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## **E- Tourism**

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**Abstract:** The aim of this paper is to emphasize that part of tourist activity which we interact with the most often. It is the service we use more and more, a package of services we dream of and buy without knowing what actually lies behind the advertisement on an Internet site. This e-tourism, developed in an exponential rate during the last 10 years, offers a unique opportunity to interact with the virtual environment where the market is a control box accessed both by supply and demand. This study refers to the occurrence and development of internet booking services.

**Keywords:** e-tourism; World Wide Web; computer reservation system; Global Distribution System

**JEL Classification:** L83; Z32

### **1. Introduction**

#### **1.1. Tourist Products and Their Promotion**

Tourist product is a multiple combination of interesting features (natural and anthropic tourist resources) offered by an area (given destination) and the specific and nonspecific services (the result of workforce on the general and specific material resources). In a narrow sense, the tourist product is all the goods and services offered to tourists by one or more tourist companies (travel agencies or direct providers – hotel, restaurant, etc.).

Consequently, the touristic product is a form of trading the tourist offer, while its elements (transport, accommodation, food, entertainment, spa, etc.) are sold as a package or separately. There is a relation of interdependence among the elements of the tourist product, each of them holding an essential role in creating customer satisfaction, as follows (Snack, 1994):

A feature of tourist consumption would be the consumers' preference for new places under the pressure of daily stress, while goods consumption is mostly based on previous experience and purchasing again the products they trust. This makes tourist advertisement even more difficult. The advantages of using advertising (Balaure & al., 2005) are: increasing the number of tourists attracted by a destination or making them loyal customers, preparing the entrance of the travel agency on new markets, promoting all forms of tourism (spa, winter sports, cultural tourism) nationally and internationally, boosting extra season tourism, encouraging sightseeing during the trip, increasing demand for supplementary services which means the increase in tourist spending and travel agency revenue, a better use of resources (accommodation, restaurant services).

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Promoting sales, as well as flyers offering discounts, can be a faster way, but they can only be used for a short period of time. Each element of the promoting process has strengths and weaknesses. While these might include price factors, the ability to target different groups, there are also other important issues.

### **1.2. Tourist product distribution**

Distribution means a series of activities which sell the product (transfer of services from the provider to the consumer). Usually, trading the tourist product is made through two distribution systems:

- direct distribution: tourist service provider - tourist. In this case, the tourist deals directly with the service provider; the request for services being made either during the trip or by booking the services and getting confirmation from the provider. This is characteristic of unorganized forms of tourism.
- indirect distribution: service provider-agent-tourist. In this case, tourists prefer to turn to the travel agencies for organizing their trips and ensuring the desired services. It is specific to organized and semi-organized forms of tourism.

A tourist product has 4 elements, among which only one is essential and respects the requirement of tourist definition: “a person who travels for pleasure, usually sightseeing and staying in hotels”, - accommodation. The other elements may or may not be attached to the product: transport, entertainment, restaurant.

It is well-known that tourist product is not tangible and people try through different means to achieve tangibility (“their production and consumption experience are inseparable; its inventories of goods and services are perishable; and the consumption experience varies depending on the individual tourist at different times” (Bing Pan, 2015). People try to make it tangible using the Internet as technology.

“The internet is one of the most influential technologies that have changed travelers’ behavior. It has emerged as a valuable platform for customers to organize their travel according to their needs and preferences, and came to revolutionize travelling.” (Szopiński & Staniewski, 2014)

## **2. Theoretical Concept. E-tourism or Internet Tourism**

Developing electronic businesses in the network of the current information society offers multiple opportunities to increase the level of existing places of employment; it stimulates economic development and investments based on innovation for the convenience of companies. According to a research study undertaken in the USA in 2013, 15% of social stock is held by the so-called dot-coms – companies that function only on the virtual market. This percent accounts for approximately 1.5 billion dollars.

The Internet represents a network structure which functions by using specific standards called Internet standards used by the participants to the connection. One of these standards for exchanging information is the World Wide Web with its protocol or http/Hyper-text Transfer Protocol for hypertext transfer. This standard is represented by a system of Internet rules for transferring the so-called web pages – hypertext documents. WWW is the most popular service offered by the Internet. It provides a simple way of presenting information, allowing access to Internet services even to people who are not very proficient in using computers.

Information and communication technologies (ICTs), are currently one of the most significant factors contributing to socio-economic development, or the development of civilization in a broader sense.

Their dynamic expansion influences contemporary economies and societies, transforming nearly all areas of life.” (Szopiński & Staniewski, 2014)

“The dynamic of e-tourism is closely related to the development of ICT” (Bing Pan, 2015)

E-tourism means obtaining traditional tourist activities through electronic means, mainly Internet based technologies, adjusting the way tourism is advertised, resources are managed and group marketing is perceived.

“Various typologies of technologies are employed in e-tourism. Consequently, three sub-areas have emerged: operational tools and systems used by tourism, hospitality businesses, or organizations to increase efficiency and competitiveness; consumer platforms adopted by tourists to search information, plan their trips, make purchases, and share experiences; and distribution and commerce tools which offer distribution channels and mediate the transactions between tourists and businesses.” (Bing Pan 2015)

The most visible aspect is buying online group or individual packages. It has been observed that there is actually a minimization of the difference between the tourist destination real image and its imaginary perception. “All tourists have a socially constructed image of a destination (Urry, 1990; Galí & Donaire, 2005; Larsen & George, 2006), which conditions their decision-making, and it is important for the tourist agents involved in the network to control the image of a destination”. (Prats & Camprubí, 2009)

„Using computer reservation system (CRS) in 1970 and Global Distribution System (GDS) in the late 80s, followed by the development of the Internet in the late 1990s, have dramatically changed the best operational and strategic practices in the tourism industry (Buhalis, 2003). If in the past 20 years the focus was on technology itself, since 2000 we witnessed a real transformation of communication technologies. This gave the possibility of developing a wide range of new tools and services that facilitate global interaction between players in the world.” (Băbăiță, Ispas, Ghenescu & Hălăău, 2010)

At the beginning of Internet obtained trips, most of the observers noticed that the biggest travel agencies will become the leaders of online trip selling. However, except for American Airlines, it seems that most failed in successfully exploiting these opportunities. Instead, new companies emerged and dominated the market. As Table 1 shows, most of these sites offer a large range of services and products, potentially able to replace traditional travel agencies.

**Table 1. The 10 best travel sites**

No.	Name	URL	Description
1	Microsoft Expedia	<a href="http://www.expedia.com">www.expedia.com</a>	It offers information and bookings for flights, hotels, car rentals from a variety of providers, including Worldspan for flights and TravelWeb for hotels.
2	Travelocity	<a href="http://www.travelocity.com">www.travelocity.com</a>	It offers information and bookings for flights, hotels, car rentals based on SABRE GDS.system
3	Excite City.Net	<a href="http://www.city.com">www.city.com</a>	Information site (based on their own search engine) offering booking facilities through Preview Travel.
4	United Airlines	<a href="http://www.ual.com">www.ual.com</a>	It offers information and online bookings for flights
5	Map Quest	<a href="http://www.mapquest.com">www.mapquest.com</a>	It offers maps and a few planning services
6	Asia Travel	<a href="http://www.asiatravel.com">www.asiatravel.com</a>	It offers information on geographical placement of hotels
7	American Airlines	<a href="http://www.americanair.com">www.americanair.com</a>	Airline site offering information on the company products and services as well as an extended range of advantages (including booking facilities) at Advantage Club
8	Carnival Cruise Lines	<a href="http://www.carnival.com">www.carnival.com</a>	Promotional site for the biggest company organizing cruises
9	Intellicast	<a href="http://www.intellicast.com">www.intellicast.com</a>	It offers information on destinations and weather
10	Preview Travel	<a href="http://www.previewtravel.com">www.previewtravel.com</a>	A site where you can book plane tickets, hotels, car renting, packages

Source: search engine [www.google.com](http://www.google.com)

The basic concepts behind these megasites is that of a virtual traveling shop– combining traveling products from different sources and offering the user a standard mechanism of searching for information and for ordering products. Despite the novelty of the concept and the relative immaturity of the sites, they had a dramatic impact, with sites such as Travelocity, Microsoft Expedia and Carnival Cruise Lines selling tickets worth of 1-2 million dollars a week. A few of these sites originated in GDS system and they tend to balance the existing investments in booking systems to reach the customers directly. This kind of sites provide a varied range of traveling services and allow users to search for information about flights, car rentals and hotels using the same database available for the travel agencies through their terminals, but with a friendlier interface.

A common feature of megasites success is the variety of useful resources they provide along commercial information. They often include general advice for trips, a guide of destinations containing information about attractions, news about traveling and local weather, exchange rate, maps, etc. Such characteristics were included in order to widen the area of services offered to potential customers who use the site as a central source of getting information about traveling, thus making it unnecessary to consult another source.

The distribution of trips on the Internet has successfully moved past the beginning stage, and as long as nobody is sure which the best strategy is, it is clear that the Web is the reason why many of the traditional distribution channels become better defined. These developments have resulted in debates on the future of traditional agents. Why would a customer use the services of a travel agency or tour operator when they can find and book travel services themselves? Do these companies have a future in the “wire world”?

### **3. The Case Study: Service Booking Systems through the Internet**

#### **3.1. Amadeus - [www.amadeus.com](http://www.amadeus.com)**

Amadeus was funded on the 21<sup>st</sup> of October 1987. Amadeus Marketing SA belongs to a consortium owned by four air companies - Air France, Iberia Lufthansa and SAS, with the headquarters in Madrid, Spain.

The four companies engage in a combined investment of almost 300 million dollars in an independent and neutral global distribution system (GDS), a computerized booking network that uses a single point of access to connect the airlines with travel agencies, providing real time searches of prices, bookings, tickets and other processing solutions.

Therefore, Amadeus becomes the European travel agencies' favorite system and later for the entire world due to its fast expansion and inclusion of hotel accommodation reservations, car rentals, train tickets and other traveling providers. In order to deal with all these distribution activities, a vast and advanced IT network is developed, which can offer around the clock the reliability and efficacy of international traveling operations in a stable and strict environment.

Amadeus creates a web site for traveling [www.amadeus.net](http://www.amadeus.net), which offers consumers the possibility to find out more about the airline's availability and information about the destination. Amadeus launches a new line of products called Amadeus Destination around the world, users being able to access a global resource of information about countries, areas, events and activities, allowing them to book travel products and services offered by local providers around the world.

In 2002, Amadeus becomes the biggest GDS in the world, processing for the first time one million reservations in one day. Amadeus becomes the first GDS which is about to be given ISO 9002 certificate for customer services and assistance as well as data processing.

Amadeus, in partnership with British Airways Qantas, associate in order to develop a new generation of IT management solutions for the booking, inventory and boarding systems. This evolution leads the company towards the establishment of a new business division called *Airline IT*.

As part of the brand evolution program, Amadeus adopts the slogan "Your technology partner", a new corporate site is launched as well as an international advertising campaign, and it officially changes its name Amadeus Global Travel Distribution to Amadeus IT Group. Amadeus is once again on top as an European tourism research and development leader and it remained as one of the most important investment companies in Europe in research and development (C&D), according to the European Committee (CE).

In 2015, Amadeus buys AIR-IT, a North American company, its solutions being used in 30 of the 50 most crowded airports. Navitaire is another purchase made in 2015 in the segment of low-cost airlines which Amadeus was able to buy for 830 million US dollars..

#### **3.1.1. Products and services**

##### **Amadeus Hotels Plus**

Amadeus Hotels Plus is a booking service for all travel agencies in order to bring them extra profit and it offers content perfectly integrated from all accommodation sources in one single format of Amadeus Selling Platform, so that customers can access all providers in one interface. This allows agencies to obtain the best offers for their customers in record time and compare data in a fast and easy manner when choosing the best offer.

Amadeus sales log is over 1.3 million booking options for hotels and over 379.000 unique properties stemming from regional and global providers such as GTA, Travel Cube Travel Bound Brands, Albatravel, Bedsonline, Despegar.com, Destinations of the World, Hotel.de, HRS, SunHotels, Teldar Travel, Travelboutique and Travelguru.

### **Amadeus Altéa Suite**

Amadeus Altéa Suite is a complete, new service system which offers a unique integrated solution of passenger management especially designed for airlines that cover their operating functions since they have four modules.

Altea Inventory uses advanced availability techniques and of dynamic identification of customers, allowing airlines to create, manage and automate the flight schedules, seats, fares, codeshare and re-accommodation.

Altea Reservation offers customers complex solutions which help increasing booking opportunities by distributing air and non-air content for wide distribution channels. Automatic recognition of customer preferences ensures personalized services which can be applied during the booking process according to airlines' specific policies. Airlines can track their customers all over their trip, offering them real time personalized offers and information regarding flight changes, services or other offers.

Altea Departure Control covers all aspects of flight departures, including check in, issuing boarding passes, security check, as well as other functions associated to passenger boarding and flight management. The flight management module accurately and safely automates the plane's balance and weight, analyzing both the passenger load and the freight in order to define optimal distribution for each flight.

Amadeus Ticketing Platform allows airlines to undergo a variety of automatic transactions linked to issuing, changing or cancelling electronic tickets. This includes access to Amadeus e-Ticket Server from which airlines can issue or re-issue electronic tickets in direct channels and GDS, according to interline and distribution agreements of airlines.

### **3.2. Degriftour - [www.degriftour.com](http://www.degriftour.com)**

Degriftour, a French company from Cergy Pontoise, in the North of Paris, has become one of the innovators in using e-trade in the tourist sector. Using the new technology, they started to redefine the normal distribution channels applied to tourist and entertainment services.

From the beginning, their direction was clear. They work with a simple concept – no stores, no retailers, no catalogues – just electronic communication and media. As such, they represent the last and probably the most successful example of a virtual travel agency. Customers have made reservations through Degriftour and through the associated brands Reductour and Club Bonjour France. The company is well known in France.

Established in 1991, Degriftour started by selling cheap tourist packages to the French customers. The concept was that of providing different combined last minute products („*last minute availability*”) offered cheaply to the public.

Degriftour offered its providers a supplementary way of getting rid of the unbooked stock that cannot be sold in a different way, while the public benefits by reduced prices, should they be willing to wait and book in the last minute.

In the same way, distribution through travel agencies or retailing channels will also be too expensive. It was necessary to have a low cost, a flexible channel of distribution to target the customers directly and to allow them to book easily and fast. Luckily, France had such a distribution channel – Minitel teletext network, used for international commercial purposes on millions of French people. Using this network, Degriktour made its products available to a diverse public, 24/7. Bookings could be processed through Minitel system, customers introducing their own address and credit card information, thus maintaining the cost of data entry at a minimum level. Travel documents such as itinerary were faxed to the customer, while tickets were posted or they could be picked up at the airport, thus reducing interactions with the customer. As a result, the need for a lot of reservation offices was eliminated since transactions were electronically processed.

Degriktour sees real potential in the ability of the Web to help grow the business. Research already showed that their sites attracted new customers inside France, which generated supplementary revenues, instead of simply attracting customers. As well, since all information is available both in French and English, Degriktour started to gain a market share outside France, as a result of the unique offer of products.

Degriktour has recently used the Web to launch the first service which is not totally destined to the French. „*Club Bonjour France*” focuses on selling products to customers who wish to visit France, so it serves both domestic customers and new-comers. The range of products is diverse and it includes hotels, villas, camping sites, theme weekends, B&B, cabins on ferryboats and private residences. Low costs of storing data means that complex features can be included in the service. For instance, if a hotel has a good restaurant, the menu and prices are often included

### **3.3. TravelWeb - [www.travelweb.com](http://www.travelweb.com)**

TravelWeb is an innovative Web system which allows customers to find information and to book hotel and airline products on the World Wide Web. Customers who wish to make their own reservations can purchase the product that best suits them, make a reservation with their credit card and get the confirmation in a few seconds. The service is available 24 hours a day, 365 days a year; it can be accessed from anywhere in the world and by any Web browser.

After its launch in 1994, TravelWeb has rapidly become one of the first online hotel booking and information systems in the world. Its capacity to also book seats for flights was added in August 1996, making it the only Web site combining the ability to book hotel rooms directly in real time, as well as buying a seat at any airline in the world. They also offered facilities for car renting through a partnership with Herz, the biggest car rental company in the world, which will make TravelWeb the most complex travel site on the Internet. By providing such a large range of tourist services, TravelWeb hopes to surpass one of the problems of using the Internet – subscribers do not know where to look the information – TravelWeb being actually a “store for all information and reservations.” Maybe the best indicator of their success is the sales.

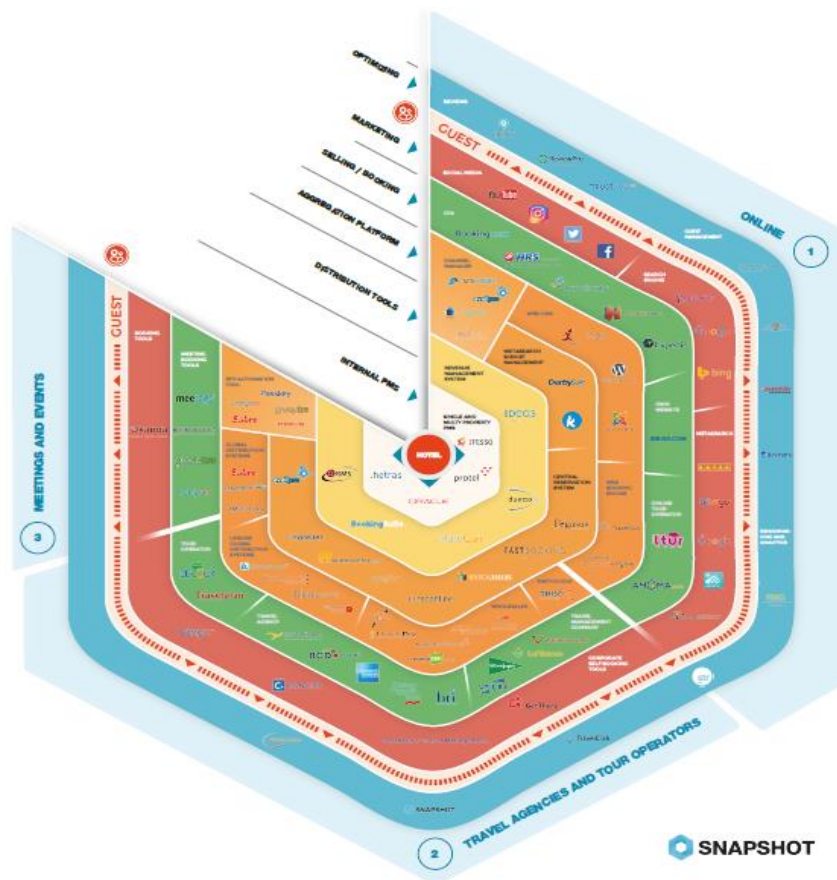
During the first years of activity, sales increased on average by 40% a month, presently processing bookings worth of 1 million dollars a month.

The range of products available through TravelWeb is monumental – over 24.000 hotel properties in more than 150 countries, including 90 different brands of hotel chains; it also includes more than 300 airlines. An average of 33.000 people access the site daily, with reservations in 29 countries, which proves the extent of the system.



**3.3.1. How TravelWeb works**

Travelweb visitors are shown a complete electronic tourist brochure they can access to find and book places and seats at the hotel and airline they are interested in. Pre-registration is not required and, unlike other similar sites, users anywhere in the world can use the site for reservations in a simple manner, by using a credit card to guarantee their reservation. Ample search facilities are provided and users can locate the suitable hotels by their geographic location, the name of the chain, price range and specific facilities. The system will list the hotels that match the search and it will allow users to read the characteristics, to see photographs of the rooms and restaurants, facilities to organize meetings and entertainment activities locally associated to each property. Once a choice has been made, the link with THISCO (The Hotel Industry Switch Company), allows prices and availability to be displayed and the reservation can be made online. At this stage, the system collects essential information such as user's name and credit card details, and then it processes the reservation. A confirmation number is provided while the user is still online, this being followed by an email which confirms again the details minutes after, as a security measure. Users can also see the previous reservations they have made through TravelWeb and they can cancel the reservations made if necessary. All these transactions happen on the Internet. (Diagram 1.) Due to the large number of properties represented by TravelWeb, it will definitely be very difficult to plan, manage and maintain Web pages for each of them. These pages follow a set standard, displaying essential information such as facilities and prices, but also the nearest airport. One of the criticisms brought to this approach is that the potential for differentiation marketing is limited. Nevertheless, an alternative opinion is that this standardization is, in fact, an advantage, users knowing exactly where to find the information they are looking for on the page. It thus allows easy comparison of several properties.



**Diagram 1. Hotel distribution technology**

Source: <http://blog.snapshot.travel/hotel-distribution-technology-chart-2017>



### **3.3.2. TravelWeb Customers**

The success of TravelWeb can be explained by two factors: their constant innovative culture and the emphasis on the customer. These two elements were combined to make sure the site TravelWeb is constantly developing and its services are improving in order to better serve the user. For instance, the range and quality of the information given is constantly expanding. Apart from the range and the availability of the information for each hotel, interactive maps allow users to see the location of the property and give directions to help tourists find it.

Weather news and forecast are as well available on the site, and another option has been recently added, known as “*Travelscape*” – an interactive tourist store. This was immediately integrated in the site, furnishing articles about the most attractive tourist destinations in the world, along with useful travel advice. This new feature helps users plan their own trip without having to leave the site – which explains the reason why it was nominated by *Fortune Magazine* as being „*the best hotel list in the world*”.

As well, customers concerns about online reservations have been addressed. The absence of registration, user passwords and incorporating strong search engines helping locate the suitable products minimize the online search time. The worries concerning security disappeared due to the use of the encryption technology „*Netscape Secure Sockets Layer*” to protect credit card transactions. More than that, all reservations are confirmed to help prevent unauthorized transactions. Airline reservation facilities have evolved through an agreement with ITN. In addition, in order to be faster and easier to use, the new search engine offers characteristics such as searching for the lowest travel price, choosing transport seats, exchange rates of the main currencies, sending tickets all over the world and prompt confirmation from more than 300 airlines in the world.

The ability to distribute special offers was also included with the launch of “*Click-it!Week-ends*” at the end of 1996. This service listed last minute hotel availability, offering low prices for weekends, thus helping hotels get rid of dangerous inventory and users to bargain.

TravelWeb has also increased the quality of its hotels. For instance, it rapidly extended the number of its customers (along with the potential number of hotel reservations) using strategic alliances with other travel Web services. For instance, it signed a deal with Preview Travel, ITN and Microsoft Expedia, allowing each of these services to use the unique search engine TravelWeb and to have access to all hotels from TravelWeb. The company is perceived as being in the reservation transactions and it has developed a product allowing them to provide to other companies cheaper and more efficient services than if they had developed it themselves. Travelweb receives a fee of transactions, hotels get more reservations and the entire process is invisible to the user.

#### 4. Conclusions

All in all, the Internet has the potential of having a major effect in the way hospitality and tourist products are distributed, by redefining the way through which tourists discover and buy tourist products. It has the potential of surpassing many of the problems associated to the traditional electronic distribution.

By directly addressing the consumer, it avoids the use of GDS (Global Distribution Systems), creating lower costs and making the distribution of cheap products possible.

The absence of structural requirements allows the flexibility of distributing heterogeneous products, while the simplicity and general acceptance of user interface standardization brings consistence to the way information is accessed – a vital condition in tourism.

The freedom to access it, low costs and the fact you do not need any special equipment to make it attractive as average distribution for small tourist enterprises, while the multimedia abilities and global reach make it very efficient as marketing environment. Its potential has been officially recognized by the tourist sector.

The Internet will be the key of leading the tourist sector in the future. Only those operations exploiting technology to correctly identify consumers' needs and offering products as such will survive.

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