E-Tourism and Digital Government

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INTRODUCTION: TECHNOLOGICAL DEVELOPMENTS AND THE REVOLUTION OF NETWORKING

The recent developments in information communication technologies (ICTs) and the emergence of the Internet, in particular, as a mainstream communications and transaction media has changed the way that governments, organisations, and citizens interact and operate. These developments have changed the best operational and strategic practices for organisations on a global level and altered the competitiveness of enterprises and regions around the world.

The Internet enables the instant distribution of media-rich information worldwide and revolutionises the interactivity between computer users and information/service providers. The Internet therefore provides a window to the external world and facilitates the interactivity of organisations globally. Internal systems or "Intranets" have also be developed as "closed," "secured," "controlled," or "fire-walled" networks within organisations or individual departments. Intranets allow authorised personnel to access information, knowledge, and mechanisms across the enterprise to perform their tasks efficiently. Intranets enable organisations to improve their internal management at all levels by sharing media-rich data and processes, using Internet interfaces. Increasingly enterprises realise the need to formulate close partnerships with their partners and other members of the value chain for the production of goods and services. As a result, they developed "extranets," which use the same principles as well as computer equipment and networks to allow access to preselected sections of an organisation data, knowledge base, and mechanisms. User-friendly and multimedia interfaces mean that users require limited training for using the systems. Extranets can enhance the interactivity and transparency between organisations and their trusted partners, by linking and sharing data and processes through low-cost and user-friendly interfaces (Laudon & Laudon, 2004).

The digital revolution that was introduced by the Internet, intranet, and extranets provide unprecedented and unforeseen opportunities for productivity improvements, interactive management, and dynamic marketing. As a result, organisations and governments are now able to:

- accelerate knowledge and information distribution;
- apply knowledge management at the widest possible coverage;
- increase their efficiency and productivity;
- improve and shorten the decision-making process;
- enhance their communication and coordination efficiency;
- reduce their transportation, postage, and communication costs; and
- support their interactivity with all stakeholders.

To the degree that a company operates within a system of competition and dynamic developments, gaining and sustaining competitive advantage depends on understanding not only a firm's value chain but also how the firm fits in the overall value system (Porter, 1989; Porter & Millar, 1985). Porter (1985, 2001) suggests that ICTs reshape not only products, but more importantly, the nature of the competition. Entire industries are affected if ICTs have a significant role in determining relative cost position or differentiation. To gain competitive advantage over its rivals, an organisation must either perform the activities involved in adding value to a product or service at a lower cost or perform them in a way that leads to differentiation and a premium pricing (more value). Hence, ICTs change the entire economic system dramatically and organisations and governments need to constantly update their business models and enhance their competitiveness through new technological tools.

The vast majority of Northern and Western governments and organisations have already developed comprehensive representations online and have also established platforms for their internal management and collaboration with partners. Southern and Eastern societies, organisations, and governments still suffer from the digital divide, although in many places there is evidence of "frog leaping." India and China are some examples where technology is both driving and fuelling economic development.

The proliferation of broadband connections and also the availability of wireless networks through WiFi, UMTS, and Bluetooth technologies gradually propel the adoption of ambient intelligence, where technology will be forced in the background and its functionality will prevail all organisational functions and human interactions. Ambient intelligence is defined by the Information Soci-

ety Technology Advisory Group (ISTAG) (2003) as "a set of properties of an environment that we are in the process of creating." This represents a new paradigm for how people can work and live together. According to the ISTAG vision statement, humans, in an ambient intelligent environment, will be surrounded by intelligent interfaces supported by computing and networking technology that is embedded in everyday objects, such as furniture, clothes, vehicles, roads, and smart materials—even particles of decorative substances like paint. Humans will live in an ambient intelligence space in which there will be seamless interoperation between different environments—home, vehicle, public space, work, leisure space, tourism destination, and so forth. This implies a seamless environment of computing, advanced networking technology, and specific interfaces, which should be aware of the specific characteristics of human presence and personalities; adapt to the needs of users; be capable of responding intelligently to spoken or gestured indications of desire; and even result in systems that are capable of engaging in intelligent dialogue (Buhalis & O'Connor, 2005).

BACKGROUND: GOVERNMENT AND THE TOURISM INDUSTRY

Destinations are amalgams of tourism products, facilities, and services, which compose the total tourism expertise under one brand name. Traditionally the planning, management, and coordination functions of destinations have been undertaken by either the public sector (at national, regional, or local level) or by partnerships between stakeholders of the local tourism industry. Governments therefore play an important role in tourism as they are responsible for the planning, development, promotion, and coordination of regions and places as tourism destinations. There is a wide range of additional responsibilities that governments have as a result of the tourism activity. As tourism involves cross-border activity, a great amount of political and diplomatic issues between countries arise, which need to be solved on a governmental level. Tourism is often on the forefront of economic activity, especially for peripheral and insular regions and therefore regional and national policies need to ensure maximum interaction between all different economic sectors to maximize the multiplier effects.

Tourism not only creates direct revenue to the public sector through taxation of tourism activities and products, but also contributes to the taxes paid by employees and tourism enterprises. Employment is also increased and consequently the disposable income of the host population is enhanced. In addition, the multiplier effects of the tourism activity stimulate the total output of the national economy and the boost the gross national product. Contribution to the balance of international payments is also of extreme importance to governments as it enables them to improve their international financial position. The public sector has to ensure the sustainable and dynamic development and management of the tourism industry within the borders of the economic, social, and environmental environment of the destination. In this sense, the public sector needs to manage resources, support entrepreneurial activity, control the impact of tourism on the destination, and coordinate the private sector in a way that the positive social and economic impacts exceed the negative ones, and the host population will benefit in general from the utilisation of its natural resources for tourism purposes (Buhalis, 2000; Edgell, 1990; Ritchie & Crouch, 2003; Wanhill, 2005a). Governmental intervention therefore is centred around the planning and management of the following issues:

- Planning
- Infrastructure
- Incentives
- Personnel training
- Destination marketing
- Public enterprises
- Pricing
- Industry control
- Social tourism

Wanhill (2005b, p.368) suggests that the case for public sector involvement in tourism rests on concepts of market failure, namely that those who argue for the market mechanism as the sole arbiter in the allocation of resources for tourism are ignoring the lessons of history and are grossly oversimplifying the nature of the product. Destination management organisations are often set, therefore, by the public sector to manage destinations at the national, regional, and local level and to coordinate all stakeholders toward the achievement of the strategic objectives of the region.

E-TOURISM AND THE ROLE OF GOVERNMENTS

The ICTs' revolution has had already profound implications for the tourism sector (Buhalis, 1998, 2003). Timely and accurate information, relevant to consumers' needs is often the key to successful satisfaction of tourism demand. As few other activities require the generation, gathering, processing, application, and communication of information for operations, ICTs are pivotal for tourism. Consequently, the rapid development of both tourism supply and demand makes ICTs an imperative partner for