

Chapter 5

E-Commerce Evolution: Tracing the Impact on Travel and Tourism Through Time

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ABSTRACT

E-commerce has emerged as a catalyst for novel business prospects within the global travel and tourism sector. This paper presents a historical analysis, exploring the permeation of e-commerce in the travel and tourism industry. The analysis highlights consistent customer experiences across diverse channels, airlines, and international as well as domestic travel, particularly in emerging economies with limited internet accessibility. It contends that various emerging technologies, such as mobile devices and global positioning systems, warrant careful consideration, necessitating a systematic assessment of their effects. The paper asserts that the industry faces a substantial challenge in comprehensively evaluating the impact of these technologies on various facets of the travel sector and determining the actual value-added services they offer to consumers. In conclusion, the study underscores the imperative for the industry to proactively assess and adapt to the evolving landscape shaped by these technologies.

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1. INTRODUCTION

Electronic commerce has become an essential element of India's trade facilitation policy, notably since the explicit economic reforms in 1991 aimed at opening the country's economy to global integration. The focus on enhancing international trade through policy and procedural changes has become a fundamental aspect of India's trade and fiscal strategies. In the subsequent years, a significant technological revolution has unfolded, characterized by the widespread adoption of the Internet, web technologies, and their applications.

As a part of the broader information technology revolution, electronic commerce (e-commerce) has gained widespread popularity in both global trade and the specific context of the Indian economy. Serving as an emblem of globalization, e-commerce stands as a symbol of success in the digital age, fundamentally transforming and continuously shaping the way business is conducted on a global scale. The commercialization of the Internet has elevated e-commerce to one of the most effective channels for inter-organizational business processes.

Consequently, the expansion of the Internet has led to various developments, including diminishing profit margins for companies, driven by an increasing consumer reliance on online platforms for purchasing goods and seeking competitive prices. The Internet has played a transformative role in reforming traditional business models, challenging the notion that incumbents or large firms inherently hold an advantage solely based on their early presence or size.

The Internet has indeed proven to be a highly effective tool in transforming conventional business practices. In markets characterized by the absence of entry barriers – with the 'Net' being the most significant one – the consistent influx of competition typically leads to a regular reduction in prices. This trend holds true in the field of Computer Engineering and Intelligent Systems.

In such a scenario, over the long term, all firms may find themselves earning only normal profits. Electronic commerce, commonly referred to as e-commerce, encompasses all business activities conducted through computer networks. Developments in telecommunications and computer technologies in recent years have seamlessly integrated computer networks into the economic infrastructure. An increasing number of companies are adopting online transactions as part of their operations. The competition has intensified significantly, with numerous businesses vying to capture the attention of every computer owner connected to the Web.

While business-to-business transactions remain a significant aspect of the e-commerce market, a notable portion of e-commerce revenues in rapidly developing countries such as India is derived from business-to-consumer transactions. E-commerce offers consumers various advantages, including access to goods at lower costs, a broader selection, and time savings. Individuals can conveniently purchase

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