

E-commerce: An important tourism marketing tool

IN one of my writings in the recent past, we had discussed the importance of tour guides in promoting cross-cultural activities among people of different nations and backgrounds. And we highlighted the need for tour guides to use *the Internet and its applications* fully.

Undoubtedly, I know most of you have read much about the Internet in many writings and publications, but this column will limit its discussions to cover mainly the Information and Communications Technology in Tourism Marketing.

The idea of using e-commerce (electronic commerce) is still growing in the Third World countries, while the opportunities present a huge prospect for the future.

As more firms discover the benefits of e-commerce, and as the Internet offers progressively more affordable services for almost any business, power begins to shift toward buyers, who gain access to a wider range of sellers.

Therefore the first objective of the travel and tour companies, in the early stages, was to create awareness and develop websites. No doubt this has been done by many companies in Tanzania.

Next, workers in the travel and tourism industry are the most important asset that needs to be exposed to new skills and Internet knowledge.

Without such skills and knowledge, businesses will suffer and then lose revenue and growth opportunities.

The Internet offers present-day business people a source of information, a means of communication, and a channel of buying and selling, all rolled into one.

Statistics available suggest that by the end of this year, Internet users are expected to reach 390 million people worldwide, comparing to the world population which is reaching about 606 million people.

Unfortunately, on-line active Internet users in Africa are about 6.4 million and 2 million of these are in South Africa. Nigeria, one the most populated countries in Africa is said to be the second. Given this background of statistics — can you consider how many out of these 6.4 are in Tanzania? Or Arusha for that matter? Surely, a lot needs to be done to encourage availability of Internet services at affordable rates and far-reaching services to benefit more people.

By far, even when we consider that many elite Tanzanians are now Internet users, but the use is mainly limited to communications.

Four functions of the Internet include: E-commerce, Communication, Information and Entertainment. That is to say, we need to explore further the use many Internet benefits.

In the first decade of the 21st century travel and tourism is one of the largest



About Tourism and Travel

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and most refined information-based sector. It is a marketplace based entirely on information provision and exchange transactions in which details, for example on prices and availability, is changing every few seconds.

E-commerce comprises multimedia information to support consumer decision-making; it supports global transactions and bookings; delivers ticketing and invoices, and collects information about customers that are transferred immediately on to databases.

More than 50 per cent American households use the Internet for planning, booking and purchasing both travel and non-travel items. They are therefore classified as active iTravellers, with a population of 136 million of Internet users.

When iTravellers go on-line for travel purposes, about half have a specific destination in mind, less than 10 per cent have no specific destination. And 35 to 40 per cent have more than one destination in mind.

Although the Internet

has been considered an industry for only a few years, on-line transactions are already making hundreds of billion of dollars in revenues. By far, the most important use of the Internet is the conduct of exchange transactions (marketing) between businesses that are buying and businesses that are supplying.

While it is practical to accept that e-commerce is still on its infancy in Tanzania but the government needs to adopt policies which will promote e-commerce and its applications. And the business community should be a pioneer in spearheading the actualization of the applications of on-line businesses.

Technology is advancing at an incredibly rapid pace, travel and tourism services, like any other sector in the global village, needs to tap the worldwide business potentials available in the e-commerce.

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