

## E-tourism as a Component Part of International Trade of Services

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### Abstract

*The Internet and new media means require a modernization of the operational management of the tourism enterprise and a recalibration of the corporate and business strategy, in the sense of operating in a network that allows a higher response speed of both the market and competitors. The tourism company will be at the forefront of the tourism market and will have a competitive component superior to the competition environment if it will use the new information technologies adapted to the tourism environment.*

*In this respect, e-tourism can contribute not only to accelerating the service of tourists-consumers, but also to reducing operational expenses, by optimizing the workforce and reducing the leased area for offices, costs that are quite significant for a tourism company.*

**Key words:** E-tourism, e-commerce, information technologies, modernization, tourism enterprise, tourism branch.

**J.E.L. classification:** M1, O3

### 1. Introduction

Most of the time, once they learn about the classic selling "mechanisms", some entrepreneurs accede to e-commerce. In the Republic of Moldova, the field is growing and is becoming very tempting for the new entrepreneurs. Thus, as a result of the technology of society, a large number of our citizens, especially young people, have already use internet shopping, and the number of people wishing to set up and run an "internet business" is increasing continuously.

Once in the tourism sphere, IT technologies have developed a range of electronic travel products and have transformed traditional tourism communication into digitized communication. From tour guides and on-line bookings, information management systems have been put in place, which has the effect of compressing the value of the obtained tourism product. This has led to cheaper products with improved features. On-line commands have gone into information synchronization between organizations, even from different industries, which has allowed the multiplication of forms of strategic alliances of vertical, horizontal and substitution type, and the efficient marketing of products to which several public and private organizations contribute in multiple combinations (Băcanu, 2009, p.250).

On-line information and booking systems work for transport, accommodation, car rental, events and other services. They allow competition to be enhanced by the possibility of comparing the characteristics of products, but in particular by the pressure they exert on prices.

From the point of view of the tour operator's operational management, the new IT tools allow the distribution of the travel product to be faster, cheaper and include a larger geographic area.

The tourism inverter represents an important tool of modern technologies with a significant impact on the tourism industry.

**The tourism inverter** is an electronic tourism platform where the tourism product integration process takes place, based on transport, accommodation, food and leisure services, contracted by tour operators from the specialized service providers. The tourism services package integrated within the tourism inverter can be sold both through travel agencies based on the Law „*On the organization and development of tourism activity in the Republic of Moldova*” (Law no. 352 of

November 24, 2006), as well as directly to tourism-consumers as a product of electronic commerce, under the Law „*On E-Commerce*“ (Law no. 284 of 22.07.2004).

## 2. Actuality of the investigated topic

New technologies have irreversibly marked the way in which business has to be conceived and driven. The development of a global communications system revolutionized the services market, including the tourism market. Any potential tourist can get an impression of the places they might be visiting, collecting an impressive amount of information from the virtual environment. Once this information is selected, it helps to establish an option for choosing a tourism destination. Thus, the computer connected to the Internet has become a decision-making tool through the possibility of comparing the information it provides.

Becoming an informational decision-making tool, the Internet went further, contributing to the development of e-commerce with products and services. The tourism branch has not stayed behind this trend and the E-tourism platform has not been long awaited.

At the moment, implementation of innovations in tourism is so vast that the structure of the industry and the way in which it operates are constantly changing. Informational technologies are used not only to obtain information about tourism destinations, but also a way to order, book and market them on-line.

Reducing the operational costs of the tourism enterprise, increasing competitiveness, increasing labour productivity, increasing the speed of transfer and extracting information, facilitating communication with consumers - tourists, using the innovative E-tourism platform, argues the need to investigate this topic.

**Relevance of the article.** The elucidation of this theme will enable the author to generalize certain conclusions on the subject and, as a result, to propose to the tourism business environment certain proposals and recommendations, capable of increasing the efficiency of tourism enterprises with the implementation and use of the new information technologies, mainly E-tourism.

## 3. Research methodology

**The purpose of research is:**

- studying the modern tendencies in the tourism branch regarding the implementation and use of the new information technologies;
- analysis of the technological modalities of reorganization of tourism enterprises;
- research on the impact of on-line platforms in the development of E-tourism;
- examining the role of crypto-currencies in the trading of tourism business.

While writing this article, the author has used 3 research methods as follows:

**Fundamental research** has allowed the description of current trends in E-tourism, by reflecting the changes registered in the researched field. Fundamental research included investigations in the form of theoretical studies that led to the formulation of reasoned scientific conclusions.

**Research for development** aimed at using those processes and devices that can directly influence the practical work in organizing e-commerce with tourism products and services.

**Applied research** was tasked with providing data for directing practical work to increase the methodical work.

**The theoretical and methodological** support of the investigated theme was provided by the scientists' work, which carried out research in this field.

## 4. Results and discussions

Internet, technology and globalization have contributed to the emergence of a new economy. The old economy relies on the logic of industrial management, and the new economy is based on the logic of information management and the information industry (Kotler, 2009, p. 10).

Under these circumstances, development processes in information and communications technology have revolutionized the entire tourism industry, generating new business models,

changing the structure of tourism-specific distribution channels, thus redesigning all the processes involved in this industry.

**Electronic tourism** as part of e-commerce links some of the fastest growing technologies, such as communications and information technology, the hospitality industry and management and marketing industry, related to strategic planning and development. The "E" abbreviation indicates the degree of electronisation of on-line platforms and represents the electronic markets where the e-business meets e-consumers, e-government, e-partners and other e-business from IT platforms.

One of the most significant advantages of e-commerce with tourism products and services is the ability to instantly obtain feedback from customers and thus quickly adapt the offer in accordance with their wishes. Through this E-tourism platform, it ensures speed and generates reliable and quality relationships between the provider and the consumer.

In order to access the E-tourism platform, a number of conditions must be taken into account, which must be respected before using this opportunity for e-commerce. Thus, in order to use this form of doing trade, the entrepreneur must include in his strategy the possibility of using such an opportunity. Next, it is necessary to know that in order to use the Internet it is necessary to make certain expenses, to maintain the network and to connect with the customers. As such, time, money, and knowledge must be invested in creating an attractive web-site that will present the products it offers for sale (Burduş, 2010, p. 216).

Examining the possibilities offered by the E-tourism platform, we can deduce the following opportunities:

- ✓ offers the possibility of faster growth by multiplying the chances of having more customers for the tourism products and services offered;
- ✓ increases the possibilities of diversifying tourism products and capitalizing the new tourism destinations, which the enterprise will be able to exploit, due to the faster and more complete knowledge of the tourism-consumer' wishes and exigencies;
- ✓ generates revenue to the tourism enterprise by opening new markets;
- ✓ internationalize the tourism enterprise through interactive access to the millions of potential customers living in all areas of the world;
- ✓ make available to customers the tourism products and services at any time of the day and night, without worrying that the office might be closed;
- ✓ improves the quality of the service, by instantly knowing customer preferences as a result of using the E-tourism platform;
- ✓ inform tourism-consumers on the additional services they can benefit during vacation;
- ✓ reduces the operational costs of establishment of tourism services packages.

However, all these opportunities cannot be benefited if the tourism enterprise does not undergo the modernization procedure. Modernization is to connect the company to the latest achievements of the technical and scientific progress regarding the use of modern technique and technologies, the re-engineering and re-technologization of the management processes and techniques.

Once the upgrading process has begun, it must be continuous and ensure:

- modernization of equipment and software used in the formation process and marketing of tourism products and services;
- reduction of operational expenses in the capitalization of the new tourism destinations;
- increasing work productivity by optimizing staff.

Under these circumstances, modernization as an action must include:

- a) **technical modernization**, which involves the use of high performance parameters when designing new tourism destinations;
- b) **software upgrading**, consisting in the use of state-of-the-art IT software;
- c) **technological modernization**, consisting of all the processes, methods and scientific procedures, on the basis of which the formation, promotion and distribution of tourism products takes place;
- d) **organizational modernization**, which implies a set of measures of an economic and technical-organizational nature, referring to: organizing the tourism enterprise, recruiting and selecting the staff, training and improving the staff, motivating the staff by applying incentives, which would contribute to increasing the labour productivity;

e) **logistic modernization**, which provides for the use of information technologies in the design, development and launching of new tourism destinations, facilitating the exchange of information between tour operators and the detailed tourism agencies, the optimal transmission of the tourism product to the tourism-consumer in time and space.

f) **managerial modernization**, which concerns the entire organization and management activity, in order to make optimal decisions.

Modernization should have as a goal the creation of a managerial, operational and motivational climate that promotes the innovation process and ensures the fulfilment of three criteria for e-commerce: efficiency, effectiveness, productivity.

There are **4 ways** to make e-commerce with tourism products and services:

1. Via a sales portal, the equivalent of a "virtual mall" walk, thanks to the offer of on-line tourism products and services. This mode has the advantage of simplicity and relatively low cost, the tourism enterprise providing only the description of the tourism products and their characteristics. For a relatively small amount, this virtual store is maintained and assured. The main drawback is that the enterprise does not have control over the site and the controller can offer it fewer advantages than to other competitors;

2. Use of an Internet service provider to create a virtual store. This way the tour operator has more flexibility and the ability to manage its own web-site, it involves the use of catalogues on the characteristics of tourism products and services, and besides hosting the virtual store, the Internet service provider ensures the possibility to increase as much as possible the sales volume.

3. Employing professionals to design a site for customers, if the travel company allows them to spend more on using this business opportunity. This provides the enterprise with unlimited site management capabilities, including the full integration of package travel services for tourism-consumers.

4. Designing and building a web-site within the travel company requires that it allows to hire dedicated staff to build and maintain the web-site. This ensures the enterprise to maintain full control over the site, but maintenance costs are considerable.

We believe that, for an existing tourism business, switching to online business is just an extension of activity in the virtual environment, which would mean an obvious advantage for: tourist-consumers, company itself, business management and society.

Table no. 1: Advantages of the e-tourism platform

N/o	Advantages	Motivation
1.	Advantages for tourist-consumers	<ul style="list-style-type: none"> <li>- possibility to make purchases of tourism products and services at any time of the day, throughout the year, from almost any location connected to the Internet;</li> <li>- comparing the prices and characteristics of tourism products and services by tourism-consumers is done in a short and efficient time;</li> <li>- receiving relevant information on the product or tourism service within minutes;</li> <li>- possibility to participate in the purchase of "hot" offers;</li> </ul>
2.	Advantages for entrepreneur	<ul style="list-style-type: none"> <li>- the area of addressability becomes much broader, even universal;</li> <li>- an electronic value chain is formed;</li> <li>- reduces promotion, distribution and placement costs;</li> <li>- faster response to market demands;</li> <li>- effective payment is done with minimal effort and maximum comfort;</li> <li>- the costs of this business are comparatively lower than those of a classic tourism office;</li> </ul>
3.	Advantages for business management	<ul style="list-style-type: none"> <li>- better management of management processes and relationships;</li> <li>- improving customer relationships;</li> <li>- simplification of administrative burdens;</li> <li>- increasing productivity;</li> <li>- increase in turnover.</li> </ul>

4.	Advantages for society	<ul style="list-style-type: none"> <li>- creating consumer chat communities where the quality of tourism products and services from various tourism businesses can be discussed on forums;</li> <li>- the ability to make purchases from home;</li> <li>- the sale of certain packages of "hot" tourism services at lower prices, the information being available on social networks.</li> </ul>
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Source: Developed by author

The operationalization of e-commerce through the e-tourism platform involves the following **7 stages**:

1. introduction of the concept of electronic tourism voucher in the tourism legislation of the Republic of Moldova;

2. development and approval of the electronic digital signature application mechanism, which will be recognized in establishing the legal relations between the tourism company and the tourism-consumer (at the moment, for the conclusion of the tourism contract between the tourism company and the tourism-consumer it is necessary to apply the wet signature);

3. the entry into circulation of the electronic travel insurance policy for tourists (based on the Article 21 of Law No. 352 "On the organization and development of tourism activity in the Republic of Moldova", travel insurance for tourists is compulsory and is carried out by economic agents in the tourism industry by concluding contracts with insurance companies empowered to carry out this type of insurance. Insurance costs are included in the package price and must cover the cost of providing medical assistance to the tourist in the place of temporary stay.

4. establishing the information architecture of the E-tourism platform;

5. technical development of the respective platform;

6. ensuring the electronic payment system between tour operator, travel agency and tourism-consumer;

7. regulation of the rights and responsibilities of the involved partners regarding the protection of personal data under *Law „On the protection of personal data”* (Law no. 133 of 08.07.2011).

E-tourism must be an integrated concept created to unify a wide variety of tourism services, starting from e-mail sent between different travel companies, address registers, electronic systems for making remote payments, managerial information, statistical reports, etc.

Together with the ones outlined above, the traditional office trade with paper products and travel services over the next 5 years will remain a beautiful memory of the sales managers interacting with tourism-consumers.

## 5. Conclusions

Modern information technologies have led to the need to store and quickly transmit information at the lowest cost, thus revolutionizing the global trade. Under these conditions, hypercompetitive markets have occurred. Customers are better informed about competitors' offers, are more interested in price and more demanding than in the past. Power has passed from the hands producers and retailers to those of consumers who can now say what they want: products and services, prices, distribution channels and even advertisements and individualized promotions.

Customers are few and the product range is very high. The surplus of productive capacity leads to hyper-competition, given that for too many goods there are too few buyers, and most of the goods and services are not different from each other. The tourism branch is not an exception.

Unlike traditional trade, digital tourism products and services are those items that can be delivered using the information infrastructure. Under these conditions, it appears that for digital products and services, the market has promoted the necessary context for the entire marketing process, including the delivery of the package of tourism services.

It is obvious that the future of the tourism branch is related to its focus on innovative E-tourism technologies, which will help businesses interact with tourists in a much more dynamic way. International practice already demonstrates the positive impact of information and communication infrastructure on tourism development, which consists in diversifying the possibilities of access to information and information resources available on the Internet.

Under these circumstances, technological innovation must become a permanent goal of the tourism enterprise. It is necessary to be sustainable and become a strategic objective, without being influenced by the care for the survival of the tourism enterprise. In the operational plan, technological innovation needs to focus on permanent support from organizational management of the enterprise and have an impact on strategic decisions materialized at the level of all its subdivisions.

## 6. Proposals and recommendations

A modern tourism enterprise must constantly adjust its activity in line with the requirements of the market where it operates. Continued adaptation to the tourism market will allow its survival and ensure its competitiveness.

Taking into account the above mentioned, in our opinion, in order to face with the competition environment, the tourism enterprise must:

- keep up with the new informational technologies regarding the servicing of the consumers-tourists;
- satisfy the needs of the consumers-tourists in the most convenient way for them, minimizing the time and effort that they reserve for searching, ordering and receiving tourism products and services;
- study the existing demand on the tourism market, but should not forget to individualize the offer for each consumer - tourist;
- no longer focus on the portfolio of its own tourism products and services, but on the customer portfolio. They will set the offer;
- identify new possibilities for using the software available on the tourism services market.

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