

# Chapter 28

## Strategic Advantage in Web Tourism Promotion: An e-Commerce Strategy for Developing Countries

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### ABSTRACT

*This research informs the means to develop an e-commerce strategy for web based tourism promotion of hotels located in developing countries. The study explored the aspects related to the use of information systems in web based tourism promotion, along with a focus on the organizational factors affecting the use of e-commerce strategy. Interviews were conducted with the managers of selected five sample hotels located in Sri Lanka. A structured web content analysis was undertaken for all five sample hotels to trace process level data on the e-commerce web content. Specific aspects of web content analysis include interactivity, trust, information and value adding features. Instrument for web content analysis was developed by the researcher. The outcome of research produces an outline for developing an e-commerce strategy for hotels located in developing countries to achieve strategic advantages in web based tourism promotion.*

### INTRODUCTION

The unprecedented growth in Information Communication Technologies (ICTs) has revolutionized the business world. Revolutions in relation to managerial functions have resulted in an epochal impact on relevant businesses. For the survival

and success of any industrial cluster, proper acquisition of technology and effective usage of its innovations have become vital elements. Tourism has been reported for its strategic utilization of ICT. Buhalis explains the impact of Information Technology (IT) in tourism industry as follows. “Information communication technologies (ICTs)

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have been changing the global tourism industry rapidly. The implications of the internet and other growing interactive multimedia platforms for tourism promotion are far reaching and alter the structure of the industry.” (Buhalis, 2004, p. 104). Although the Information Systems / Information Technology (IS/IT) has been evolved as a strategic player and even the principle enabler in tourism promotion during the last few decades, most of the hoteliers in developing countries are still using it as a support tool for tourism promotion.

The global leading position of tourism industry has opened up a strategic window for many developing countries to boost their economy by positioning them to record global market share in tourism. In fact, the WTO predicted that in 2010, America would lose its favorable position behind Europe to Asia and the Pacific in receiving international tourists and that by 2020, Asia and the Pacific can expect around 397 million arrivals (Harris & Vogel, 2007). The growth of tourism in developing countries is growing at a faster rate than their developed counterparts. One of the primary success indicators for tourism for the developing countries is promoting their tourism attractions to the developed countries. Alongside, a survey reports 30% of the American adult population used internet to browse travel information in 2003, while the European online travels sales for the same period increased by 44% (Werthner & Ricci, 2004, pp. 101 - 105). The above study clearly shows the increasing trend of internet based tourism reservation from year 2003, over the years. Furthermore, the evolution of web platform technologies from traditional web 1.0 to interactive web 2.0 have resulted a paradigm shift in online promotion. Meanwhile Roush (2006) predicts the forthcoming invent of more advanced web 3.0 platforms. Richards (2007) indicates web 3.0 as a platform of intelligentsia, facilitating quick web searches. On the contrary, is it feasible for hotels located in the developing countries to invest a huge amount in web 3.0 technologies in the era of financial instability? Secondly, being in the cutting edge of

a technological shift, will it advisable for hotels to invest on technologies going obsolete? Moreover, interactive platform is the urgent need for most of these hotels for excellence in tourism promotion. Consequently, web 2.0 with high level interactivity could be the most viable platform technology for the hotel websites. This clearly shows that the tourism businesses in the developing world experiences an emerging need for a strategic approach towards web based tourism promotion in order to enhance their web based promotion within the existing web 2.0 framework.

Tourist arrival in Sri Lanka in the last few years has been observed to be declining. Considering this, and the post-war development of the country, Sri Lankan government declared the year 2011 as National Tourism Year. It is estimated by the SLTB forecast that there will be 25 million tourists in 2016 (Antony, 2009, Para 1). Another statistic released by Sri Lanka Tourist Board (SLTB) confirms the top rank of Asia, Europe and American countries in country wise arrival rating of Sri Lankan tourism market (Annual Statistical Report, SLTB, 2008). The above findings indicate the shared characteristics of Sri Lankan tourism industry with other developing countries, which strives to enhance the web based tourism promotion to attract tourists from the developed nations. Hence, Sri Lankan hotels could be selected as potential samples to represent the tourism businesses of the developing world.

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