
 - eTourism reconfigures traditional activities (print vs. internet)
 - Hybrid approaches to destination management (no tech / new tech approach e.g. Virtual Tourism Office, location based services)
 - Virtual components added to market research (online surveys, log file analysis, competitive research, advertising evaluation)



Exploring eTourism Uses & Benefits

- **Barriers of Time and Geography addressed**
 - 24/7/365, international accessibility, expanded markets
- **Buyer – Seller power relationships realigned**
 - Customers are more aggressive, informed, interested, hands on.
 - Destinations can leverage 1-2-1 relationships and impact on intermediation/re-intermediation issues
- **Overall Competitive Marketing Strategy**
 - Websites are customisable to interest, language, price or relationship



eTourism Trends

- **Online sales to continue to increase**
 - In Europe 2003 online sales 10.3b EUR
 - Internet generated **\$715 million and 26,000 incremental rooms per night for U.S. lodging industry in 2003**
- **eTicketing to dominate in air and rail travel**
- **Product and Service personalisation to increase as customisation becomes next competitive horizon**



- **Long haul travel services continuing to rely on ICTs for customer service provision and product enhancement (BA's Internet in the Sky)**
- **Intranet use among NTOs to expand**
- **iTV and Mobile devices increasingly facilitate Product and Service distribution**
- **Databases and smart card technologies will be combined to manage CRM & Marketing Analysis issues**



- **Internet Video telephony and Virtual Tourist to rise hand in hand as vacation test drives become key to customisation, sales and management of uncertainty**
- **The tourism providers move toward co-opetition as opposed to consolidation as key business strategy**
- **Aggressive deployment of destination branding and marketing strategies in multi channel, multimedia**



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