Opportunities, Emerging Features, and Trends in Electronic Distribution in Tourism

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ABSTRACT

Information and Communication Technologies (ICT) and Tourism development are interlinked. ICT provide the tools and promote tourism demand and supply, by facilitating the existence and development of tourism and in resolving the needs inherent to the tourism activity. Consequently, tourism increases ICT requirements, since technological developments facilitate the tasks of economic agents in this sector. ICT enables the tourism industry to become more flexible, because it allows for faster and more efficient responses to requests from customers, while reducing operating costs and enabling more competitive prices. In this article it is presented an overview over the opportunities, emerging features and trends that ICT brings from electronic distribution in tourism, this can help and support the decisions of the various actors in the value chain of this business as well as researchers in the tourism field. Namely, it focus on the opportunities granted to tourism distribution by electronic means, the particularities of electronic tourism and the description of the technologies and trends that the tourism organizations have to consider in order to ensure competitiveness. Finally, it is presented a study using 18 Western European countries showing empirically the importance of the ICT to the tourism activity, by focusing how the number of internet users positively affects tourism demand in those countries.

Keywords: Electronic Tourism (etourism), Electronic Tourism Distribution, Information and Communication Technologies, Information Systems, Internet, Panel Data Model, Tourism Demand

1. INTRODUCTION

Tourism activity is of strategic importance for a country’s cultural, economic and social development, and constitutes in both emerging and developing nations and/or regions a privileged field of revenue. It is an activity with intensive information production and needs, which need a huge amount of communication technology to keep the development sustainable and at the same
time economically viable (Pease, Rowe, & Cooper, 2011; Ramos & Rodrigues 2013a). To have access to the most important information in real-time is also the primordial element among the various actors in the value chain of this business.

Information and Communication Technologies have contributed to the growth of tourism and to the increased volume of tourism demand and supply, making it one of the most powerful partners of the tourism industry. The importance of internet applications in the tourism activity has increased over the last years where Destination Management Organizations have realized that this medium is an important part of their marketing strategies. According to Maswera, Dawson e Edwards (2008) various organizations in the online travel market should endeavor to work together to meet customer needs. Pease et al. (2011) refer that this technological environment is relevant to tourism since it allows for the acquisition of knowledge about consumers habits. Organizations can use ICT strategically to add value and increase differentiation of their products (Paskaleva, 2010). One of the most important point today is how ecommerce and social grouping influences the value chain of the business and how local cultural activities influence foreign online services or stores (Shi, Sia, & Chen., 2013).

Consequently, knowing all the potentialities of the ICT in a specific activity will improve the information flow, the response times to information requests and promote its development in an increasingly competitive society, leading organizations to move to similar technological bases in order to ensure their survival.

This article presents an overview of the electronic distribution in tourism, in a way to help the decision makers in this area, focused into three key points. (a) The opportunities granted to tourism distribution by electronic means, including the internet. (b) The particularities of electronic tourism (etourism), showing the features of this environment, including the redefinition of the value chain, the electronic traveler, the electronic travel agencies and trends in electronic tourism, and (c) a description of the technologies and trends that the tourism organizations have to consider in order to ensure competitiveness.

The main contribution of the article is condensing in a single article the opportunities, emerging features and trends that ICT brings from electronic distribution in tourism, this can help and support the decisions of the various actors in the value chain of this business as well as researchers in the tourism field. In addition, an empirical study is presented to show the importance of the ICT to the tourism activity. By using panel data models to define the relationship between the tourism demand and the variables that explain it, we concluded among others significant variables that the number of internet users, as representative of the technological environment provided by current and emerging technologies, contributes to an increase of tourism demand for a given country.

The next section describes the tourism distribution, the internet distribution systems and dynamic packaging versus static packaging. Section three presents electronic tourism (etourism). Section four shows the technologies and trends in electronic tourism distribution. Section five enlightening the relevance of the ICT in the tourism activity by presenting a study, which models the tourism demand using among others variables, the number of internet users to represent the role played by ICT in this activity. Finally, Section six concludes with final discussion and proposals for future work.

2. TOURISM DISTRIBUTION

The main function of distribution is to provide the information, the combination and the travel organization (Buhalís & Law, 2008). In tourism distribution, there are two factors that transform it into a single process: i) the tourist has to travel to the destination and ii) the tourism product
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