ONLINE TOURISM AND TRAVEL- ANALYSING TRENDS FROM

MARKETING PERSPECTIVE

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ABSTRACT

Tourism is the world's largest civilian industry whose growth, economic significance and potential are phenomenal across the globe. Online tourism is rapidly becoming a growing topic of research and its importance as future mode of acquiring information and purchase of tourism products and services is growing day by day. The present paper has been written with the extensive research on contemporaneous data, websites and conference proceedings on tourism related aspects. Web survey, focused interviews have been used to elicit specific information for such qualitative analysis.The domain of Internet is increasing day by day. Tourism products, in particular, have yet to realize its complete advantage. Still, Internet has significantly benefited the bottom line of tourism organizations in terms of cost of converting as well as losing customers with pluses and minuses respectively. Keeping this in view, online tourism is all set to reengineer most of the processes supporting travel and tours as a whole. Organizational information systems and the Internet have resulted in new ways and methods of conducting business. Airlines, Travel Intermediaries and Hotel Industry as functional stakeholders in the tourism process are expected to gain in the process. There are certain challenges, reservations and hiccups concerning the access, adoption, growth, and implementation of the online technology in tourism. However, it's very much in our hands to overcome the weaknesses by making optimum use of the technology.

Keywords: Online tourism, tourism industry, global trends, www, tourism marketing

INTRODUCTION

Tourism is the world's largest civilian industry and accounts for nearly fourteen percent of the world's GDP (David J. Saunders: 2002). Its growth, economic significance and potential are phenomenal across the globe; although yet to be exploited to its maximum capacity. Directly or indirectly, it is all set to change business propositions in manufacturing as well as services sector. As a quasi-manufacturing activity, tourism is contributing immensely in terms of both earnings and employment across nations. The

multiplier effect makes it even more potent. Be it domestic or foreign in nature, its largesse to the target destinations helps not only economically but also in the evolution of civilized societies sharing a cosmopolitan ambience of culture. The advancement in Information Technology- particularly the arrival of the Internet - has further expanded the scope of tourism to global markets. Online tourism, as its natural corollary has emerged to occupy a central place in tourism marketing. Due to its sheer potential, online tourism has become a buzzword uttering out from almost every tongue that speaks of tourism.

The present form of the Internet; particularly the World Wide Web has only been in existence since 1992 (Slevin, 2000) and there is only a decade's time to draw any inferences out. Further, literature which examines internet and tourism has only recently emerged (Williams, Brascombe, Brenner, Marcussenn 1997; Buhails 2001). Although it is rapidly becoming a growing topic of research, the information on the websites seems to be the only rescue for the researchers. At the same time, it forewarns and forearms the marketers of tomorrow about its importance as future mode of acquiring information and purchase of tourism products and services.

METHODOLOGY

The present paper has been written with the extensive research on contemporaneous data, websites and conference proceedings on tourism related aspects. Extensive web survey has been conducted to seek, analyze and interpret information. In addition, wherever possible, the views of practitioners have been used to elicit specific information for qualitative analysis. The study also incorporates the insights gained from some conferences in the area of online tourism in India and abroad.

TOURISM TRENDS AND FORECASTS

The last two decades have witnessed an enormous increase in the number of pleasure seekers with more and more hitherto unknown or lesser known destinations joining the fray. A deeper look at the analysis of tourism data shows a new trend in tourist movements. It's a hard fact that there were hardly any destinations beyond Europe that were visited en masse by the tourists during the 50s and 60s. With the advent of faster modes of transport,

efficient system of connectivity, and emergence of newer and much more fascinating destinations, the tourism industry became more professionally organized.

The diverse and unprecedented growth in the tourism activities made tourism as one of the most remarkable economic and social phenomena of the 20th century. A comparison of tourism statistics reveals that there has been an extraordinary increase in the number of tourists in the last 50 years. The number of international tourist arrivals has evolved from a mere 25 million in 1950 to 808 million in 2005, compounding to an average annual growth rate of around 6.5 per cent. Table-I presents decade wise tourism arrivals globally in six major regions since 1950. The increase is particularly significant in last two decades. As a result, tourism has become one of the largest industries in modern world economy and a major source of foreign exchange for many developing countries with natural assets (Thullen 1996). Growth of tourism together with the evolution of the internet have resulted in manifold competencies viz. spreading to far-off destinations, longer average length of stay, information diffusion, ease in transactions etc.

Table -I: World Tourism Arrivals (1950-2005) in Millions

| Year	World	Africa	Americas	Asia Pacific	Middle East
1950	25.3	0.5	7.5	0.2	0.2
1960	69.3	0.8	16.7	0.9	0.6
1970	165.8	2.4	42.3	6.2	1.9
1980	278.2	7.3	62.3	23.6	7.5
1990	441.0	15.2	92.8	57.7	10.0
2000	680.6	28.2	128.2	114.9	25.2
2005	808.0	38.7	133.4	158.2	38.4

Adapted from World Tourism Organization (January 2006)

In the past two decades, considerably better annual tourism growth was witnessed in Asia Pacific (13 %) and Middle East (10%); while the Americas (5%) and Europe (6%) grew at a slower pace slightly below the world average growth. New destinations steadily marched ahead with their market share while more mature regions such as Europe and the Americas displayed less dynamic growth. As a whole, Europe's world share declined by almost 10 percentage points since 1950; whereas the Americas lost by more than 13 percentage points. Notwithstanding, Europe and the Americas remain the main tourist-receiving

regions between 1950 and 2000. Both regions represented a joint market share of over 95 per cent in 1950, 82 per cent in 1990 and 76 per cent in 2000 (WTO 2005).

Tourism today is an approximately US$ 500 billion industry with higher national, organizational and individual stakes (WTO 2006). The industry as a whole discerns lucrative opportunities to diverse businesses as more and more tourists claim for services. The year 2004 alone added 70 million more tourists to the past stack. Although the increase diminished in 2005, but more than 42 million new tourists were added to it in the same year (WTO 2006).

Diagram-1
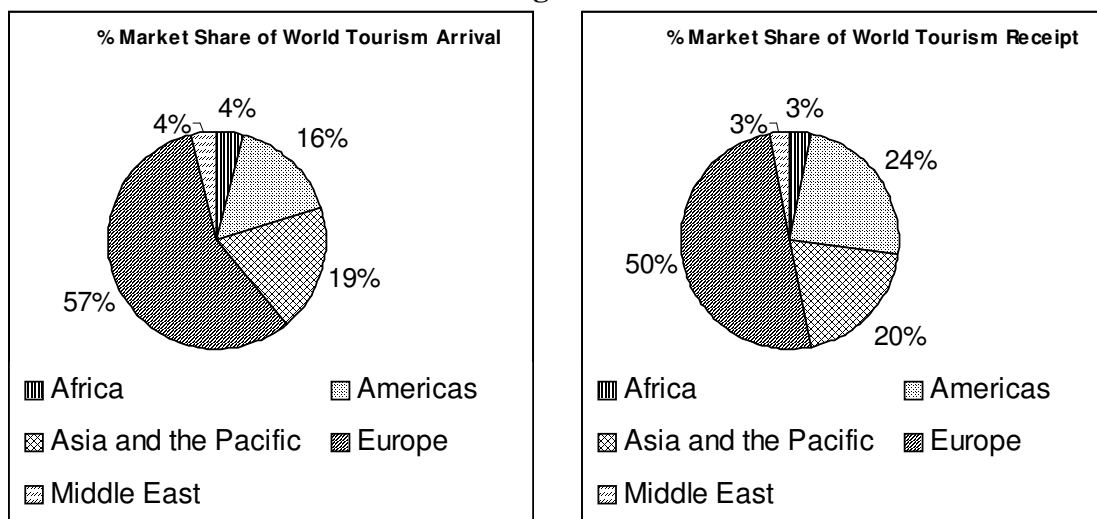
Adapted from World Tourism Organization data, 2005 (www.world-toursim.org)

As revealed by Diagram-1, Europe has maintained its position as the market leader in world tourism arrival as well as world tourism receipts followed by the Asia Pacific. Europe and the Asia Pacific occupy the first and second position in world tourism arrivals whereas Europe and Americas maintain the similar position in World Tourism Receipts (Diagram–1). Asian countries with the respective shares of approximately 19% & 20% occupy the third rank. Africa's presence in the world tourism is a new phenomenon, which is worth studying. Africa is fighting neck to neck with Middle East in terms of both world tourism arrivals and world tourism receipts. However, this comparison is somehow non homogeneous because of its geographical extent covering manifold destinations than that of Middle East. Keeping in view the increasing number of tourist touching African shores in the last two decades, a strong need arises for more efficient system of connectivity in all spheres of tourism activity mainly travel, transport, tour operation and even souvenir related shopping.

WTO's Tourism 2020-Vision forecasts that international arrivals are expected to increase by 200% to reach over 1.56 billion by the year 2020 (WTO 2005). Of these worldwide arrivals, 1.2 billion are expected to be intraregional while 0.4 billion covering long-haul travelers. The forecast predicts Europe (717 million tourists); East Asia and the Pacific (397 million); and the Americas (282 million) to emerge as top three receiving regions; followed by Africa, the Middle East and South Asia. East Asia and the Pacific, South Asia, the Middle East and Africa are forecasted to record growth-rates of over 5 percent per year, compared to the world average of 4.1 per cent. The more mature regions Europe and Americas are anticipated to have lower than average growth rates. Europe is expected to maintain the highest share of world arrivals, although a decline is projected from 60 per cent in 1995 to 46 percent in 2020 (WTO 2005).

Long-haul travel worldwide is expected to grow faster and the ratio between intra-regional and long-haul travel is projected to be higher in favor of the former in 2020. World Personal Travel & Tourism as well as World Business Travel are going to be increased by leaps and bounds. World Travel & Tourism Capital Investment is bound to increase as a consequence and so is the world's travel & tourism demand (WTTC 2005). It can be concluded that tourism is going to emerge as one of the biggest industry across the world. Since travel & tourism touches almost all the sectors of the economy, its real impact would be even greater.

The emergence of online technology has started helping tourism operations in many countries in many respects. Itinerary planning, costing, tickets, accommodation etc. have come online. Though the complete convergence is expected in future, yet these technologies have been instrumental in increasing the domain of awareness and accessibility while reducing the uncertainty with respect to communication gaps. With future high projections in all the spheres of tourism, it's not gainsaying that technology can help us manage tourism operations better.

Bender (1997), Sheldon (1997), Inkpen (1998), Richer and O'Neil-Dunne (1998), Buhalis and Schertler (1999), Marcussen (1999) and O'Connor (1999)- who have conducted several researches in the area of internet tourism marketing, have provided some necessary insights in this regard. The phenomenon is attracting a large number of researchers to

explore interesting issues, relations and trends concerning Internet tourism marketing. This paper also attempts to put some valuable contributions in this perspective.

ONLINE TOURISM - THE MELTING POT OF CONVERGENCE

Online Tourism has been defined as a new form of travel product distribution where a supplier/service provider offers products/services mainly through the medium of Internet to a group of customers, irrespective of their physical location (Singh 2003). Online tourism equips a tourist, tour operator or travel agent for convenient exchanges using electronic medium. User groups globally are finding online technologies supportive in decision making for availing tourism products and services. Even in its introductory stage, Tourism Industry has largely been benefited by online tourism in certain countries.

The domain of online tourism has gained significant strength with the arrival of internet. In a short span of time, Internet has proved its worth successfully in taping tourism opportunities utilizing modern communication technology. It has led to electronic marketing popularly known as e-marketing or internet marketing. Online tourism is one such natural outcome of online marketing that boomed in last two decades. The concept has gained much attention among modern business organizations.

Savvy organizations are observing their every move while marketing services to their customers and are combining traditional business acumen with new technology for forging stronger ties with customers. These organizations have started using online marketing tactics for five main reasons that can be expressed with 5 Ss viz. sell, serve, speak, save and sizzle (Smith and Chaffey 2001). These 5Ss equip tourism organizations in increasing sales, adding value, getting closer to customers by creating a dialogue, saving costs, and extending the brand respectively.

It has been found that a strong network of online technologies helps in developing an environment of spontaneity and convenience. Customized websites, value-added services, focused marketing, easy-to-use self-service tools, and sophisticated contact-center solutions attempt to provide higher user-awareness, accessibility and autonomy. This further provides several ways to build loyalty. Companies that develop a well-conceived strategy for boosting customer loyalty through technological advancements can achieve

impressive outputs resulting primarily in reduced customer turnover, cultivated (high-margin) customers, and long-term relationships all set to benefit the bottom line (Samuel 2003). In addition, internet marketing also embraces information management, public relations, customer service, and sales under the broader umbrella of e-commerce.

Online Tourism has caused several changes in the tourism industry out of which the main impact has been on the interrelation between service providers and traditional intermediaries (Antoioli & Baggio, 2002). It has offered Tourists, across the globe, a tool to express their needs, to seek details on destinations, facilities, availabilities, prices, geography, and climate information for diverse tourism products and services. Moreover, it has given an upper hand to travel agents while looking for information or details about tourists, market trends, service providers, destinations, facilities, availabilities, prices, tour packages and also in maintaining direct contacts with their partners. With its virtue, it has become increasingly convenient for tourism offices to search for industry trends, size and nature of tourism flows, policies, and plans for the developmental concerns.

Unarguably, online tourism has successfully emerged as a platform that enables direct bookings, electronic payments, Business to Business (B2B) and Business to Consumer (B2C) trading among product marketers, travel agents, resellers and customers. Internet and related developments have been quite instrumental in growth of online tourism and online economy. For securing better propositions, emerging technology has always given big leaps to tech savvy organizations from time to time. Its contribution in Computerized Reservation System (CRS) of 70's, Global Distribution Systems (GDS) of the 80s and the most flexible internet and intranet based systems of the present days is highly significant (E Business Watch March 2005). Internet enabled portals launched by various government as well as private organizations have offered a wide range of tourism products and services, viz. airlines, hotels, restaurants, adventure tours, activity centres, concerts, festivities, shopping and many more assortments of services.

More advanced technologies and developments, e.g., Interactive Digital Television (IDTV), Mobile Networks and Intranets have helped modern organisations in carving new interfaces on consumer services in tourism industry. With the increasing popularity of GPRS (General Packet Radio Services) and GIS (Geographic Information Systems), the efficiency and effectiveness of tourism processes has significantly increased. With these

capabilities, tourism is going to incorporate advancer dimensions such as M-commerce (Mobile commerce stands for electronic commerce made through mobile devices) and L-commerce (Location-commerce is the practice of using technologies which provide location information such as GPS for business purposes). The diffusion of these technological advancements has, however, not been similar geographically or nationally.

ONLINE TOURISM MARKETING: THE ACCOMPLISHMENTS

The domain of Internet is increasing day by day and maturity in these processes is expected as a part of its natural evolution. Doesn't it bode well that urban people have revealed distinct biases towards purchasing their air tickets online than through the travel agents even in the third world countries like Ethiopia. According to a recent survey commissioned by MSN and conducted by Harris Interactive, approximately three-quarters of U.S. adult respondents who have ever taken a vacation were found to have visited three or more Web sites when researching and/or booking their vacation plans. Another study by Harris Interactive (2006) argues that searching the Internet for health care information has become more widespread in the past year after three years. Research studies conducted in the recent past reveal that tourists search for information on the Internet for several reasons and during different stages of decision making. However, most of the tourists often have very limited knowledge about tourism products. These researches further reveal that one's knowledge and experience about traveling affect the content of their information search as well as the extent of search. Most importantly, product variability affects the nature and the extent of information search (Bettman, 1979; Newman, 1977). Notwithstanding, It is evident that online shopping experience has become more positive (Werthner and Klein, 1999). Tourism products, in particular, have yet to realize its complete advantage.

Travel and tourism products are ideal for marketing on the Internet because of their intangibility. Tourists have, for the long time, relied on limited information from holiday brochures and other literatures to evaluate tours and destinations. The modern capabilities of the internet, however, have bestowed an invisible hand to the erstwhile mammoth task of communication. At the same time, it has greatly facilitated the promotion and distribution of tourism products and has potentially enabled tourism destinations and enterprises to compete on a level playing field. Electronic marketplaces rely on advance uses of IT to perform essentially the same functions as traditional markets, albeit with

increased efficiency and reduced transaction costs (Malone et al., 1987). According to Kuttner (1998, p. 20), "The Internet is a nearly perfect market because information is instantaneous and buyers can compare the offerings of sellers worldwide".

It's satisfying to find that customers across the globe have shown faster adoption for online tourism marketing as pioneers or early majorities. The fierce price competition and the increased value of speedy information have resulted into higher amounts of Internet use for non-shopping activities and an increased amount of Internet product purchases as an aftereffect (Citrin, Sprott, Silverman, and Stem 2000). Studies have also shown that different products/services have acquired different levels of customer acceptance via online shopping/marketing (Liang & Huang 1998). The success of eBay has primarily been in the sale of physical products than services; however, services like tourism could have been sold more easily using this portal. Should we assume that marketing of certain products is easier on the net than services or should we say that there are other factors that make online marketing click?

Over the passage of time, Tourism is not only becoming lucrative but also highly competitive business for tourism destinations across the world. Competitive advantages possessed by these destinations are no longer natural, but are increasingly driven by science, information technology and innovation. The boost in tourism activities can be analyzed from the fact that irrespective of the threats coming in the form of natural or man-caused disasters, tourists across the globe have braved the front continuing tourism activities. Be it Tsunami or Katrina, September 11 or London Bomb Blasts or any such incidents, global tourists have been undeterred by such threats. While the industry as a whole has proved its resilience to such threats, at the same time, tourist or tourism activities has not been affected much- except a temporary shift in travel flows in extreme conditions (World Tourism Barometer 2005).

As a means for supporting interaction between tourism suppliers, intermediaries as well as end-consumers, Internet has stolen the heart of customers towards adapting the new technology at increasing rates. It has changed the way consumers search for information about products and services. WWW (World Wide Web) now stores unlimited amount of information on the websites and this information can be retrieved by unlimited number of users at any time from anywhere in the world (Zhenhua 2000) and at a relatively low cost

(Chulwon Kim 2004). It is projected that Internet access, which was 75% of all US households in 2005, is projected to reach 90% by 2010 (Felson 2001). The adoption rates are increasing rapidly in European countries too (Anon 2002).

Electronic commerce and Internet marketing are gaining popularity as Internet access is becoming more widely available and used. In developed markets, over one third of consumers who have Internet access in their homes, report dependence on Internet to make purchases (Wikipedia 2005). The growth rate of internet users has been phenomenal in the first five years of the 21st century. It has recorded a growth of 165% in the corresponding period. Globally around 15 % of the population has been penetrated through internet. However, the region/continent wise variation has been huge. For example, whereas the penetration rate in North America is 68.2%, in Africa it is 2.5%, in Central America 6.7%, in South America 16.4%, in the Caribbean 1.5% and for Asia it is 9.2% (Internet Usage Statistics, 2006).

The actual potential of online market in general and online tourism market in particular can be attributed high, prima-facie. Though online-travel-sales, at the moment, account for less but these are expected to grow rapidly in the near future (Smith and Jenner 1998). According to WTO, the Internet is revolutionizing the distribution of tourism information and sales as Internet users are relying to buy online (Chulwon Kim 2004). Even the share of tourism in total online commerce market is expected to grow rapidly.

Internet has significantly benefited the bottom line of tourism organizations. The cost of converting a customer has reduced drastically since the advent of the Internet and broadband services in terms of direct and indirect costs of transactions. Further, the cost of losing customers has been drastically reduced by better communications secured through Internet resulting in an increase in loyalty and better customers' relations. The capabilities mainly in the form of improved web interface, content delivery, user experience, 24x7 availability, multi-channel contact, and online support have resulted in the development of sound base for its adoption globally.

MAJOR CONCERNS OF ONLINE TOURISM

In the present era of Globalization, societies all over the world have become more integrated. Globalization of production activities is gaining recognition as a well-known

subject in economic researches (Allen and Thomas 1992). However, lots of researches regarding globalization are focused upon labor and production activities than on leisure and leisure activities. The growth of the modern industrial society has indicated that labor and leisure are organized as two separate spheres of society (Urry 1990). Leisure, over the past years, has become progressively commercialized and as it goes global, globalization of leisure activities as well is needed to be considered in such researches (Lash and Urry 1994). Increased globalization and continuous advances in Internet technology has yet to make traveling abroad an important aspect of people's lives. To pay heed to the phenomena of online tourism and Internet marketing has, therefore, become non-contentious.

There is no doubt that the tourism activities will boom manifold over the coming years. However, the share of the world in capitalizing those would not be homogeneous. The prime reason for such comment is that the world tourism still is mostly concentrated in a handful of rich countries, which plan, run and reap its major benefits. Most of the tourism products in developing countries are generated, updated and marketed online by major international service providers who are based in rich and developed nations. With their obvious technological advantage, these providers carry out most of the sales transactions and absorb a lion's share in the profits. In African LDCs, up to 85% of total locally generated profit from the tourism industry goes to the developed countries. The situation is not much better in the Caribbean (80%) or Asia (70% in Thailand and 40% in India) (UNCTAD 2004).

The low shares in the earnings thus goes against the development and support of ample tourism infrastructure in the host countries, while facilitating technological developments in the developed ones mediating such activities. This could lead to a vicious circle in development and also in widening up of the gap between the developed and the underdeveloped further. Access to internet technology and support infrastructure can, however, pave this gap by making situation attractive for both. To deal with this issue, UNCTAD has developed the E-Tourism Initiative, with the aim of helping developing countries, and particularly the LDCs, to tap the most of their tourism potential (www.unctadxi.org 2005).

It has also been observed that the enthusiasm towards the adoption of online technology is not similar across firms as well as nations. Many larger businesses still don't market

proactively on the Internet, believing that their brand recognition alone is enough to cater to their customers. While this brews non-homogeneity within the online markets in terms of participants, yet, creates opportunities for smaller businesses thereby bringing homogeneity in terms of levelled playground. Further the confidence of customers for online shopping has not crossed the required level that induces online purchases. As a confidence boosting measure and to promote online purchase of travels, travel consultants are advising both novice travelers and experienced globetrotters to search for the Big Three online travel Web sites- Travelocity.com, Expedia.com and Orbitz.com to find the best deals (www.hotel-online.com).

However, a large number of third-party online travel sites have emerged that assist in searching for travel suppliers directly or indirectly. While sites such as Travelocity.com, Expedia.com and Orbitz.com search travel suppliers directly; other sites such as kayak.com, mobissimo.com, sidestep.com, farechase.com and qixo.com search lots of different travel Web sites at once. A careful analysis using these sites can bring down the travel cost to highly affordable level. Not only in booking for air travel and hotels, travelers also can often save quite a bit of money by booking rental cars through sites such as hotwire.com and priceline.com.

Online advertising- an important promotional tool, for Online Tourism Marketing is growing considerably in the technology-led countries. Jupiter Research's prediction of $7.6 billion expenditure in U.S on all forms of online advertising by the end of 2004 has already come true. The expenditure is projected to grow to US$ 15 billion by 2010. Europe also has shown unprecedented growth of 35 percent in the same period in terms of online advertising. These growth rates outperform all other advertising channels (Julian 2006). However, it is difficult to generalize its instrumentality in serving tourists in different markets and different region, for internet as a technology complimenting tourism operations has different product life cycle in different markets as well as regions. While airlines and hotel markets have been pioneer in its application, at the same time, travel agents, government sector tourism authorities and visa and immigration authorities are lacking far behind in adoption of this technology to that extent. A need for sound organizational information system is there in every country.

The technology now supports most of the line functions in the tourism. Travel researches have got the recent attention in this regard. Internet is also going to emerge as the leading source for travel research since online travellers have started purchasing their travels on the Web. This trend is going to become more popular in the days to come. Web traffic researches being conducted on the web, however, have not gained much approval as of now. The results of the researches are most hidden, inaccessible or payment based and their relevance and reliability are questionable and doubtful. Their use of intelligent agents or robots has been much debated ethically as well as practically. The absence of smooth e-payment infrastructure has made their online purchases further difficult. With the adoption and proliferation of internet only, these mechanisms are expected to become all pervasive, practical, seamless and meaningful.

World Tourism Organization report on a major international seminar in Syria (2004: 5) identifies the importance of extending the concept of e-Tourism beyond a portal to a fully integrated destination marketing and management system by active participation of tourism businesses, and involvement of SMEs to provide intelligence, news, marketing opportunities, business advice and other services to the tourism businesses. The report suggests certain concerns for successful tourism marketing for different nations-most particularly the Arabic speaking Middle East and North African region.

It discuses that Internet strategy as such should take the dominant role in the delivery of marketing objectives- like rural tourism in Lebanon, fitting within the framework the strategy for e-government like Egypt. It further suggests the Middle East countries to work together, in partnership with the WTO to enhance the existing regional portal www.Arab-tourism.org, before moving on to create a joint Web platform - in the line of Caribbean Tourism. It provides importance to the public-private partnership – not only with the major global players (airlines, hotel groups, GDSs, online travel agents) but also with the small and medium size enterprises (SMEs).

ONLINE TOURISM AND FUNCTIONAL STAKEHOLDERS

In spite of the hindrances and suspicions, online tourism is all set to reengineer most of the processes supporting travel and tours as a whole. Organizational information systems and

the Internet have resulted in new ways and methods of conducting business, for example electronic commerce and the evolution of electronic marketplaces (Rockart & Short 1991). Its early impact on various participants or sub subsystem has already been witnessed. Majority of the subcomponents of the larger system viz. travel and tours have shown a discern orientation towards their adoption and application. Airlines, Travel Intermediaries and Hotel Industry as functional stakeholders in the tourism process are worth analyzing in terms of the impact of online tourism. The following section attempts to asses its effect on each of these stakeholders:

Airlines

International or domestic travel has emerged as an integral part of travelers' life. As a consequence, transport capacity has become critical in development or expansion of any destination. Airlines serving as a means to attain frequent and higher transport capacity have attracted significant importance towards giving a big boost to tourism industry. Right since the introduction of early jet airliners (70 years ago) followed by the Boeing 747 Jumbo and Concorde; the industry is all set to introduce the biggest ever airliner-double-decker Airbus A380 to multiply the capacity of airliners while carrying tourists to their destinations(WTO News 2005).

The Internet in general and Web in particular has helped immensely these airlines in streamlining and shortening the distribution channel (Zhenhua 2000). The low-cost airlines (LCAs) emerging in the last few years are heavily capitalizing on the Web to distribute flight tickets directly to customers. Even the major global airlines have realized that the online channel offers a unique opportunity to drive down costs and restore profitability in the sector that otherwise is bogged down by financial losses on other fronts. An accumulated loss of US $800 million faced by 266 number of IATA member airlines in the first eight years of 1990s, is a testimony to the fact (IATA 2000).

Many important airlines of the world now place internet at the core of their efforts while establishing and transforming relationship with customers and other marketing intermediaries. These airlines are investing huge amounts of money for developing web-based operations with the aims to increase the share of tickets sold over the Internet, to manage the supply chain and to reduce procurement costs (Zhenhua 2000). Many of these

airlines have started creating and operating websites that handle supply purchases worth billions of USD per year (CNET News 2000). In 2003, one major airline saved $200 million by selling more than half of its tickets over the Web, which for airlines costs 90 percent cheaper than phones (McKinsey Quarterly 2005). Aggressive marketing by low cost airlines and internet booking agencies in Britain has presented a major challenge to conventional players and has led to intense competition among package holiday companies leading to heavy discounts on overseas holidays (Visit Britain 2004).

Travel Intermediaries

The interactions of tourists with tourism service providers over the past have gradually led the tourism industry to become tour-operator centric where advance planning of itinerary becomes dependent on them as an absolute necessity. It was primarily because of the information concentrated mainly on their hands. This lead to emergence of tour operator and travel agents networks all across the globe and also one of the reasons for organizing the industry online and more direct, using advanced technology.

In Tourism, where travel agents still play an important role in many parts of the world, their stakes are going to be revised in the online regime. How far and how deep their stakes will be affected in the future; depends upon how flexible and innovative they turn into adoption of the new technology and also on how fast the Web affects businesses and everyday life (Liu and Jones 1995). The travel agencies all over the world will have to reorient to suit to the new Internet era by acting as 'travel information and product managers' instead of mere travel ticket sellers.

'Keynote' – San Mateo-based Internet commerce measurement company, has found that there's steady growth in the number of consumers using the Internet to book lodging accommodations as compared to those using other methods such as calling hotel reservation lines or a travel agent. More than two-thirds (67 percent) of consumers participating in the study reported that they are likely to book on a hotel Web site as compared to just 57 percent who opined for using a phone reservation system. Just 16 percent reported willingness to use a travel agent (bizjournals.com).

Online options for booking are continuously beating the off-line ones. In 2003, Keynote research showed consumers' preference for phone reservation systems to mark 63 percent as compared to just 50 percent reporting willingness to use an online agency site and 59 percent to use a hotel Web site. In January 2004, the trend changed marginally as Keynote research revealed that consumers preferred certain hotel sites for phone bookings, but preferred phone service over booking on third-party or agency sites. In its latest study, Keynote's annual benchmarking revealed that consumers now prefer all the online booking methods over off-line alternatives (bizjournals.com). So, the stakes of travel agents who want to continue in traditional pattern are under threat. However, for those willing to join technology bandwagon even better propositions may emerge.

Hotel Industry

Hotel and Restaurant chains are also not too far in their e-orientation. According to a survey in Europe by travel research firm PhoCusWright, the share of online shoppers who purchased directly from a branded hotel site climbed to 45% from 9% over the three years ended last year (www.hotelmarketing.com 2005). The surge was mainly due to improved design and usability, stronger inventory control, and more flexible cancellation policies offered by the organizations. Also the "dual-channel strategy" - hotel call centres combined with an online presence - emerged as a big selling point for travellers. The other factor was the supplier sites doing a better job of pricing their inventory and doing so competitively (www.hotelmarketing.com 2005).

In addition, the hotel owners in Berlin have been found subscribing to innovative Web-crawling technologies to react to the changes in the marketplace. The technology provides them an edge in monitoring the offerings of their competitors for prices charged and prevailing advance booking rates for differing lengths of stay to ensure profitable everyday pricing (www.hotel-online.com 2005). Technology services providers have expressed a distinct interest in collaborating with Global Travel and Hospitality

associations for the development and incorporation of WiFi technology aimed at improving hotel operations and subsequent guest experience. It is interesting to note that more than 470 hotels, resorts and meeting centers across more than 30 brands in the US and Mexico now offer their guests the High Speed Internet Access (HSIA) solution using 802.11 WiFi platform (www.hotel-online.com 2005).

A study conducted by Edmonton-based Web Mystery Shoppers International Inc. on 30 hotel chains has revealed that consumers find it easier to book hotels online than flights (www.hotelrealtyresource.com 2005). However, air travel bookings were found more transparent in revealing the total costs than online hotel bookings. This seems that online hotel booking holds scope as well as potential for improvement. The emphasis is needed with respect to provision of information that can be sorted on price, accommodation, location etc; inclusion of maps or information about where the hotel are located relative to key tourist or business attractions; information regarding taxes or other fees as applicable; and physical evidences in the form of photographs or videos of the rooms or hotels under consideration.

Vantis- a marketing and revenue management consulting organization for hotels, car rental companies and airlines has, however, offered its 'Viz-it' multimedia suit to enable web shoppers' focus to the value delivered by a property as opposed to room cost alone (www.hotel-online.com/News/PR2005). Being a central distribution point to every viable Internet booking site and to all of the major GDS including Sabre, Galileo, Pegasus, WorldRes, Amadeus and Worldspan, 'Viz-it' aims to secure increased bookings and more profitable revenue from web reservations. Notwithstanding, the system may not be practical in countries facing infrastructural problems in communication.

CONCLUSION AND RECOMMENDATIONS

Information Technology, today, is making incredible impact on our lives. Internet's drive to transform the landscape of business operations is unabated in information dissemination and transaction support. Tourism has been immensely benefited in the new order. The awareness, growth and significance of online tourism are increasing day by day. Various available technologies are relentlessly active in shaping the future of tourism, albeit with differing involvement of people, business organizations and nations. Given the reduction in information asymmetries between sellers and buyers, there is a growing interest among the participants in understanding online tourism marketing environments. At such a time, when the tourism industry across the globe is growing by leaps and bounds, the online orientation to tourism can be a deciding factor for most of the countries and the firms claiming stakes therein. There are certain challenges, reservations and hiccups concerning the access, adoption, growth, and implementation of the online technology in tourism. However, these should act deterring the vices not the virtues. It's very much in our hands now to overcome the weaknesses to make optimum use of the technology.

The performance of developed country has been satisfactory towards online tourism marketing. However, developing and less developed countries need some measures to be taken. The following suggestions can be fruitful towards successful online marketing for them:

- There is a strong need for creation of suitable and sustainable infrastructure within countries to facilitate online marketing of tourism. The countries need to strike a balance between their internal capacity and the technological requirements.

- Developing and LDCs needs to put certain effort towards the incorporation of technological advancements and better share in tourism revenues.

- There is a need to develop sound organizational information system which provides citizen an interface towards the introduction of online technologies.

- Countries need to create much awareness among the people towards the access, analysis and use of online technologies.

- Introduction of basic online technologies e.g. credit cards, net-banking, online kiosks, reservations systems are a must to provide initial awareness to people so as to boost their confidence in global online exchange mechanism.

- Multiple channel approaches need to be developed that involve cross-connected web platforms, thematic web sites, e-mail marketing, CRM, e-brochures, and virtual tours as physical evidence.

- Traditional channel in less e-oriented destinations needs strengthening and integration with global online channels.

- Every destination needs to have a strong brand for itself to differentiate it with the brands of other countries and for securing better partnerships within and across nations.

- The countries need to continuously analyze and monitor effectiveness of e-marketing through effective market researches.

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