THE FUNCTIONALITY OF THE INTERNET AS TOURISM MARKETING INSTRUMENT

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Abstract

One of the important activities of tourism marketing is the creation and distribution of tourism information. This is required by consumers, tourism agencies and tour operators in order to facilitate search and to monitor related products and services. Tourism information includes information regarding potential tourism activities, tourism sights, the means to reach them and other information concerning a destination.

Each destination is characterized by a sum of specific pieces of information. The management and distribution of tourism information in brochures involves high costs for the agents who operate in tourism, whereas the Internet offers tourism industry low costs.

In order to make the marketing of a tourism product successful, the tourism operator needs to have primarily a strategic outlook to understand perfectly market change from the material to the virtual one, as well as the interplay of forces within it.

The Internet has changed forever the tourism environment and marketing, so that no business in this domain can escape its impact any longer. The companies that are willing to get involved and use e-commerce should however benefit from more advantages. Even though a company likes it or not, the Internet exists and it will dominate tourism marketing.

Keywords: tourism marketing, Internet, GDS, online transactions

1. Internet technology and tourism

The Internet should not be treated as a distribution device or promotional means, but as force that deeply changes the leadership of tourism business. The marketers will have to rethink the processes through which they identify, communicate with and provide for consumers. Also, they will have to involve these in the creative act of their products.

The Internet affects the success factors of a lot of business, that is why tourism companies need to use it to gain new advantages.

For instance, tour operators from Great Britain were driven by gaining distribution control through its vertical integration, but, since the setting up of companies based on online sales, control over the distribution of present products has replaced the one of normal distribution. In reply to the threat of direct sales of airline companies, big agencies have used the Internet in order to develop their GDS system and have diversified their product gamut to include hotels, car rentals, cruises etc.

The Internet makes much more than automate online transactions, it can supply a large array of previously unavailable pieces of information. Marketing is an information processing activity that connects the company to the external environment in which it

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operates. The Internet is a valuable source of information on competition, marketing conditions and the general environment.

The Internet is extremely useful to build a database with information regarding consumers. By using the adequate software it is easy to systematize information on all users who have visited the company website. This can be used to identify and prospect consumer needs in view of adapting resources to better provide for the consumer.

A database with the history of all online transactions may be the main source of marketing information for tourism companies, deciding what type of tourism products they may offer, what market segment they address better and how the company is rated by consumers.

By accessing other websites, a company can obtain valuable information on the demand, supply, competition and economic exchanges, demography, legislation, domestic and international market technologies.

Scanning competition web pages helps companies acquire knowledge of marketing strategy and tactics. For instance, from the webpage of a hotel chain one can easily get information on the main activities of the company, financial performance, the emergence of new hotels and investment plans, marketing strategies, while the websites of airline companies provide information on economic-financial analyses, strategic alliance groups, the development of new expansion directing lines and plans.

An important characteristic of the web is that the prospective customer searches for information about the product or brands that he is interested in. In fact, the consumer shows interest and gets involved in webpage visiting. On the web, the consumer is able to immediately reply to the marketer. All the answers and all the clicks can be saved by the web server. By using tourism technology and applications on the Internet, companies can find consumer patterns and they can make use of this information further in marketing.

For example, the subscription of visitors to an online brochure can show the potential number of reservations, the distribution among visitors and over time, the order in which the web pages were accessed. The usage information can be combined with the user profile from user records through questionnaires and can be used to find out the interest and characteristics of demand and the purchase behaviour. This leads to identifying the target segment. Having this information, the tourism company can establish the target and can develop specific means to reach its objectives.

The appropriate usage of the information regarding consumer profile and habits can improve the efficiency of market segmentation and infiltration. This is due to the fact that the traditional approach of market segmentation is often oversimplified in being based on economic, geographic, demographic variables, whereas psychological, behavioral or lifestyle data is expensive to collect and is difficult to measure and compare.

In online marketing it is much easier to collect data from potential users through tangible rewards such as prizes or membership badges to draw the consumer to fill in the web forms. It is also simpler and more efficient in market segmentation through web pages for specific consumers.

One can create a cyber-community for every niche market through which consumers with similar interests and behaviour can be sent offers of relevant products as well as other goods by marketers. Members of such Internet groups can regularly exchange information among themselves and thus maintain a sense of belonging to that group.

One of the advantages of the Internet in marketing is that the tourist can be a creator of tourism products. This is possible because, on the one hand, tourists can provide individual preferences for a holiday package through feedback, through filling in web forms, e-mail or just clicking certain options which the tourism marketer can use to develop new products or customize existing products for the needs of specific consumers.

In this respect, the Internet has accelerated product exchange from mass and tangible production to information-based and consumer-oriented production.

On the other hand, a tourist who makes his own choices can not only lead the online transaction and decrease sale costs, but also actively participate in the production process itself.

Internet technology can contribute to the improvement of existing products or to the development of new products and services which would redefine the strategic position of companies.

The introduction in recent years by many airline companies of e-ticketing and information exchange through mobile phones during the flight determines the improvement of services addressed to consumers.

The Internet ensures for tourism landmarks (museums and art galleries) more options for electronic presentation and shows web collections which are physically impossible to make. Zoological gardens and aquariums can improve their offer through live cams connected to websites.

The role of the Internet in establishing the price is based on the possibility of instantly processing and exchanging a large amount of data for a large number of users. This ability to take the information allows companies to efficiently and rapidly analyze the data regarding prices.

The capacity to exchange information enables companies to set and change the price in real time, to participate in online auctions and to use flexible prices. These two qualities are extremely useful in tourism marketing.

The uniqueness of the Internet as a distribution means is given by the fact that the web allows producers to have direct relations with consumers at low costs and therefore fosters the possibility to give up intermediaries as well.

To the wholesaler a net-based business means not being forced to use the retailer but it creates for him the risk of not being used by the producer in his turn.

2. Internet in the tourism industry

The most important role in tourism distribution on the Internet is played by direct reservation and the transaction between the service provider and the consumer. Direct marketing offers both the consumer and the marketer enhanced control and potential

lower access costs. Since derived channels may start from either the producer or the intermediary, the possibility of a conflict between channels is high. In order to prevent and increase price competitiveness between direct sellers and retailers, both producers and intermediaries will have to develop remarkable products that offer unique benefits.

For instance, online reservations for plane tickets bring special benefits that cannot be found in tourism agencies, while purchases from tourism agencies may supply an advantage of the type of a hotel reservation or flight insurance.

Airlines are among the first which have invested and developed CRS and GDS systems and which have made effective use of Internet potential. The web offers even more opportunities in shortening and narrowing distribution channels. Low costs of direct tickets to the consumer are based on the Internet. Big airline companies believe that the Internet offers a unique opportunity to drop costs and to increase profits in this sector that faces great financial loss worldwide.

British Airlines, for instance, has released an e-strategy that places the Internet at the core of the efforts to transform the relationship with consumers and providers. The investment of 90 million pounds sterling is being pursued for the development of web operations to the purpose of increasing ticket sales on the Internet. The operation via mobile phones and interactive television is also being prepared.

Airline companies use the Internet in order to reduce costs on provider channels as well. The greatest change brought by the Internet in the tourism industry is in the sector of tourism agencies. They are negatively impacted by the market as more and more consumers make reservations directly from airline companies. It seems that, if they do not excel in their sector, agencies will no longer survive. It will be quite soon that the web will dominate both businesses and everyday life.

Tourism agencies will have to reinvent themselves in order to adapt to the new Internet age, being subject of transformations in all areas of activity from ticketing to information management. The potential giving up of intermediaries has a double effect on tour operators. On the one hand, they may get avoided by producers who sell directly and, on the other, they could benefit from their own direct sale and would eliminate retailers.

The impact of these two factors is difficult to quantify, but what is certain is that tour operators, more than tourism agencies, have a future in the Internet age. This statement is based on the fact that tour operators assemble the parts of a tourism product in a saleable package. Through this activity that is creative of added value, tour operators provide better services to consumers, enabling savings through the wholesale purchase of components that they would have otherwise not obtained from tourism service providers. Big tour operators have their own airlines and direct sales practiced by other airline companies are not a threat to them.

A component of marketing mix, promotion is most easily transformed as a result of the use of Internet promotion. The Internet provides a means of effective information distribution in terms of work and cost almost instantaneously to millions of prospective

customers on international markets. Internet promotion combines mass-media with inherent personalization. It is used in order to generate visibility, brand recognition, publicity, public relations, sponsorship, direct sales, technical assistance.

3. Promotion issues

In the use of Internet as a means of promotion three major issues are to be considered:

1) The Web allows increasingly great amounts of information to be sent to potential consumers much cheaper, instantaneously and with multimedia effect. The key to obtain these benefits is a well-built, updated website that is also attractive, informative and interactive. Besides the multimedia capacity, a good website can and should incorporate as much detailed and correct information in the form of brochures, schedules, photographs, graphs – as much as that in magazines and as entertaining as that in television advertisements.

The website may also provide a lot of publicity since there is no capacity or promotional space limit. By page links the marketer can create a brochure to include what the user wants to know.

For instance, the tourism destination website can become an "information mall" that offers to the user all the basic information such as exchange rates, traditions, weather, what to buy etc. Through links with websites of other companies, through e-mail or even phone numbers and addresses the user can contact them in order to obtain personalized information.

2) The promotion of the company's own website is done in order to increase its popularity and the number of visits, as a company website must enter in competition with hundreds of other websites that sell similar products and services.

An address that helps the user localize it on the web contains the name of the company, the brand, a key word or phrase. Links from other pages may be done by submission to search engines and online directories and by paying important websites to insert banners. Links with other pages like those that offer news or entertaining services or complementary services may make the website more interesting and relevant, but also more up-to-date.

The promotion of the webpage through traditional media is important, especially under the circumstances in which it is being launched.

3) The use of the company website as a platform for advertising websites of other businesses through banners may generate profit, becoming an advertising means for other organizations.

Indeed, the effectiveness of the Internet as medium of promotion has made from online advertising a successful business. The increase of web advertising will lead to the decrease of attractiveness and costs with traditional forms of publicity like direct mail, radio advertising etc.

The Internet is an effective and efficient means of communication, including addressability, interactiveness, flexibility and accessibility and it plays an important part in the improvement of the services directed to consumers and in dropping costs. The

unique characteristics of tourism make it ideal for the presentation and acquisition of services on the net.

A large variety of factors which are connected to demand, organizational, technical and governmental factors could both favour and harm the applicability of the Internet in tourism marketing.

In connection to the future of the Internet and tourism marketing there are few question marks that may arise. The Internet could become the predominant platform and promotion instrument of tourism and distribution in the next 5 years. Internet Marketing has emerged from its "childhood" and is accelerating as growth process due to recognition of its marketing potential by more and more companies and people.

The increase of computer power, the decrease of access and navigation costs and the improvement of user level and capacity will make internet navigation an everyday necessity, especially in developed countries. A lot of the present technological restrictions will be surpassed with the optic fiber technique or satellite access. Speed, applications, inscription and digital signal software that is meant to enhance security will improve, along with more sophisticated search engines in order to simplify search.

At the same time, governments are more and more involved in the implementation of e-commerce through incentives given to small businesses, facilitating infrastructure development and setting basic legislation that supports and protects the ones concerned. Obviously, the key to the future development of Internet tourism marketing resides in tourism companies. Market conditions and web technology are getting better and better and a social and legislative environment is being created.

The dimensioning and full exploitation of the opportunities created by these changes depend on the tour operator. Thus, the crucial issue is how tourism companies can benefit from the change brought by the Internet. In order to extract useful recommendations it is necessary to understand the complexity of the matters at hand, including technical and marketing experience, and to have awareness of Internet tourism development as well as of tourism in general.

The transposition of marketing mix in cyber space represents cybermarketing mix whose content can be synthesized as follows:

- the product is present in cyber space through a description of the characteristics, brands, electronic brochures adapted to the exigencies of each client;

- the price can be known, just as the payment means; there are online payment systems which can use all types of currency. The Internet allows the issuance of personalized promotional offers and the analysis of consumer purchasing behaviour;

- the distribution – the Internet represents for all products and services a global, original and low-price distribution channel. The intermediaries are no longer necessary, which for tourism is an aspect that leads to considerable cost reduction, simplification of tourism information activities, to influencing consumer behaviour;

- promotion is achieved through communication between the client and the firm; dialogue does not only presuppose information but, unlike traditional media, also interactiveness, numerous possibilities to exchange information.

Each cybermarketing mix component can be adapted to the client needs from quantitative, qualitative and temporal points of view. The product price can be adapted. For instance, a webpage can show different prices offered by companies or private enterprisers.

4. Conclusion

A company distributing information material can at the same time indicate its prices for wholesalers or those for direct clients. If the seller knows the geographical area where the client comes from, he may show the prices in local currency. The seller may get to know the social-demographic characteristics of the clients as well by using a questionnaire that will allow the observation of consumer behaviour through the intermediary of the website. Companies make databases that include preferences or client interest focuses, but these databases are resorted to with discretion, as clients become loyal company clients.

The quantitative objectives pursued through this system are the number of visitors, the number of new clients, the request for information, and the qualitative objectives refer to client satisfaction, brand image, reconsideration of international position. Decision-makers in tourism must be aware of the great variety of possibilities offered by new information technology, to experiment these new means in their marketing strategy.

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