


Chapter 6

An Analytical Study on Factors Affecting the Adoption of E-Commerce for the Tourism Industry

Rathna Chellappa

*University of Technology and Applied
Sciences, Oman*

Abdel Ghaffar Ben Hamida

 <https://orcid.org/0000-0002-3090-3118>
*King Abdulaziz University, Saudi
Arabia*

Jugunu R. Nair

*University Institute of Management,
India*

R. V. Suresh

Gnanam School of Business, India

U. Sreerekha

*Veltech Multitech Dr. Rangarajan Dr.
Sakunthala Engineering College, India*

D. Celin Pappa

*Dhaanish Ahmed College of
Engineering, India*

ABSTRACT

E-commerce has brought about a tremendous transformation in several industries, including the tourist business. This abstract investigates the profound influence of e-commerce on the tourist industry, analyzing its advantages, difficulties, and future possibilities. Incorporating e-commerce platforms has optimized processes, improved consumer experiences, and created fresh opportunities for marketing and sales. Travellers can now easily book flights, lodgings, and tour packages via Internet platforms, enhancing convenience and consumer contentment. In addition, e-commerce has facilitated the expansion of tourist firms to a worldwide customer base, enhanced pricing tactics via dynamic pricing models, and collected vital

DOI: 10.4018/979-8-3693-5548-0.ch006

consumer data to provide personalized services. However, the implementation of e-commerce in the tourist sector encounters certain obstacles despite its benefits. These include cyber security risks,

INTRODUCTION

The adoption of e-commerce in the tourism industry has revolutionized how travel-related services are marketed and consumed, creating a dynamic and interconnected global marketplace. E-commerce has enabled travel agencies, airlines, hotels, and other service providers to reach a broader audience with greater efficiency and cost-effectiveness. This digital transformation has been facilitated by developing sophisticated online platforms and mobile applications allowing consumers to search for, compare, and book travel services from their homes (Subramani et al., 2019). These platforms integrate various services, from flights and accommodation to car rentals and tour packages, making travel planning seamless. Moreover, e-commerce in tourism has significantly enhanced customer engagement and satisfaction by providing detailed information, reviews, and virtual tours (Sanjeev et al., 2021).

Consumers can read reviews from other travellers, view high-quality images, and even take virtual tours of destinations and accommodations before deciding. This transparency builds trust and helps consumers make informed choices, increasing the likelihood of repeat business and customer loyalty. Social media and digital marketing strategies also play a crucial role, allowing companies to target specific demographics with tailored advertisements and promotions, thus driving higher conversion rates (Singh et al., 2023). The adoption of e-commerce has also introduced innovative business models and revenue streams within the tourism sector. For instance, dynamic pricing algorithms enable companies to adjust prices in real-time based on demand, competition, and other market factors, optimizing revenue. These changes have democratized the travel industry, making it more inclusive and diverse. From an operational perspective, e-commerce has streamlined business processes, reducing overhead costs and increasing efficiency. Online booking systems minimize the need for physical offices and human intermediaries, cutting down on labor and infrastructure expenses. Automated customer service solutions, such as chatbots and AI-driven support, provide instant assistance and resolve queries, enhancing the customer experience while reducing the burden on human staff (Subramani et al., 2019).

Additionally, while urban and affluent populations increasingly benefit from e-commerce advancements, rural and less-developed areas may lag due to limited internet access and digital literacy, potentially widening the gap between different socio-economic groups (Kadiresan et al., 2019). We purchased and experienced

22 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/an-analytical-study-on-factors-affecting-the-adoption-of-e-commerce-for-the-tourism-industry/366508

Related Content

Tourism in the Sharing Economy: How Novelty Seeking Impacts Travel Intentions

John R. Drake, Alleah Crawford, Cynthia S. Dealeand Barbara Jo White (2021). *Journal of Electronic Commerce in Organizations* (pp. 92-110).

www.irma-international.org/article/tourism-in-the-sharing-economy/265175

Electronic Commerce Adoption Barriers in Small to Medium-Sized Enterprises (SMEs) in Developed and Developing Countries: A Cross-Country Comparison

Mira Kartiwiand Robert C. MacGregor (2007). *Journal of Electronic Commerce in Organizations* (pp. 35-51).

www.irma-international.org/article/electronic-commerce-adoption-barriers-small/3496

Supporting Communities of Practice in the Electronic Commerce World

Charlene A. Dykman (2008). *Electronic Commerce: Concepts, Methodologies, Tools, and Applications* (pp. 1224-1231).

www.irma-international.org/chapter/supporting-communities-practice-electronic-commerce/9546

Process-Oriented Reorganization Projects in Electronic Government

Jörg Becker, Lars Algermissenand Björn Niehaves (2006). *Encyclopedia of E-Commerce, E-Government, and Mobile Commerce* (pp. 926-932).

www.irma-international.org/chapter/process-oriented-reorganization-projects-electronic/12653

Essential of Apps Marketing Implementation and E-Commerce Strategies: Apps Users' Decision-Making Process

Sajad Rezaei, Chew Hong Weeand Naser Valaei (2017). *Apps Management and E-Commerce Transactions in Real-Time* (pp. 141-158).

www.irma-international.org/chapter/essential-of-apps-marketing-implementation-and-e-commerce-strategies/179808