EXECUTIVE SUMMARY

This case examines the implementation and maintenance of Web sites by six “backpacker” establishments in the city of Melbourne on the south coast of Australia. Specifically, the case examines the approach of the owners and managers of the businesses to planning for the Web sites, gathering the expertise required for their effective implementation, what features they put on the Web sites, how they measured success, and how they promoted the Web sites. Many of the businesses faced similar problems to small businesses in general when setting up and maintaining their Web sites. Some of these problems could have been overcome with more effective planning, but overall the majority of the businesses seemed to build capacity by trial and error. While taking longer, it appeared that the owners and managers had a more sophisticated knowledge of Web sites and their use than when they commenced. However, there still seemed to be a need for further knowledge in how to measure the success of the Web site and how to balance the booking of rooms across manual booking, online booking through the Web site, or online booking through third party operators. This article is an outcome of an Australian Cooperative Research Centre for Sustainable Tourism Project.

Keywords: Australia; B2C e-commerce; backpackers; hostels; planning; Web site

ORGANIZATION BACKGROUND

This study was carried out as part of a larger study of small tourism businesses conducted for the Australian CRC in Sustainable Tourism. For that study, small tourism operators in two urban areas (Melbourne and Sydney) and one rural town (Bendigo) were interviewed. However, the authors wished to further
investigate a grouping of particular operators in one region as a single case. In this instance, the operators chosen were initially ten “backpacker” establishments (“hostels”) in the City of Melbourne. Melbourne (situated at the extreme south of the Australian mainland) is generally the more difficult to reach (timewise) than Australia’s other “large” city, Sydney. Initially, 10 hostels were identified through CitySearch (www.citysearch.com.au). All of these were contacted and the owners and managers of six hostels agreed to be interviewed in late 2004. An in-depth (1- to 2-hour) interview was conducted with the owner or operator of each hostel. Prior to the interview, an in-depth analysis of each of the business’ Web sites was carried out. Subsequently, an analysis of the Web sites of accommodation portals used by the hostels was also carried out to provide context to the case and some follow-up calls to hostel owners and managers were conducted.

The primary aim of hostels is to provide inexpensive, clean, and (hopefully) safe accommodation for budget travelers (“backpackers”). Four of the hostels had only four employees or less, with none having more than 20 employees. The largest one also had a bar/restaurant as part of the services provided. All of the hostels targeted their business toward overseas backpackers, with some targeting interstate tourists (33%) (one business particularly targeted German tourists, as they tended to spend more) or particular age groups (33%). This seemed to be specific to the “urban” hostels in the CRC study. The rural hostels typically targeted inter- or intrastate visitors over overseas visitors. One Melbourne business indicated a difference in the types of backpacker that could be attracted — the “young budget” backpacker and the “higher end” backpacker. In all instances, the owners of the hostels were male, but there was a mix between male and female managers of the businesses. The hostels were aware of each other’s existence and often communicated with each other. For instance, as the last of our interviews were being conducted by our research assistant, he was “expected” by the owners of the hostels as they had been communicating with other owners.

Each of the businesses had a Web site. They each used a different Internet Service Provider (ISP), but half of them did not use that ISP to host their Web site. In fact, one of the owners actually hosted his Web site on his own server. One particular owner used a .com rather than a .com.au Web address, as it was much cheaper to get the .com domain name! Half of the Web sites had been in operation between 1-2 years, with the other half having been operational for 3-6 years.

The primary reason for all businesses for setting up the Web sites were that it formed part of the advertising or promotional strategy of the businesses and it provided a means of getting information to clients. One hostel operator set up his Web site in reaction to others doing so. There were a number of specific reasons for setting up the Web site.