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)

**Business**
- Management
- Marketing
- Finance

**IT / IS**
- Information systems
- Information Communications technologies
- Telecommunications

**Tourism**
- Transport
- Travel
- Hospitality
- Leisure
- Heritage
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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