

Effect of globalisation on communication in tourism industry



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Globalisation and the Internet have changed every aspect of the tourism and leisure industry – from marketing and communication channels to booking and hospitality services. Many of the previous strategies employed by the industry no longer are effective because of these new market forces.

Organisations within the tourist and leisure industry must be attuned to the shift in consumer and business trends related to where they seek information and book their travel in order to maintain or grow their businesses. Companies should also be aware of how various communication channels can be leverage to attract specific regional tourist markets. This paper examines both traditional and innovative communication channels – print, media, Internet, agencies and booking companies, and word-of-mouth – to distinguish between what is effective and non-effective now and in the near future based on specific trends that are currently influencing the industry's evolution. As the research found will illustrate, the effectiveness or non-effectiveness of each channel is linked to the travel stage – from planning and booking to the destination experience and journey home.

Traditional communication channels within the travel industry have centred on booking agencies an shops, print media and advertising, marketing collateral, and television and radio. When it comes to the destination experience, word-of-mouth, travel kiosks, and tourist centres are other traditional channels that seem to work well. ^[1] These channels were – and, to a certain extent, still – able to provide brand promotion, nurture customer relationships, and offer a “ value proposition.” ^[2] In relation to marketing efforts, traditional channels “ follow a passive one-to-many communication model, whereby a company reaches current and potential customers through

the broadcasting of the same message.”^[3] However, in terms of today’s marketing strategies, there are a number of reasons why this channel is not effective: “uncustomised message to every consumer, wasted exposures to uninterested audiences, and ‘noise’ distraction from competing and conflicting messages.”^[4] Additionally, traditional mass media formats of print, television and radio do not offer the new demands for interactivity, flexibility, and accessibility.^[5]

In terms of booking travel, these channels may still attract a certain demographic of travellers, but they mediums do not reach the potential audience that might be possible if more innovative channels were utilised. This is because of a movement related to consumer preferences from the “High Street” to the Internet.^[6] In addition, these channels could also be considered ineffective based on their inability to maximise monetary resources. These channels can also be ineffective in that they do not build repeat business or encourage long-term relationships with customers because there is an inability to develop specific, customised communications. Print, television and radio tend to be more expensive while booking agencies and shops tend to produce higher overhead costs, making these more expensive than some of the newer methods of communication that rely on technology to reach more people while minimising the cost of using these channels. The traditional methods of communication tend to be more fragmented, reducing the level of brand recognition and equity that could be achieved through some of the more innovative channels.^[7]

One aspect where traditional communication channels may still be effective is with destination guides and services once travel has been booked and the trip has commenced. For example, it is estimated that 60-70 per cent of visitors to the UK will still use travel books and guides while 10-20 per cent will still seek Tourist Information Centres or related “in person” service to get their information. ^[8] While 25 per cent may utilise the Internet or a mobile device while others will use a combination of traditional and technology communication channels to find information about their destination while travelling, ^[9] traditional channels seem to be more effective during this part of the experience.

There are signs, however, that indicate that technology may enable these communication channels to become more effective in addressing travellers who are seeking unique destination experiences and on-demand information. While basic information, such as specifics on major attractions, hotels, restaurants, and the like, will still be sought, there may be a need to also supply information on unique places, opening and closing times, special exhibitions, and smaller attractions. ^[10] As travellers become more technologically savvy, the traditional methods may no longer satisfy demand. As one study noted:

For example, growth is being realised in handheld devices that “combine cell phone voice communication, Internet access and global positioning – enabling visitors ‘en route’ to a destination to access product information and make bookings; to put together itineraries; and to relate their position quickly to nearby services (theatre, restaurants, attractions, events, etc. ^[11]

Those destination service organisations currently focused on traditional communication channels may want to start strategising on how to incorporate new channels into their offering to retain their customer base.

More than other industries, tourism is an “ information-intensive” industry that consists of numerous producers that need to work together to serve their clientele. ^[12] As such, it was one of the first industries to widely adopt ^[13] some of the emerging communication channels, such as the Internet, which has increased the “ interactivity between consumers and suppliers.” ^[14] Not only does it provide an inexpensive delivery channel for information, but it also “ empowers the marketing and communication functions of remote, peripheral and insular destinations as well as small and medium sized tourism enterprises which become able to communicate directly with their prospective customers and differentiate their product according to their needs.” ^[15] Traditional communication channels could not provide the geographic reach that a channel like the Internet has now been able to do in creating an infrastructure that enables information convergence.

One niche where the Internet has been particularly effective as a channel for the tourist and leisure industry is marketing communications and advertising by creating a “ narrowcast.” ^[16] In terms of addressability, those utilising this channel can also provide unique experiences for the consumer.

Customisation of information and the ability to create unique sales propositions make newer communication channels, such as the Internet and database management, more effective than its traditional predecessors. The Internet can effectively mirror the benefits of personal selling techniques “

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but with much more flexibility, better memory and less cost.” ^[17] This need for customisation comes from the growing shift in the demographics of today and tomorrow’s traveller. As one research firm noted: “ More attention will need to be given to tailoring propositions to suit the ageing population, those with more time and money to spend on leisure, the childless couples seeking quality time, or the emerging traveller nations of China and Central Europe.”

^[18] Strategies now must address “ multi-generational needs, wants and desires.” ^[19] The introduction of mobile handsets and high-tech communication channels has helped the industry “ develop and leverage customer relationships and to interact with more customers across more channels than ever before.” ^[20] The ability to achieve this also creates effective cross-selling opportunities that might not have been possible using traditional channels. ^[21]

Related to these demographic trends, consumer and business demand is also now on an instantaneous cycle. Provide the information that they need or they will move onto the competition. Traditional methods cannot adapt to these lead times ^[22] , making the Internet and real-time answers via web sites a more effective method. Online travel agents are an excellent example of just how effective the Internet is as a communication channel. As one research firm explained, “ The global reach of the worldwide web brings the massive network of suppliers, such as airlines, hotels and tour operators, within the reach of millions of customers.” ^[23] Unlike a traditional travel agency, online channels provide 24/7 access, real-time updates, and the ability for multiple brands and travel products to be offered simultaneously

for the lowest price, reducing the time that the consumer or business has to spend searching for their travel needs. ^[24] There is also a degree of transparency in pricing that has never been possible. ^[25] No traditional communication method can deliver this type of effectiveness.

Despite the effectiveness that the Internet and technology have brought to the travel industry, one aspect that illustrates the advantage of traditional methods comes down to personal service. Unfortunately, technology removes the intimacy of face-to-face communication channels. In response, many organisations utilising technology are providing telephone support so that customers still feel that connection. ^[26]

An interesting aspect of business that is becoming a growing part of the tourist industry is environmentally based and involves Corporate Social Responsibility (CSR). This becomes especially important in new and emerging economies. ^[27] In looking at other aspects of the travel and leisure industry that utilise communication channels, the use of local community groups, community leaders, and media organisations ^[28] are two channels that work effectively to help develop a sustainable tourist trade in developing countries, such as those in Africa, Eastern Europe, and Asia. These channels can help create a tourist trade in less modernised areas through such “grassroots” tactics as “training; participatory workshops; community, group, and individual meetings; local radio; school newsletters; and local events.” ^[29] In these areas, more advanced channels, such as the Internet, may not be effective except for attracting travellers from Westernised cultures that rely on this technology to find information. If the <https://assignbuster.com/effect-of-globalisation-on-communication-in-tourism-industry/>

goal is to attract more foreign tourists, investment in tactics utilising this type of channel might then become an effective mechanism for a sustainable tourist and leisure industry. The Internet could then become an important way “ to put local tourism micro-enterprises into direct contact with the global market of travellers.” [30]

The changing levels of effectiveness in the various travel and leisure communication channels have had the greatest negative impact on smaller, niche travel agencies. They cannot compete with larger online entities that have the resources to participate in the newer, more effective channels created through technological advancements and the globalisation efforts of travel and hospitality firms. Other aspects of the travel and leisure industry can look to utilise both traditional and emerging communication channels for effective coverage and interaction with their customers by enhancing their marketing and promotional efforts while expanding the capabilities of their service offering. The tourist and leisure industry will need to continue utilising a multi-pronged approach through the power of multiple communication channels to serve all its customers.

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Footnotes

[1] Wright, "Customer Contact Services," *VisitBritain* (2004), 6.

[2] Kyriakidis, "Tourism, Hospitality & Leisure – Executive Report." *Deloitte & Touche UK* (2003), 1.

[3] Liu, "Internet Tourism Marketing: Potential and Constraints." *Hotel Online*. (2006), 3.

[4] *Ibid*, 3.

[5] *Ibid*, 4-5.

[6] Kyriakidis, *Deloitte & Touche UK*, 4.

[7] *Ibid*, 4.

[8] Wright, *VisitBritain* , 3.

[9] Ibid, 3.

[10] Ibid, 8.

[11] Ibid, 8.

[12] Liu, *Hotel Online*, 7.

[13] Ibid, 7.

[14] Buhalis, “ Information Technology as a Strategic Tool.” *Tourism Review* . (1996), 35.

[15] Ibid, 36.

[16] Liu, *Hotel Online*, 3.

[17] Ibid, 4.

[18] Kyriakidis, *Deloitte & Touche UK* , 1.

[19] Raleigh, “ Top Ten Issues in the Hospitality Industry for 2007.” *International Society of Hospitality Consultants* . (2006), 6.

[20] Kyriakidis, *Deloitte & Touche UK* , 1.

[21] Ibid, 5.

[22] Ibid, 1.

[23] Ibid, 4.

[24] Ibid, 4.

[25] Ibid, 5.

[26] Ibid, 7.

[27] Grenna et al. “ Communication and Sustainable Tourism.” USAID (2006), 7.

[28] Ibid, 7.

[29] Ibid, 7.

[30] Ibid, 8.