

CHALLENGES AND OPPORTUNITIES OF E-COMMERCE IN TOURISM INDUSTRY

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ABSTRACT

Online transactions in the tourism industry are continuously increasing despite tough economic problems in this arena and fewer travelers overall. This industry is the leading application in the B2C (business-to-consumer) arena. Whereas other industries are displaying a stronger hold to traditional processes, the tourism industry is witnessing an acceptance of e-commerce to the extent that the entire industry structure is changing. The Web is used not only for information gathering, but also for ordering services. A new type of user is emerging, one who acts as their own travel agent and builds a personalized travel package. Tourism is an information-based industry it is one of the natural leading industries on the Internet). It is anticipated that most, if not all, sectors in the travel and tourism industry throughout the world will have sites on the Internet; showing the suitable marriage of two of the world's fastest-growing industries: information technology and tourism. E-travel is the leading and fastest growing category of e-commerce. In this study, the researcher will focus on the perception of consumers towards E-commerce business in the travel industry and challenges and opportunities being faced by tourism industry while adopting e-commerce.

KEYWORDS: *Tourism, E-commerce, Challenges, Opportunities*

INTRODUCTION

DEFINITIONS OF E-COMMERCE

Many of the implicit and explicit definitions of e-commerce depend on past experience as opposed to on conceivable prospects. There are different approaches to characterize e-commerce by various individuals, diverse books or distinctive parties.

E-commerce is a general term for a business or business electronic exchange that includes the exchange of data over the Internet. Or, then again we can state that web-based business is characterized as the utilization of PCs and electronic systems to direct business with different organizations or with clients over the Internet or another electronic system.

BENEFITS OF E-COMMERCE

The fundamental advantage of web-based business originates from having the capacity to incorporate business operational procedures crosswise over authoritative limits and time zones. Operational advantages of Web use for mechanical vendors are decreased mistakes, time, and overhead expenses in data preparing; diminished expenses to providers by web-based offering, submitting of offers and granting of offers electronically. In this way, it supports straightforwardness and genuineness in certain business exchanges. What's more, production of new markets and market

fragments, less demanding section into new markets of new and little players, and quicker time to showcase is encouraged. The acquaintance of web-based business with help business forms has to a great extent patched up a ton of these practices and strategies. It has likewise given critical advantages to the association when all is said in done and to the entire worldwide economy. These advantages to a great extent rotated around the diminishment of general cost. Putting away organization and item data in the organization database for the web has spared associations the cost of printing indexes while giving them the chance to reuse and roll out improvements to data continuously. Support services have to a great extent been rendered through the posting of every now and again made inquiries on the web or through intuitive online help services and applications. The utilization of information warehousing and the improvement of information mining applications have empowered organization administrators to influence utilization of computerized data for choice to help and perform more mind-boggling examination. It additionally enables their providers and clients to get a direct perspective of organization information and procedures and gives them the chance to get associated with the decision making process.

Table 1

Benefits to Organizations	
Global reach	Locating customers and/or suppliers worldwide, at reasonable cost and fast.
Cost reduction	Lower cost of information processing, storage, distribution.
Supplychain improvements	Reduce delays, inventories, and cost.
Customization /Personalization	Make it to consumer's wish, fast and at reasonable cost.
Sellers specialization (niche market)	Seller can specialize in a narrow field (e.g. dog toys), yet make money.
Lower communication cost	The internet is cheaper than VAN private lines.
Fewer permits and less tax	May need fewer permits and be able to avoid sales tax.
Business always open	Open 24/7/365; no overtime or other cost.
Up-to-date company material	All distributed material is up-to-date.
Efficient procurement	Saves time and reduces cost by enabling e-procurement.
Lower inventories	Using customization inventories can be minimized.
Rapid time-to-market and increased speed	Expedite processes; higher speed and productivity.
Benefits to Consumers	
Ubiquity	Can shop anytime from any place.
More product/services	Large selection to choose from (vendor, products, styles).
Customized products/services	Can customize many product and/or services.
Cheaper products/ services	Can compare and shop for lower prices.
Instant delivery	Digitized products can be downloaded immediately upon payment.
Information availability	Easy finding what you need, with details, demos, etc.
Convenient auction participation	Do auctions anytime and from any place.
Enable telecommuting	Can work or study at home.
Electronic socialization	Can socialize online in communities yet be at home.
Find unique items	Using online auctions, collectible items can be found.
Benefits to Society	
Increased Standard of Living	Can buy more and cheaper goods/services.
Close the digital divide	Allow people in developing countries and rural areas to accept more services and purchasing what they really like.
More public services	Make education, health, etc., available for more people. Rural area can share benefits; more services for the poor.
Enable telecommuting	Facilitate work at home; less traffic, pollution.

PROBLEMS OF E-COMMERCE INDUSTRY IN INDIA

Infrastructural Problems

The internet is the foundation of e-commerce. Unfortunately, internet penetration in India is so far bleakly low at 0.5 per cent of the population against 50 per cent in Singapore. Thus, infiltration of (PC) in India is as low as 3.5 per thousand of population contrasted with 6 per thousand in China and 500 per thousand in the US. The internet is as yet available through PCs with the assistance of phone lines.

Absence of Cyber Laws

Another huge test related to e-commerce market is the close absence of digital laws to direct exchanges on the Net. WTO is relied upon to institute digital laws soon. India's Information Technology (IT) Bill goes to the Indian Parliament on May 17, 2000, plans to handle administratively the developing regions in e-commerce.

Payment and Tax Related Issues

Issues identified with payment and expense is yet another issue persistently indicating e-dealers. The electronic payment is made through credit card or plastic cash which could, in any case, not wind up noticeably mainstream so far in India for the most part because of two reasons. To begin with, the entrance of MasterCard in India is low (2 per cent of the population).

Digital Illiteracy and Consumer Psyche

At present, advanced lack of education is one of the imposing issues e-commerce is looking in India. Then again, the nonstop mass migration of gifted PC designers to different nations has barred India of programming engineers. This has represented a genuine danger to the Indian IT industry. Clearly, answer for this issue lies in controlling the PC cerebrum – deplete and utilizes the same in the nation.

THE EFFECT OF E-COMMERCE IN TRAVEL

Travel e-commerce is another strategy for business undertakings, which essentially Involves publishing, electronic data transfer, online ordering, electronic accounts and online payment services which are related to tourism enterprises. This kind of e-commerce has acquired gigantic changes to countries the 21st century and has since turned another development purpose of tourism economy in key countries.

Travel e-commerce application is the congruity procedure of coordination's, client progression and data keep running in tourism-related enterprises, in which all orderlies have an alternate concentration in connection to business venture and access pick up. It is additionally a region of e-commerce that for the most part upgrades inside and outside availability of travel relates to cutting-edge data innovation. This similarly implies inside various tourism foundations, providers and sightseers, a viable correspondence and buys could be enlarged. Strikingly at a similar minute, the interior procedures of the endeavors and learning appropriation could likewise be supporting. Tourism e-commerce has back fit as a fiddle following ten years of constant improvement, in any case it has truly influenced the conventional tourism undertakings particularly in the created world, yet today very few of the customary dealers have understood the requirement for web promoting while a high rate still focuses on disconnected commercial modes, for example, daily paper and conveyance of travel handout to different target bunches which require a high use, which has been a

trouble to the company's great deals exhibitions. With the absence of system understanding a large number of the customary travel organizations still lean toward overseeing interior business with the utilization of manual estimation, despite the fact that two or three the offices perceive the significance of system use, it is very desirable over huge numbers of these organizations to remain in the essential stage with constraint to simple information preparing and report handling which does not close favourable circumstances of system.

LITERATURE REVIEW

According to Werthner H. also, Ricci F., e-commerce in travel and tourism ventures are constantly expanding notwithstanding of extreme financial issues. (Werthner H., Ricci F., 2004). According to them, this industry is embracing the use of B2B (business to business) and B2C (business to the purchaser). This industry has changed the methods for work together for conventional approaches to present day way, i.e. e-commerce and another online exchange programming whereas different enterprises are as yet embracing the customary way. The internet is changing the conduct of buyers are well as they are ending up less faithful, set aside less time for picking and devouring the tourism items. As this industry is service-oriented business industry, companies are implementing various new techniques to satisfy consumer needs and providing information to them through a web and different value generating strategies like value extraction, value capture, value addition value creation.

According to Kim (2004), there are primary two components for leading fruitful online business procedure which are a security of the e-commerce system framework and easy to use the Web interface. Security implies securing own framework as well as giving security affirmation to clients who are utilizing the destinations or online programming. Easy to use web interface give shopper trust and it's anything but difficult to comfort for clients. Next, to these components, different elements are additionally basic to succeed which are top management support, IT framework, and client acknowledgment. Top management support, assumes indispensable part according to Kim as they are the chiefs and their help and choice will guide the organization to utilize the procedure.

Law and Bai (2008), they additionally clarified that without legitimate IT structure and talented HR, an online business methodology will come up short. One of the variables he clarified is client acknowledgment; client acknowledgment implies the way client acknowledges the web or online programming of the organization and it ought to have extremely rich substance and simple to utilize. These components will choose whether the business will get more clients. Clients intend to use research website quality due to a content richness and ease of use.

According to Mamaghani (2009), the conduct of clients is changing and because of e-commerce, they swap office in a couple of minutes in the event that they are not content with them. Clients expect a similar administration, the same treatment as offered by travel organizations through their outlet or through the web. Diverse clients have distinctive methods for surfing web according to their level of web information also easy to understand site and site's rich substance. To adjust e-commerce by an organization, they need to concentrate on their point by point of administrations, item accessibility, extraordinary offers, customized data which are imperative components buyers scan on the web for the item.

Research Objective

- To identify the perception of consumers towards E-commerce business in the travel industry
- To identify challenges and opportunity for e-commerce in the tourism industry.

RESEARCH METHODOLOGY

Sources of Data

Primary sources of data utilized for this proposed research study

Secondary data has been taken from books, articles, journals etc

Sample Size

100 around consumers based in Ahmedabad city have been targeted for this study

Data Analysis

Table 2

Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
E-commerce adoption is costly for Tourism industry	21.60%	9.80%	31.40%	16.70%	20.60%
Staff should be trained with new technology	16.70%	13.70%	24.50%	17.60%	27.50%
Can reach customer easily with e-commerce	11.00%	28.00%	19.00%	16.00%	26.00%
Traditional tourism company can offer more customised offers	9.80%	31.40%	15.70%	10.80%	32.40%
E-commerce help to increase revenue	19.60%	8.80%	40.20%	10.80%	20.60%
Prompt customer service can be offered with e-commerce	37.60%	23.80%	34.70%	2.00%	2.00%
More travel option available with traditional travel agents	1.00%	18.80%	3.00%	37.60%	39.60%
Easy to serve more clients with traditional business	2.00%	21.80%	3.00%	35.60%	37.60%

CONCLUSIONS

Tourism is the spine of nation's economy. Because of augmentation of individual's salary, an ever-increasing number of individuals are voyaging and they are utilizing different channels to buy their vacation, some areas yet utilizing conventional ways purchasing tourism with the travel specialists, visit administrators, inns and so on and some are utilizing electronic approach to book and purchase tourism item. Indeed, even many travels and visit organizations are adjusting e-commerce to boom their business, they are moving from customary approaches to e-business approaches to get a handle on business sectors as individuals are utilizing web and another online programming all the more frequently. E-commerce is the new route for advancing and offering tourism items through the web. It isn't anything but difficult to adjust e-commerce without a moment's delay from the customary path, venture on data advances costs enormous sum and further it requires aptitude HR. After the adaption of e-commerce in business, it needs to confront many difficulties; one of the primary difficulties is to pull in conventional purchasers who incline toward purchasing items from travel offices instead of booking through the web. To draw these clients, mindfulness towards e-commerce is vital; site ought to be easy to use, useful, ought to have exceptionally rich substance, if conceivable they ought to give virtual voyage through the goal. There are a few advantages and additionally hindrances for adaption of e-commerce in travel and tourism, benefits are low working costs, collaboration with clients, client can pick items utilizing web, quick and speed in benefit, simple to discover

new business accomplices, can speak with clients amid occasions in the event of any issues and so forth however key boundaries for embracing web-based business is enormous speculation, buyer's reliability, absence of human expertise assets, government arrangements about e-commerce, client certainty and so forth.

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