Chapter 6

CONCLUSION AND SUGGESTIONS
6.1. Introduction
Information and Communication Technologies (ICTs) have a dramatic impact on the tourism industry because they force this sector as a whole to rethink the way in which it organises its business (Vlitos-Rowe, 1995). In the light of such rethinking within the tourism industry, this study has focused on the Small and Medium Tourism Enterprises (SMTEs) in two island destinations, namely Mauritius and Andaman Islands, India. This chapter highlights the main findings and analytical conclusions that have been drawn from this study and presents some suggestions. The findings concerning SMTEs in Mauritius and Andaman Islands have been compared to make some destination-specific inferences. The relevance of the findings has been discussed with reference to the SMTEs in the two destinations as well as the possible acceptability in other comparable settings. Suggestions have been made for further research in SMTEs’ use of the Internet for marketing function.

6.2. Main findings and analytical conclusions
This was a three-part descriptive study. Part I focused on the e-marketing perspectives and practices of SMTEs. Part II involved a marketing evaluation of the SMTE websites in the two destinations. Part III addressed the online shopping motivators, inhibitors and navigational behaviour of the international tourists visiting these destinations.

6.2.1. SMTE-related findings and conclusions
E-marketing was practiced across all tourism product categories – accommodation, access, attractions and auxiliary services. Concerning e-marketing tenure, there were more late entrants than early adopters. There was a justifiable first-mover advantage for the SMTEs with a long e-marketing tenure as they perceived e-marketing to be more critical to their success and reaped a higher e-marketing pay-off than late entrants. The sales revenue attributed to e-marketing show a steady though slow rise. Since the external drivers such as customer acceptance and readiness are
high for the online mode, the percentage contribution of revenues through
e-marketing is bound to increase.

The access and attractions categories expected e-marketing to be
more critical as compared to other categories. It may be because of their
intermediary and dependent status in the industry. To counter the
disintermediation threat facilitated by the Internet, these categories need to
reinvent themselves (say, as infomediaries and e-marketers) and avail the
opportunities on the Internet. SMTEs involved in e-marketing activities like
communication, transaction and planning. Online customer communication
emerged as the most popular activity.

Among the e-marketing motivators, the demand-side motivators
dominate the supply-side motivators. Many SMTEs use e-marketing
because of the front-end improvements/gains like being able to provide
better information, access and convenience to the customer. Among the
barriers, lack of awareness and confidence ranked high.

In terms of e-marketing implementation, the research findings
demonstrate that transaction efficiency, time saving and customer
accessibility have a positive influence on the adoption decision. However,
lack of know-how, setup cost and systems integration have a negative
influence.

The factor analysis yielded four dimensions of critical success
factors that were labelled as relationship factor, resource factor, demand-
supply factor and synergy factor. The relationship factor implied
connection, communication, acceptance and trust in both business-to-
business (B2B) and business-to-customer (B2C) contexts. The resource
factor referred to external sources that facilitate an SMTE’s e-marketing.
The demand-supply factors indicate the need for sustainable supply to meet
the demand. The synergy factors referred to an integrated marketing at the
firm level and collaborative marketing at the industry level. SMTEs’
performance on the critical success factors is different from what is desired.
The importance-performance matrix highlighted the areas where the SMTEs need to concentrate, need not concentrate, maintain the current status and optimize on the resources.

6.2.2. SMTE website-related findings and conclusions
SMTEs in accommodation, access, attraction and auxiliary service categories do not differ in their website design. Linking website design elements with e-marketing pay-off helps identify the best practices from high-performing SMTE websites. The SMTEs who enjoyed a high pay-off from their e-marketing initiatives had web design elements such as content, communication and connection (from among the 7Cs) working for them.

The content indicators such as essential information, itineraries/tour/product information, maps, security/privacy statement, quality assurance and price information represent the information needs of website visitors. Communication indicators such as FAQs, email form, opt-ins (for example, online registration), helpline and offline contact details offer interactivity (from limited to real-time interactivity) in communication with the visitors. Connection indicators such as useful links and affiliate links offer a directed flow of navigation with business opportunities. For the e-marketer, it offers scope for up and cross selling. For the visitor/customer, it offers continued and purposeful flow of navigation and convenience.

The association between content and high e-marketing pay-off only reinforces the Internet adage – ‘content is king’. A website is first a tool for marketing communication and then for marketing transaction. In summary, the SMTEs expecting rewards from their e-marketing initiatives, need to pay special attention to content, communication and connection elements of their website design.

The content and customization dimensions correlate positively with the overall score of all the dimensions put together. The implication for the e-marketer is simple: visitors come for content and they would like to view
it the way they like. The customization offered by SMTE websites included more of site personalization initiated by the visitor rather than real-time site tailoring initiated by the SMTEs.

6.2.3. SMTE tourist-related findings and conclusions
Tourism is an information-intensive product. The tourism industry is learning fast that the Internet can satisfy the acute need for information at all stages of the tourism product’s life cycle far better than any other existing technology. The Internet with its inherent interactivity empowers people to find information quickly and precisely on any destination or activity that is arousing their interest. Consumers expect instant information and, increasingly, the possibility to design or customize the tourism product sought, and to pay for it on-line. In the light of these developments, this research was done to identify the information needs of the SMTE customers so that the SMTEs may meet these needs profitably through and at their websites.

As there are very few studies that have focussed on why and how tourists look at SMTE websites, this part of the study is exploratory in nature and provides only a general picture on the tourists’ motivators, inhibitors and on-site behavior. With many sophisticated web development tools and techniques available, the SMTEs face the temptation of building websites that showcase technology. But a visitor may very well be saying, ‘Don’t show me how good your website is. Show me what I need’ (Anandkumar, 2007). This study grounds the fact that beauty indeed lies in the eyes of the beholder. Why and how tourists look at SMTE websites really matter.

The SMTE customers are profiled on the basis of their demographic and behavioural data. Internet and non-Internet users differed in terms of travel purpose. Further investigation revealed that the honeymoon travellers and adventure tourists were typically Internet users.
Non-Internet users cited reasons like ‘unfamiliar technology’, ‘Internet is too crowded’, distrust for online information and comfort level with the regular offline options for not having accessed the Internet at all for any tourism-travel-related search. Some of these reasons can be addressed by SMTEs through well integrated marketing communications.

Since there is an association between the type of tourism products bought online and the tourists’ destination, the SMTEs at the two chosen destinations have to follow different strategies. The destination positioning (such as high-value-low-volume and low-value-high-volume) determines the e-marketing strategy.

With respect to the on-site behaviour of the tourists, it was found that the informational features dominate over the transactional features on a website. Among the activities in the purchase decision-making process, deciding on what to do at the destination is of primary importance to the SMTE website visitor. Among the tourism products purchased online, the accommodation sector ranked first, followed by the access and attractions sectors. The tourists’ level of satisfaction was more for online search than for online purchase. There is an association between online search satisfaction and online purchase status. Online search and purchase satisfaction lead to future intention to purchase online. Among the reasons for satisfaction with online purchase, the dominant reasons included the confidence inspired by the transaction, the ability to buy customized tourism products, getting better prices online and the efficiency of the transaction itself. The major reasons for dissatisfaction with online purchase were lack of payment security information, poor after-sales service and mismatch between the online promise and the offline delivery. The most important reasons for consumers to search online were the ease of information gathering, to look for cheaper deals and the wealth of information. But online search was inhibited by factors such as unfamiliar Internet technology, information overload on the Internet, distrust for online
information and lack of personal relevance. Among the surveyed tourists, 45 per cent had purchased tourism products online. Convenient transactions, cheaper deals and the confidence inspired by the on-site experience are cited as the top reasons for online purchase. Nearly 46 per cent of the surveyed respondents searched online but have not purchased any tourism/travel products online. Among the factors that inhibit their online purchases, the issue of information privacy and transaction security ranked high. Other inhibitors included lack of know-how, missing personal touch in online transactions, SMTE websites that are not e-commerce-enabled, preference for offline lines based on the high degree of interactivity possible with them and lack of trust. Online shopping motivators differed for different tourism product categories. Transactional objectives (such as efficiency and convenience) motivated accommodation and attractions buyers while informational uses (such as better prices and detailed info) motivated the access and auxiliary service buyers.

6.2.4. Mauritius and Andaman Islands – a comparison of findings
Though it was beyond the scope of the study to draw comparisons between the two destinations, it is worthwhile to mention some of the differences that emerged from the findings. Mauritius as a destination is positioned as hi-value and lo-volume. As a punch line, Mauritius is referred as a ‘paradise island’ and it targets the upscale, sophisticated tourists. Andaman Islands is positioned as a lo-value and hi-volume destination. With the punch line ‘Emerald blue and you’, it targets less sophisticated and more adventurous tourists.

In Mauritius, access and auxiliary services were the popular tourism products sold online while in Andaman Islands, accommodation and attraction sectors were selling well online. The SMTEs in Mauritius were predominantly independent online marketers whereas few SMTEs in Andaman Islands had a strong affiliate network.
The websites of the Mauritian SMTEs were search engine optimized and as a result, they occupied top search result positions. They also used online advertising (in the form of banner and in-text advertising) in certain country-specific websites to draw web traffic from target markets. The websites of the Andaman Island SMTEs were mostly community-referenced (word-of-mouth) with little online advertising in special-interest websites.

From the findings relating to the tourist profile, Mauritian SMTEs should develop user-specific segmentation strategies (say, for the honeymooners) for online expansion. The SMTEs in Andaman Islands must develop multi-lingual websites as an expansion strategy so as to target certain geographical markets.

6.3. Suggestions for further research
This study paves the way for a more detailed study of the elements that make up e-marketing in all tourism product categories. Several aspects related to tourism websites can be studied such as the real-time monitoring of the visitor’s click stream and corresponding individualization, comparing the SMTE websites with those of the big enterprises and also between the principals and the intermediaries. A comprehensive study that captures a wider range of constructs can improve upon the relevance of the prevailing findings of this study.

From the experience of this study, the following suggestions/directions for further research can be made:

1. Alternative methodologies: Questionnaire items for SMTE executive and tourist surveys although subjected to pilot evaluation, were developed from items and constructs reported in literature and alpha reliability was considered acceptable. Further validation using alternative research designs can lend robustness to scale construction.
2. **Category generalization and comparison**: The study may be replicated in other comparable research settings. This could either strengthen generalization or provide rich data for comparison that could be useful in formulating destination category-specific e-marketing strategies.

3. **Comparison across categories**: It has to be tested whether the critical success factors would indeed differ for pure-clicks versus bricks-and-clicks SMTEs as conceptualized in literature. Comparison may also be made across different business models.

4. **Real-time data**: An important problem with much of the research to date is, as Limayem *et al.* (2000) demonstrated, the tendency to measure attitudes and intentions but not actual purchasing behaviour. Research subjects have been surveyed for attitudes, intentions or past experiences of online shopping. Consequently there is little data available on how online consumers behave when they are actually searching, selecting and paying for items in the ‘real’ world. Website traffic monitoring and online tracking of consumer’s navigational behaviour may provide real-time data to study the actual online consumer behaviour.

5. **Fit and reinforcement analysis**: Using Rayport-Jaworski’s (2002) 7Cs framework, this study demonstrated that the extent to which an enterprise-customer interface (that is, the website) is successful depends on how well all of the seven Cs work together to support the value proposition and the business model. Two concepts are particularly helpful in understanding the synergy among the seven Cs: fit and reinforcement. Further research may be carried out to find out how the seven Cs individually support the business model fit and how collectively and consistently they reinforce each other.
6.4. Chapter conclusion

The hard reality in the tourism industry today is that 'if you are not online, you are not on sale' (WTO, 1999). Destinations and businesses eager to have an impact on the market must be online. Small or remote destinations and products with well-developed and innovative websites can now have 'equal Internet access' to international markets. This implies equal access to telecom infrastructure and financial services as well as to training and education. It is not the cost of being there on the online marketplace that must be reckoned with, but the cost of not being there.

This study provides a picture of SMTEs' e-marketing considerations and the present status of their customers' usage of the Internet for information and purchase. The marketing evaluation of the SMTE websites identifies the best practices in the industry and it brings to light very important website design issues from a marketing perspective. This study should be useful to SMTEs in formulating their e-marketing strategies in order to fully exploit the potential of the Internet. In unifying the findings about SMTEs, their online customer interfaces and customers, this study offers suggestions and guidelines to SMTEs to carve a niche for themselves in the online market place. This chapter thus concludes with a listing of the main findings and two sets of suggestions: 1) for improvement of SMTE e-marketing, and 2) for further research.