

# Role of ice in tourism industry



**ASSIGN  
BUSTER**

The Tourism industry today is highly competitive and generates considerable income for every destination of interest, and has arguably become economically indispensable. In the last decade, the structure and operational aspects of the industry have been undergoing significant changes in an attempt to keep up with Social and Economic developments as a result of the fast dispersal of the Internet and increasing E-Business; all of which have impacted on the demand for tourism products and the manner in which they can be obtained.

Information and Communication Technology (ICT) is being used in a multitude of overlapping activities within the Tourism sector, ranging from internal organisational functions to external communication between different parts of the industry, as well as facilitating how employees of the industry perform their jobs and how consumers experiences are enhanced. In other words the application of ICT is affecting the entire Tourism Value Chain (Buhalis, 2003). Its fair to say that in light of this, the continuous development of ICT has profound implications in the way the industry managed.

With the implementation of new forms of ICT, an innovative type of E-Tourism has emerged that is radically transforming the Tourism industry on a world wide scale; the effects of which are discussed in more detail on the pages that follow.

Since the early 1960's when the first Computer Reservation Systems (CRS) was introduced, which according to Fesenmaier (2000) changed the way Tourism Operators conducted business in the sector; four interrelated eras

can be identified (Frangialli, 1998). The Data Processing era in the 1960s; Management Information Systems era in the 1970s; Strategic Information Systems era in the 1980s and the Emerging Network era in the 1990s. Since their introduction many of these systems have been changed from their original appearance, new tools have emerged to take advantage of the benefits introduced by these systems, not least of all the Emerging Network era where the internet has significantly enhanced the operational aspects of the sector in general.

It is fair to argue that the Internet has had considerable impact on the application of Tourism management, as people are able to obtain all their travel information and services at home via the Internet. The distribution of travel and tourism products using the Internet has brought about significant cost advantages for providers of Tourism services, and increased customer satisfaction as they provide a full service to their consumers. It is unquestionable, this revolutionary development is accountable for much of the technological developments at the heart of the industry today (Poon, 1993) which has evolved as a result of the Network era, identified above, and has led to further developments in the form of Mobile Commerce (M-Commerce).

Keen and Macintosh (2001) stress that M-Commerce is marking the start of a fifth era of innovation and will continue to extend the way Tourism organisations conduct business. Moreover, according to Keen and Macintosh (2001), those who adopt new ICT and those who manage partner relationships more dynamically, will expand their market share even further by taking advantage of new developments. Just as CRS changed the way

Travel Operators conducted their business, technologies, such as WiFi and WiMax [same as Wi-Fi only on much larger scale] are now changing the way Operators communicate with consumers.

Academics such as Kalakota, (2001) suggest that Wi-Fi and M-Commerce, are key technological developments with wide-ranging benefits to the tourism industry. Wi-Fi stands for “ wireless fidelity” and in simple terms means that computers, peripherals and connectivity to the Internet no longer need to be connected physically, creating a completely wire free system. The benefits of such a system include the costs of setting up are reduced as cabling is expensive, disruptive and not always possible. Wi-Fi allows wider networks, because it does not need to be limited to those machines which are physically linked, fostering greater mobility as people are no-longer restricted to working only at their desks.

As a result of these reasons, the cost of creating Wi-Fi networks in places like coffee shops for example are low, which has lead to the creation of many new “ Wi-Fi hotspots” encouraging visitors to linger and spend more on refreshments for example. Hotels are also taking advantage of the benefits and offering Wi-Fi services to all its guests at next to nothing. Furthermore, the implications for major visitor attractions are equally exciting. For example visitors to museums could use along their own Wi-Fi enabled device and access the museum website in their own language and obtain information on exhibits and so on.

Service providers are building nationwide networks of Wi-Fi hotspots that can be accessed for a fee, and it is this partner relationship within the Tourist

sector which needs to be managed more dynamically, and Tourism organisations need to nurture this relationship in order to provide the services consumers are expecting. A key example of this partner relationship can be witnessed at Heathrow Terminal 1, Paddington station, selected Hilton Hotels, as well as many pubs, as examples of Organisations who have paired up with Wi-Fi service providers, and taking advantage of this Technology.

According to Aramberri (2001), these developments have changed the way Tourism Organisations operate, as these developments have led to consumers demanding more services, and changed the end to end process that restricted the services provided by organisations before the Network Era. In other words new ICT has both facilitated more demanding consumers, but also enabled Operators to heighten the travelling experience. Thus, in order to compete for market share Travel operators need to find new and innovative ways in applying ICT to the services they are offering.

A key example of this can be illustrated with location-based services (LBS) which refers to information services accessible through a mobile handset, based on geographical location. According to Kpper, (2005) Tourism is among the first industries taking advantage of LBS, despite some doubt concerning the compatibility of some devices, with regards to operating systems, data formats, and limitations in user interfaces. In other words at present there is no generic LBS that could run on any device.

In addition with regards to the application of ICT across the industry, it is now faced with a number of challenges. The Internet allows consumers to obtain

information concerning their choices, it is still difficult to judge the credibility of this information, and in the absence of sufficient regulation, consumers still are concerned with the risks. Furthermore, there are still some areas in the Tourism industry that are not actively involved in the utilisation of ICT, and one the key developments through the eras identified above has been the complete utilisation of that system across the entire sector, and there is a risk given the pace of technological development that some aspects of the industry may get left behind. This would reduce the competitiveness of the industry and remove one of the key drivers for change within the sector.

In summary ICT, particularly in the form of M-Commerce as a result of Wi-Fi enabled services has had profound implications for the operation of the tourism industry in three main areas.

Firstly it has radically altered the way in which information is transmitted throughout the industry. Hence, it changes and challenges the way in which Tourism services are delivered and requires that Operators find new ways to satisfy tourists' needs and that the needs are satisfied on demand. Secondly, the use of ICT is driven by the development of complex demands, as well as by the rapid expansion and sophistication of new products, such as the development of LBS, which as a result has enhanced the need for a wider network of Operators to include other businesses which traditionally do not form part of the Tourism sector - such as service providers and mobile handset producers. Finally ICT has gone some way to bridge the distance between consumers and suppliers. It changes the best operational practices in the industry and enables innovative Operators to take advantage of the emerging tools and get closer to consumers.

In conclusion ICT is a strategic tool used to enhance profitability and competitiveness of the Tourism sector and the future destination and competitiveness of the sector depends upon the successful implementation and management of this fifth technological era.

## References

Abowd, G. D., et al. (1997): ' Cyberguide: A mobile context-aware tour guide', ACM Wireless Networks, vol. 3, no. 3, pp. 421-433.

Aramberri, J. (2001): ' The host should get lost: paradigms in tourism theory', Annals of Tourism Research, vol. 28, no. 3, pp. 738-761.

Buhalis, D., 2003, eTourism: Information Technology for strategic tourism management, Pearson.

Fesenmaier, D., et al., Eds. (2000): Information and communication technologies in tourism, Springer.

Fodness, D. and B. Murry (1997): ' Tourist information search', Annals of Tourism Research, vol. 24, no. 3, pp. 503-523.

Guerley, W. (2000), " Making Sense of the Wireless Web", Fortune, August 15. Available at: [www.fortune.com](http://www.fortune.com)

Kalakota, R., and Robinson, M. (2001), M-Business: The Race to Mobility. New York: McGraw-Hill.

Keen, P., and Mackintosh, R. (2001), The Freedom Economy: Gaining the M-commerce Edge in the Era of the Wireless Internet. Berkeley, CA: Osborne/McGraw-Hill.

<https://assignbuster.com/role-of-ice-in-tourism-industry/>

Kpper, A (2005), Location-Based Services: Fundamentals and Operation: Fundamentals and Application. John Wiley and Sons Ltd. 2<sup>nd</sup> Edition

Laudon, K., Traver, C., 2002, eCommerce: Business, technology, society, Addison Wesley, Boston.

Moore, K., et al. (1995): ' Behavioural conceptualization of tourism and leisure', Annals of Tourism Research, vol. 22, no. 3, pp. 67-85.

Snepenger, D. J., et al. (1990): ' Information search strategies by destination-naive tourists', Journal of Travel Research, vol. 29, no. 3, pp. 13-16.

Tribe, J. (1999): Economics of Leisure and Tourism, Butterworth-Heinemann, London.

V. K. (2002), Global M-commerce – Business Opportunities for Wireless Data Services; in World Market Series