Regional Tourism and the Internet: E-Business Structures for Regional Tourism Organisations

Dean Carson, Southern Cross University, Australia
Pramod Sharma, University of Queensland, Australia
Iain Waller, Southern Cross University, Australia

ABSTRACT

Tourism, and especially regional tourism, is facing the same challenges that have emerged in most industry sectors as a result of online technology availability. There are concerns that access to tourism products are likely to be impeded if online technologies are not effectively employed by the whole tourism industry in Australia. A common understanding of the purpose of engaging online is critical to the development of sustainable models for regional tourism organisations. This paper discusses a case where FRANK (The Framework of Regional Tourism and Network Knowledge) was used to help a tourism organisation describe their approach to E-business development. The framework emerges from the four
considerations discussed in this paper: governance, value adding, positioning and evaluation.

INTRODUCTION

Online technologies have had an enormous influence on communications and product promotion and distribution for the tourism industry worldwide (see Sheldon, 1997; Buhalis, 1998; O’Connor, 1999; Werthner & Klein, 1999; World Tourism Organisation, 1999). These technologies have contributed to expanding potential markets for tourism products and improving the efficiencies in managing relationships between enterprises and industry, government, and consumers (Sharma, Carson & DeLacy, 2000). In Australia, key consumer markets are already using the Internet as a primary source of information about tourism products, and are increasingly looking to book and purchase those products online (Australian Bureau of Statistics, 2000).

However, despite the considerable progress, there are concerns that access to tourism products is likely to be impeded if online technologies are not effectively employed by the whole tourism industry in Australia (Department of Industry, Science and Resources, 2000). These concerns include:

- Overly optimistic assumptions about the utility and beneficial impact of online technologies for ALL tourism businesses. These assumptions run the risk of ignoring the real ‘divides’ of the Australian tourism industry, e.g., between large and small players, between major centre enterprises and regional rural enterprises, and between Indigenous enterprises and others.
- Concern that small and medium tourism enterprises (SMTEs) may be deterred from participating in the online economy.
- Concern about the processes used to move online. SMTEs are perceived to have poor business planning skills generally; much of the impetus to adopt technologies comes from technology vendors; planning advice for online technologies focuses on design rather than utility. As a recent study has observed “…the key to a wider use of information, its analysis and application, should not just rely on educating the SME sector on the benefits of IT adoption, but also in fostering a planning orientation which will encourage management to utilise their existing capabilities more fully” (Bridge & Peel, 1999, p. 86).
- Previous research has concentrated largely on the ‘usability’ (effectiveness) of the Web site from a consumer perspective (e.g., Weeks & Crouch, 1999) rather than ‘usability’/effectiveness from the business perspective of the enterprise, i.e., contribution to the ‘bottom line’.

Regional Tourism Organisations (RTOs) have been brought into this environment as a result of their perceived role in supporting SMTEs (Benckendorff
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