

Web-Enabling for Competitive Advantage: A Case Study of Himalayan Adventures

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EXECUTIVE SUMMARY

This case emphasis is on the reduction of the logistical aspects of adventure travel and increase in the customer base by using the *Web-enabling* information technology resources. A global travel company, Himalayan Adventures (HA), based in Pakistan wants to build a one-stop electronic commerce store for its customers. Through this website, HA hopes to provide all of their travel services, visa details, health and safety insurance, weather information, flight reservations, police registration, currency exchange, travel itineraries, sale and purchase of equipment, souvenirs and communication requirements. To implement the online store for HA, the owner, Abdul Bari, is planning to utilize the Porter electronic business model in analyzing the market needs, and identifying the appropriate information technology to gain a strategic advantage. This project, once implemented, will compliment the already existing HA *brick* model with a *bricks-and-clicks* model. On the initial investment of \$70,000 per year for three years, the incremental net present value created by the project is \$174,079.

BACKGROUND

Abdul Bari, president of Himalayan Adventures (HA), sat in his office in central Gilgit bazaar looking at the sun set in the majestic Himalayan Mountains. The tourist season for 1998 in Northern Areas of Pakistan (NAP) had just ended. For the next seven months, until April 1999, the foreign or domestic tourists would not be visiting the NAP for climbing, trekking or hiking.

Figure 1. Map of Pakistan and the NAP



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The 1998 season was a turbulent year for the Pakistani tourist industry in general and NAP's tourist industry in particular, which provides the developing country with more than 50% of its \$14 billion tourism revenue. Although this turbulence was attributed to the overall decline in customer base after Pakistan and India tested their nuclear devices in summer of 1998, Abdul Bari thought otherwise. After talking to many of his clients, AB knew the real reason was the better logistical arrangements, customer service and lower costs that other foreign competitors were providing to their clients in HA's market segment, namely adventure tourism in the Himalayan and Karakorum mountain ranges of Central Asia. These competitors included the tour operators from Australia, England, Germany, India, Nepal and Bhutan.

As estimated in the World Bank Country Development Report (1999), the travel and tourism market provides Pakistan a total of annual revenue of \$14 billion. Four of the 10 highest peaks in the world lie in the NAP, which houses the mountain ranges of Karakorum, Himalaya, Pamir and Hindu-Kush. The rugged beauty of the region, along with its unique culture, offers a potential tourist an experience that is enjoyable, challenging and enriching. The Pakistani Tourism Development Corporation estimates that foreign visitors to the country have explored only 20% of the NAP territories.

HA started as a partnership between a mountain climber and a business student in January of 1995. The main niche or specialty market of the company is trekking, bicycling and the cultural safari tour market, though the company has facilitated mountaineering expeditions in the past. During the tourist season, i.e., May to September, based on tours that have been reserved, the company hires porters and guides, who are then assigned to each visiting

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