

USING THE WORLD WIDE WEB IN HOSPITALITY INDUSTRY

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ABSTRACT

The potential of using WEB sites in hospitality industry is derived from its general use as an information exchange system in the digital age. Performing business over the Internet requires development of the Internet strategy, which can be observed in five basic activities (Tschanz, K., 1996): cooperation, competition, mission, product/services and organizational integration.

In this way, the hospitality industry activities evolve in complete, competitive, and cooperative service. The only way of meeting the wide range of world wide demand is broad tourism service diversification. Effective diversification in the hospitality industry can be achieved by implementing many well diversified and professionally connected WEB sites as a management tool.

Key words: WEB, links; hospitality industry; complete, competitive, and cooperative service, marketing

Biografy

Jasna Horvat is an assistant professor at Faculty of Economics in Osijek. In 1997 she received the doctorate in economics. She is teaching statistics on the first study year and also teaching statistics supported with SPSS on postgraduate study "Entrepreneurship management". In 1998 she started a project "Quality of measurement instruments" and established CATI (Computer Assisted Telephone Interviewing) center as a part of the project. Together with her colleagues and students she publishes Scientific papers.

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1. INTRODUCTION

When trying to determine the role of the WWW (World Wide WEB) in hospitality industry, it is necessary to define what determines hospitality industry as global industry.

Although according to some authors (Pirjevac, B., 1998) tourism falls into the category of rare economic activities which can function exclusively as based on domestic resources, the fact is that these can valorize their competitiveness following global international trends, one of the most important being using the WWW in performing business.

The process of accelerating globalisation resulted in numerous considerations (Šimic, A., 1994; Magaš, D., 2000; Opitz, W., 1998), one of these being: «Globalisation has also changed international tourism. The market has experienced an enormous increase and new destinations are constantly appearing on the market. Large tourist enterprises have been established which are doing business independent from states and have their branch-offices in all parts of the world. Thanks to new technologies, these enterprises can offer standard and homogenous product. In this way, tourism is greatly influenced by globalisation.»¹

Some authors (Bloch, M.; Segev, A.; 1996) cite that the travel industry is affected by increased competition through globalisation, diversified customer demands and expectations, as well as growing of computer-based knowledge. On the other hand, it is obvious that exactly the changes caused by globalisation (Hutinski, T., 1999) at first and at most affect the immediate holders of business activities within the travel sector.

While thriving to be competitive in the global market, exactly the hospitality industry is exposed and overburdened by exclusively high costs for:

- promotion in the global market,
- immediate communication / interactivity with the clients / tourists,
- booking by guests from distant tourist generating destinations,
- market research.

The costs mentioned above can be reduced by using WWW in tourism business.

Namely, the Internet and its application (WWW) have created information infrastructure which now rivals the Plain Old Telephone System (POTS) and other traditional ways of performing business in size, coverage and popularity.

However, some authors emphasize (Opitz, W., 1998; Poon, S.; Swatman, P.M.C., 1999) the uncertainty of reacting of potential guests from all over the world to the change of information and distribution medium, which is to help them reach desired destination. In favour of this speaks the expert meeting on Electronic Business and Tourism (UNCTAD, 2000), which resulted in 30 Recommendations to governments and enterprises. Individual experts suggested the policy and strategy, which should be adopted by developing countries in order to increase their participation in e-business in tourism, and the possible role of UNCTAD and other international organizations in developing suggested policies and strategies.

Since tourism is the leading world industry at the beginning of the new millennium, if supported by the Internet it represents the most popular e-business category, i.e. the

¹ Magaš, Dragan: Tourist destination in the globalisation process; Hotel 2000 15th biennial scientific meeting; Opatija 2000, str. 187-191, str. 188

number one on-line segment. Explosive growth of the online travel market (Forrester Research, 2000) is being expected, and it was estimated to reach \$30 billion in 2000.

In the environment of market-based economy and free trade, tourism in transitional countries cannot 'survive' without entrepreneurship programs doing business over the Internet, because today this is the only way to become an active participant in the global market. The emerging globalisation and concentration of supply increase the level of competition and require new Internet marketing strategies for destinations (Rita, P., 2000).

2. THE INTERNET/WWW APPLICATION IN THE HOSPITALITY INDUSTRY

Although applicable in all business activities, e-business has had the biggest success in the following areas until today (Panian, Ž., 2000):

- e-business
- e-marketing
- e-banking
- e-stock exchange
- e-reservation systems

In the first place, it is necessary to define the difference (Struhl, S.; Kuever, C., 1998) between the Internet and the World Wide WEB. The Internet is a huge data network that spans most of the globe, linked by an enormous assortment of high-capacity data cables, over thousands of routing locations. Data that travels over the Internet get broken into small pieces, or packets, which get routed to their destination and then reassembled. The World Wide WEB is simply the component of the Internet with a graphical interface.

Since the majority of given activities make an unavoidable component of doing business in the hospitality industry, it is possible to draw a parallel between traditional way of doing business and on-line way by using the Internet. The latter is becoming increasingly competitive in terms of:

- providing information,
- immediate contact with key service providers,
- immediate feedback to the given information,
- pricing,
- marketing and brand building,
- market research,
- booking / reservation .

However, using the on-line way does not exclude the traditional way, but enables expanding of the group of 'old' customers, by reaching new on-line customers and establishing a whole new customer base.

Also, UNCTAD (2000), suggests that new e-tourism channels should be integrated into traditional and non-traditional distribution channels and foster the development of special-interest tourism WEBSites. Therefore, conducting awareness campaigns about e-tourism is a special tasks for the hospitality industry.

2.1. WWW as marketing tool

Using the WWW for promotion and distribution of tourism products or services to potential consumers became inevitable. The Internet is a medium with the fastest

increase of usage (Randic, M.; Šimunic, M.; 1998; Tschanz, N.; Klein, S., 1996) and it represents a new dimension in the promotion system in the global market.

At the same time it is an effective system for competition which enables possibilities to use this direct distribution channel effectively.

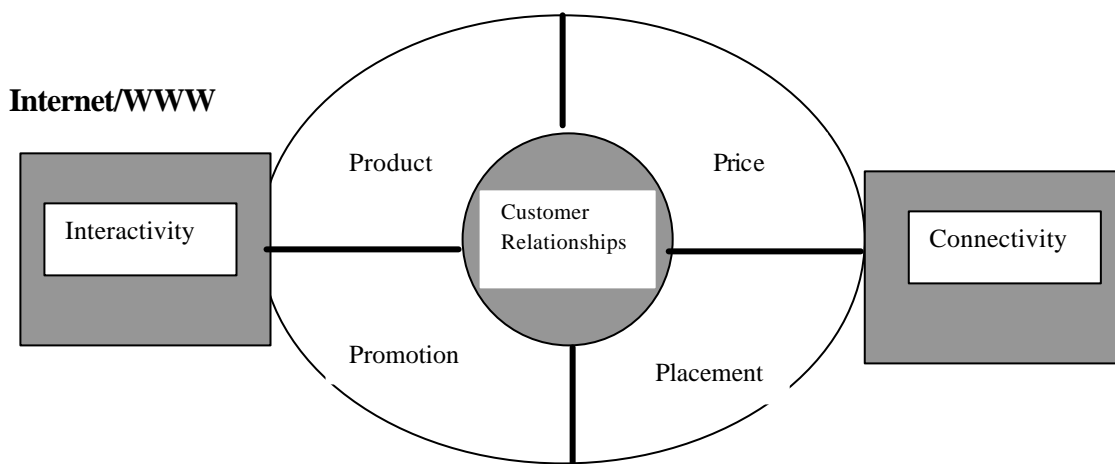
According to Liu, Z. (2000) and Yiannakis, A. (1996) tourism and tourism products are ideal for marketing on the Internet, because tourism is an information-intensive industry.

Internet develops a relationship of suppliers and consumers providing them with personalised promotional materials. Tourism organization (Weeks, P., 1996) can no longer be content to print brochures and catalogues, but it should function by using innovative range of techniques, i.e. Internet/WWW.

Under these new circumstances, traditional marketspace model is broadened by two new elements:

- 1) Customer Relationships,
- 2) Technology dimension consisting of two separate elements:
 - interactivity, and
 - connectivity.

Shema 1: Marketspace model ²



Since the customer holding a central position within the marketspace is the priority, the creation of WEB sites must be directed towards him. Customer relationships are located in the central part of the marketspace model, and they point to an individual customer related marketing. There is also a growing realisation among corporations that the Internet has forever changed the traditional paradigm of marketing and remote customer contact. The days of mass marketing and remote customer contact are gone.

Interactivity designates intense relationships between an enterprise and customers, and creates new paradigms for product design and customer service. Connectivity refers to creation of a shared global marketplace. The radical growth of connectivity is giving rise to new communication and coordination mechanisms linking organisations to their customers, as well as fostering greater communication between the customers themselves. In order to achieve the most effective connectivity, the WEB sites must be provided with the following **links**:

² The Global Internet 100, Survey 1998, <http://www.info-strategy.com/GI100/index.html>

- a) links leading from a selected destination to diverse offer items (including for example: accommodation, heritage, restaurants, events etc.),
- b) links from already selected WEB site (for example: selected accommodation site) to other checked offer items within the destination.

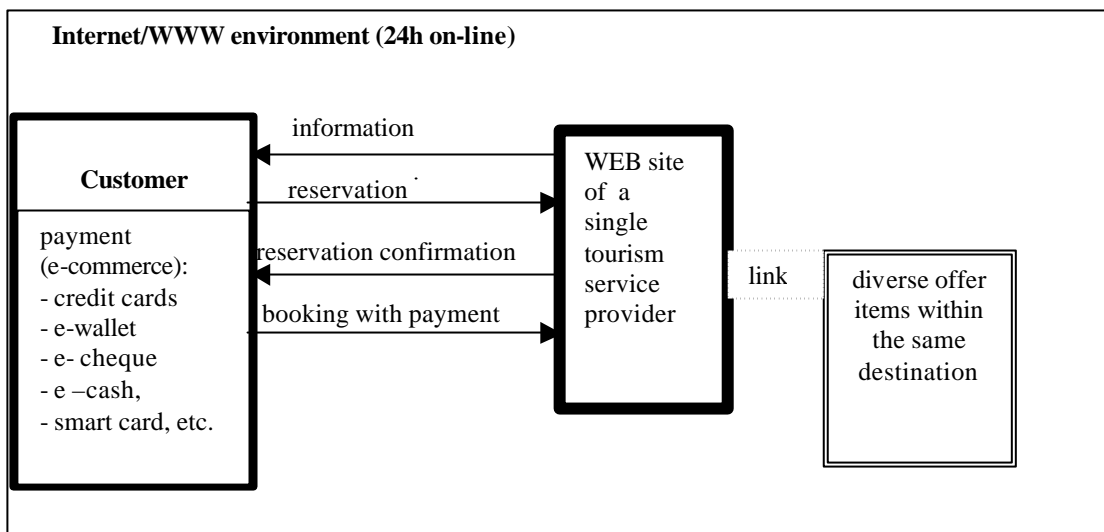
In this way the service provider leads the WEB customer through diversified offer within this destination by recommending checked links on his own WEB site. Therefore, the WEB site of tourism enterprise has the effect of a marketing tool of both its own service or product and of the service or products of all other through links promoted enterprises.

2.2. Internet as support of transactions for customers

One of the major uses of the Internet is the development of Internet-based reservation systems. They date back to the period when they were primarily used by air-line companies, but afterwards they were transformed into multi-users systems without which it would be impossible for other transport companies, travel and hospitality organizations to function. The enterprises in the hospitality industry have got two possibilities - either to use some of electronic advertisers of supply and demand as a means of sale and reservation of the services or to stay oriented only to the WEB site. In the both mentioned cases the WEB site is a means of both promotion and reservation.

While developing and implementing WEB reservation concept, the hospitality industry can use enormous advantages over the traditional reservation channels. In this way it has a possibility to offer automated payment, immediate access to valid price and availability of current information. In addition, this means reduction of steps a customer has to undertake while booking in traditional way, and consequently significant cost saving. The Internet also takes supportive role in conducting all transactions, some of them being: information, reservation, booking, payments, etc... Some steps are presented in Scheme 2.

Scheme 2: Steps in on-line transactions for customer



Today, the acceptance of this new model of reservation in the hospitality industry is increasing. Out of the total number of WEB sites, which was estimated 116.000 in

1999 (Rita, P., 2000), according to some authors' assertions only 6%, i.e. 6500 offered the ability to execute transactions online. It is already estimated that by year 2003 over 30% of online sales will be generated by on-line travel alone, including actual travel products as well as advertising earned by travel-oriented sites.

UNCTAD (2000) suggests that in order to build trust and consumer confidence and to ensure privacy and the protection of consumers and intellectual property rights, appropriate laws and regulations and service standards should be established. Moreover, hospitality industry employees should cooperate in setting up an international framework to protect travellers conducting transactions on the Internet.

2.3. Internet as market research tool

In order to gain competitive position in the tourism market it is indisputable that Internet-based market research is necessary for finding the ways of adapting to the needs of on-line tourism service users. However, in contrast to traditional market research, if using the Internet as a medium for research, there is a possibility to get high quality information, with less costs and quite fast. Also, UNCTAD (2000) suggests that available research on e-commerce should be reviewed, and additional research conducted when necessary, in order to provide information on market trends, consumer needs, WEBSITE use, demographic profiles and the impact of non-availability of on-line payments and other information that may support the development of a sustainable hospitality industry.

A possible classification of internet based research (Batagelj, Z.; Lozar, K.; Vehovar, V., 1998) is based on respondent's point of view and is as follows:

1. E-mail survey - this is the oldest and the simplest way of conducting research; a parallel to traditional mail surveys can be drawn (Batinic, B., 1997).
2. News-groups survey - this kind of research is based on similar topic entities on the basis of which the research is being conducted and having as a consequence relatively small sample size.
3. WEB based survey - this is the most common way of the three. It represents a tremendous potential for the market research experts, offering them a tool for fast and cheap research, generating more accurate information.

A prerequisite for a quality-based research are high quality standards including sophisticated probability sampling, precise project control, rigorous quality control procedures, advanced questionnaire programming, and insightful analysis.

Since WEB based surveys represent a growing segment of Internet research, the benefits of conducting them should be mentioned as divided in four different categories according to their characteristics (Tuten, T., 1997): 1) inexpensive (if compared to other traditional survey methods they cost about half the price), 2) response speed, 3) overall effectiveness, and 4) its visual appeal.

However, certain problems should be taken into consideration. Dahlen, (1998) divides them in five categories: 1) self-selection, 2) unequal probabilities of sample inclusion, 3) unknown response rate, 4) not being noticed by people and 5) unnecessarily low response rates.

Although still in phase of development, WEB surveys are becoming increasingly used by many tourism enterprises as significant tool for conducting market research.

In a broader context, the technological improvement will affect the percentage of the population using the Internet. This will directly lead to the possibility to sample the general population. All of this will enable broad applicability of Internet research in the hospitality industry.

3. THE MEANING OF WEB SITE FOR COMPETITIVENESS IN THE HOSPITALITY INDUSTRY

The hospitality industry activities presented on the Internet have many advantages, but one should not underestimate possible disadvantages this new medium might cause. Many authors (Poon, S., Swatman, P.M.C., 1999; Panijan, Ž., 2000; Tschanz, N., 1996; Liu, Z.; 2000, Yiannakis, A., 1996; et.al) are trying to determine advantages and disadvantages from doing business over the Internet.

Benefits or competitive advantages of using the Internet in the hospitality industry are:

- 1) Service improvements concerning:
 - large choice of access to a WEB site
 - faster payment processing
 - reduced delivery time for many products
 - faster and greater availability of support literature
 - more detailed and particularised
- 2) Low costs of:
 - marketing
 - processing of booking and payments
 - automation of tasks
 - establishing direct links between the producer and the consumer
 - distribution
- 3) Differentiation from competition:
 - creating, presenting and selling high-quality, distinctive products
- 4) Creating up-to-date enterprise image
- 5) Information usage including the following concepts:
 - addressability
 - interactivity
 - flexibility
 - accessibility
- 6) Efficiency in operational management and communication
- 7) Obtain know-how through discussion with news groups on the Internet

Potential disadvantages or threats of Internet usage in the hospitality industry are:

- 1) Characteristics of tourism product and services as being fragmented and difficult to evaluate
- 2) Standardization of legal procedures of doing business over the Internet
- 3) The problem of inefficient accessibility to the WEB site / unfavourable indexing by search engines
- 3) Spam³

³ Spam is Internet slang for unsolicited email, primarily unsolicited commercial email. Recipients of spam often consider it to be an unwanted intrusion in their mailbox. However, not all bulk email is spam.

- 4) Bad quality of individual WEB sites which might damage whole destination image
- 5) Nonprofessional determination of purpose the WEB site is supposed to fulfil.

Great competitiveness in the hospitality industry bears enormous challenge for economic development and determines its performance in the global market. The dominant key in achieving success in e-business and consequently competitive position is the quality which can be obtained only by using the Internet as one of the leading instruments of achieving TQM (Total Quality Management).

3.1. Effective WEB site

Today there is a great amount and many kinds of tourism WEB sites from different tourism sectors (Tschanz, N., Klein, S., 1996), all of which have different purposes and thus providing different kinds of information. The fast growth of travel and tourism information on this new medium is caused by customers' demand for higher service levels, better quality of information and tendency to book shorter vacations and to travel more spontaneous.

“The WEB is a vast sea of information. The user can access immense amounts of travel-related information, but the sites that provide information about a destination are very badly organised, the information is distributed and unstructured. To the traveller seeking for reliable information to plan a trip, the WEB is becoming more and more a time consuming horror where one gets easily lost. Thus, a good site that serves as a useful tool to plan a trip has to overcome these limitations.”⁴

Research on tourism WEB sites have started emphasizing the importance of creating effective WEB sites. However, research on the effectiveness of tourism WEB sites are not being conducted sufficiently. In addition, most of them were conducted on the basis of content analysis. Today, some new criteria about features and values of WEB sites have been established. The most important features of a WEB site (Rita, P.; 2000) are considered as:

- Being visually/graphically attractive,
- Providing correct and up-to-date information,
- Being interactive,
- Enabling chat lines and stimulating consumer comments,
- Providing availability and booking online,
- Developing the right promotion online to entice the transient guest by providing attractive offers and interactive tools (e. g., weather information, driving directions, what to do) and using banners for brand image-building ,
- Capturing data for conducting direct e-mail campaigns. Retail databases are built with names and addresses of customers and prospect who visit the sites and inquire about further information.

There are several ways of measuring the effectiveness of tourism WEB site. According to a classification (Chen and Sheldon, 1997; Ho, 1997; Jung and Baker, 1998) WEB sites may be measured from the perspective of content, content quality and design. Effective content is the one having purpose and bearing features which provide visitors with significant value. The former, in terms of quality, should have useful, informative,

⁴Tschanz, N.; Klein, S. (1996): Internet Strategy Development in Tourism – Concept and Case Study, Paper submitted for SISnet Research Workshop «Internet and Business», Lisbon, Portugal

accurate, up-to-date and comprehensive content. Design, as the last issue in determining a WEB site as effective, means that the site is intuitive, easy to navigate and use, consistent, accessible, appropriate, interesting, fast and fun. Other possible methods are based on measuring the success of tourism WEB sites by the number of visits, viewings, clicks, inquiries, bookings and purchases (Brady, et al, 1997; Ho, 1997; Kirsners, 1997). In addition, Rita (2000) claims that “successful sites are designed around the wants and needs of the targeted audiences.” As effective a WEB site may be proclaimed if it is in line with its corporate strategy (Allard, 1998) and this is considered to be another possible and interesting measurement of effectiveness.

Due to enormous meaning of information, especially of information quality within the WEB pages, it is necessary to mention the characteristics of good information, and these are: objectivity, completeness and pluralism.

Also the UNCTAD (2000) covers this issue suggesting that enterprises should create and continually update local content on the Internet in local languages and languages of the most important tourism consumers in order to provide information and databases on tourism experiences and attractions and general information about destinations.

4. NEW DIMENSIONS OF THE HOSPITALITY INDUSTRY

Supported by the Internet the hospitality industry gets a new dimension of creating, supporting, presenting, conducting and selling its programs. Moreover, the hospitality industry is forced to leave the local principles of business performance, and to accept new regulations as mentioned in the policy: “Think in local between the limits of a global positioning.”⁵

When trying to determine the hospitality industry activities supported by the Internet, it is necessary to differentiate between the two levels of service providing:

- 1) Providing more types of tourism services, including almost all aspects of tourism. This means that one tourism service provider can offer, for example: transportation, accomodation, catering service, leisure facilities etc.
- 2) Providing only one aspect of a selective tourism service (a tourism service provider is in position, for example, to offer exclusively one specialized segment). This type of entrepreneur must be aware of *customer targeting* as a key to successful satisfaction of consumer demand, which is the fundamental determinant of all forms of businesses.

The two types of the hospitality industry activities supported by thr Internet have the following goals in common:

- to allow everyone to access the network,
- to make the local destination as competitive as possible (the reason for this is the expectation and convenience of customers to see all the options in one place),
- to establish themselves as competitive within the local destination,

⁵ Vanhove, N. (1998): La Globalizacion de la Demanda Turistica y el Impacto sobre la Estrategia de Mercado. Papers de Turisme no 23, 48-87.

- to enable active cooperation with other suppliers offering other services (in this way all other customers needs can be met on one WEB site, e. g. in one place),
- to create checkable WEB sites applying criteria of information quality checklist, which takes into consideration: a) scope, b) audience, c) author, d) authority or publishing body, e) currency, f) treatment, g) arrangement /ease of use, and h) regular up-dating,
- to provide same target customers with a service, regarding the fact that the customers significantly differ from each other according to the region of origin, nationality, religion, habits, customs, expectations and other socio-demographic characteristics,
- to adapt tourism offer to the new type of tourist, which might be referred to as Internet tourist ⁶. In order to get the profile of the majority of Internet tourists, Internet market research should be used

Therefore, if not having a possibility to meet a tourist's demand directly, a WEB site of a single tourism service provider should offer solutions of checked cooperators within the selected destination (one selected town, region, or country).

However, what might be considered a problem in the context of global service providing, is the fact that „...most of the travel products on sale over the Net are stored at various WEB sites owned and operated by individual companies...“⁷, and in this way aggravating selecting of all services a customer expects in the destination. „Another problem is that the WEB does not always offer the lowest prices compared with the traditional distribution outlets“⁸, what may discourage potential customers from booking directly on the WEB. All the facts mentioned above mean leaving the traditional concept of sharp competition in one destination, and approaching a concept of strong professional cooperation.

4.1. Critique of some selected hospitality industry WEB sites

Starting with the assumption that the e-tourist wants to visit a certain destination, for example the Republic of Croatia, it is to be expected that the information search will start with the help of some better-known tourism sites / addresses, such as: www.searcheurope.com, www.123world.com, www.towd.com, www.touristlink.com, www.visiteurope.com, www.tte.ch, .

The majority of the mentioned sites will usually offer the links to some well-known Croatian tourism addresses, such as: www.htz.hr, www.croguide.com, www.crotours.com, www.dalmacia.net, and others.

The example of one Croatian site is www.croguide.com, shown in Picture 1. With the help of some mentioned Croatian tourist sites, the potential e-tourist has a possibility to select accomodation (hotels, camps, private accomodation), make a reservation, get information about the exchange rates, heritage, marinas, weather, city maps, etc.

⁶ Internet tourist is a person who finds information about world wide destinations, and actively uses the information found on the Internet in the context of reservation, payment etc.

⁷ Liu, Z.. (2000): Internet Tourism Marketing: Potential and Constraints, <http://www.hotel-online.com/Neo/Trends/ChiangMaiJUni00/InternetConstraints.html>

⁸ ibidem

Already when doing the e-reservation of accommodation, e-tourist is confronted with a problem to get detailed information about the destination.

However, if the e-tourist wants to find out more about certain services / activities (restaurants, events, sport activities, shopping, etc ...), which are located near the booked accommodation, the only possibility to get the information about the previously mentioned is either by long-lasting Internet search, or at the point of coming to the destination, i.e. face-to-face.

In other words, assuming the the e-tourist chose the hotel accommodation (the hotels were taken into consideration because accommodation is the crucial tourism service segment), after visiting the hotel WEB site, the only pieces of information which can be obtained are the accommodation price, phone contacts or the hotel service types. The reason for this is that accommodation provider, in this case hotel enterprises, do not have either enough links provided or any links at all

Picture 1: Main WEB site of CroGuide.com

Home | Search | Advertising | Email | Guestbook

...your starting point to explore croatia...

Quick Search: [Help](#) | [Advanced](#)

Powered by I3 Istra Informatički Inženjering

You are here: Croatia

CROATIA Croatia

Croatia

- [Istocna Hrvatska](#)
- [Istra](#)
- [Južna Dalmacija](#)
- [Kontinentalna Hrvatska](#)
- [Kvarner](#)
- [Sieverna Dalmacija](#)
- [Srednja Dalmacija](#)
- [Hrvatsko primorje i Lika](#)

Restaurants

Events

Did You Know?
The longest tunnel is Ucka 5070m.

Welcome to Croatia tourist information and reservation system **CTIRS**. Choose any of 750 objects: hotels, camps, marinas or private accommodation. Free booking. You can find over 1500 photos, multimedia files, weather report,

webmaster@iii.hr

exchange list. Choose interactive roadmap for simpler travel to the selected destination.

- **New!** [CroGuide Screensaver](#)
- [Do You like us? Recommend CroGuide to a friend!](#)

[About CTIRS](#)

[▲ Top of page](#)

Last updated: Wed Feb 28 15:11:37
GMT+01:00 2001

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The rare example of a hotel in the Republic of Croatia, whose page contains links to the services besides the hotel service is the hotel Excelsior in Dubrovnik www.hotel-excelsior.hr/eng/html.

The mentioned page of the hotel Excelsior can be reached only by direct entering, whereas all other advertising of the hotel on some of the tourism sites (such as www.Croguide.com) is significantly shorter and from the point of view of informative contents shows significant lack. The only available links are for the airport www.croatiaairlines.hr (in the menu «location»), as well two following useful links www.dubrovnikportal.com⁹, dubrovnik.laus.hr¹⁰ (in the menu “contacts”). In spite of their presence on the hotel page, it is very difficult to access the mentioned links, because they are not separated in one separate menu, which could, for example, be given under the name “useful links”.


The example of a good solution for a page with a wide range of offered search topics outside the regular hotel offer, could be considered the page of the Holiday Inn hotels www.sixcontinentshotels.com/holiday-inn. Except for the possibility to inform about the segments of hotel service, it contains a useful search concept offering the ways to locate businesses and attractions near the hotel (this is shown in Picture 2). However, the complexity of such concept is probably the reason the mentioned try does not function yet.

Therefore, due to the fact that many sites without the sufficient number of useful links are still being built (including the official town or region sites, as well as the sites of checked cooperators of diversified tourism services), it is advisable for the enterprises in the hospitality industry to work on the reconstruction of the existing WEB sites in the suggested way.

⁹ Most visited web pages about Dubrovnik

¹⁰ Dubrovnik Tourist Board

Picture 2: One of the Holiday Inn's WEB sites

- [Accommodations](#)
- [Services & Facilities](#)
- [Restaurants](#)
- [Groups/Meetings Sales](#)
- [Packages](#)
- [Business & Attractions Finder](#)
- [Map/Driving Directions](#)
- [Priority Club® Worldwide](#)
- [Holiday Inn® Home](#)

Two easy ways locate businesses and attractions near your hotel.

How far from the hotel would you like to search?

1. Search by selecting up to 8 items from the following list:

- | | |
|--|--|
| <input type="checkbox"/> Restaurants | <input type="checkbox"/> Churches, Temples & Shrines |
| <input type="checkbox"/> Museums & Art Galleries | <input type="checkbox"/> Department Stores |
| <input type="checkbox"/> Movie Theatres | <input type="checkbox"/> Beauty Salons |
| <input type="checkbox"/> Tourist Attractions | <input type="checkbox"/> Travel Agents |
| <input type="checkbox"/> Golf Courses | <input type="checkbox"/> Dry Cleaners |
| <input type="checkbox"/> Health Clubs | <input type="checkbox"/> ATMs |

2. Search by entering a type of business or the name of a specific business.

Powered by [Vicinity Corporation](#)

5. CONCLUSION

The potential of using the Internet in the hospitality industry is derived from its general use as an information exchange system in the digital age. Performing business over the Internet requires development of the Internet strategy which can be observed in five basic activities (Tschanz, K., 1996): cooperation, competition, mission, product and services and organisational integration.

Except for the mentioned, the Internet usage in tourism resulted in three new categories: tourism enterprise doing business over the Internet, Internet consumer or interactive customer and Internet cooperation as a means of achieving diversification. Moreover, strategic Internet partnerships or alliances is a major source of competitive advantage.¹¹

An easy access to transparent, comprehensive, relevant and accurate information on a wide variety of services is essential in tourists' holiday decision process. Additionally, it also provides immediate confirmation and fast documentation of reservations. The hospitality industry products/services presented on the Internet can be described as customised, information based, interactive and customer active.

The main means of doing business over the Internet is a WEB site, which in the hospitality industry, unlike in many other industries, except for basic should meet these three unavoidable principles:

1. Using hyperlinks for integration of databases of master destinations with individually diversified tourism service providers.
2. Regular up-dating not only of individual pages, but also of links.
3. Creating a specific informatin package, which should generate in visiting a destinatin after visiting a WEB site.

In this way, the hospitality industry activities evolve in complete, competitive, and cooperative service (3C).

The only way of meeting the wide range of world-wide demand is broad tourism service diversification. Effective diversification in the hospitality industry can be achieved by implementing many, well diversified and professionally connected WEB sites as a management tool.

¹¹ Liu, Z.. (2000): Internet Tourism Marketing: Potential and Constraints, <http://www.hotel-online.com/Neo/Trends/ChiangMaiJUni00/InternetConstraints.html>

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