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# The Internet as an Important Tool in the Tourism Industry and its Use in Customer Service

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*The tourism sector is one of the most important business sectors in Greece. The term “online travel agency” refers to the transfer to the Internet of all or part of the tourism services offered by a real travel agency. The purpose of this study was to discuss the role of the Internet as an important tool in the tourism industry by presenting the ways it is used in customer service. The study focuses on an online travel agency. The methodology of the study was based on the collection of secondary data, which was collected through articles in journals as well as through official web sites. Specifically, the study discussed the use of the Internet and its importance in the field of tourism, and presented and analyzed the features and functions of an online travel agency, focusing on the basic services of an online travel agency, the subsystem of the customers, the provider’s subsystem and the subsystem of the intermediaries. In addition, a standardized online travel agency system was presented and finally an online travel guide was analyzed. The study concluded that tourism marketing is a necessary tool to be used in the management of all tourism businesses in order to achieve the planned marketing goals.*

**Keywords:** customer service, online travel services, tourism sector, online tourism, consumer behavior, tourism marketing

**JEL Classification:** M31

## 1. Introduction

The tourism sector was one of the first business sectors to take advantage of the possibilities of the Internet for the provision of tourism services. In this study there will be an attempt to approach and present the basic functions and architecture of a standard travel agency system on the Internet.

## 2. The Internet and Its Importance in the Tourism Sector

The tourism sector is one of the most important business sectors in Greece. One of the tourism service providers is the travel agency, which is also the main intermediary between the providers of basic tourism

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services and the final consumers. A travel agency, for example, is an intermediary agent acting on behalf of the client, making arrangements with tourism providers, airlines, hotels, travel guides, etc.

The term “online travel agency” refers to the transfer to the Internet of all or part of the tourism services offered by a real travel agency. The existence of a travel agency on the Internet does not necessarily imply the existence of a comprehensive and complete information system that will provide all the services that are available from the real agency. Many online travel agencies consist of a static website, which contains the name of the travel agency, its (actual) address and sometimes an e-mail address. The use of the Internet is for purely advertising purposes (Sugiyama et al., 2015). Although these travel agencies are not of particular interest, they are part of the above definition.

Of particular interest are the travel agencies offering even a small percentage of travel services over the Internet. There is an information system that is used to serve customers and tourists and provides search mechanisms for tourist information, booking services, etc. The mechanisms included by the majority of travel agencies in the information system, as well as the features and particularities that govern it are analyzed below (Bystrova et al., 2015):

- Nature of services offered by the travel agency. Some services, due to their form, cannot be transferred to the Internet completely automated, as there are limitations, such as the physical delivery of an air ticket.
- Know-how. Many times, although travel agencies can transfer their services on the Internet, they are unable to do so because of the lack of knowledge about the necessary technological infrastructure.
- Development costs. Travel agencies are unlikely to want to take such action, as there are factors like:
  - o The risk. It is not certain that such action will be successful.
  - o Insufficient information on the potential of the Internet. Many travel agencies do not know the real potential of the Internet.
- Maintenance costs. Many travel agencies do not have the financial capacity to develop and maintain a completely new, Internet-based travel services system, which will work alongside the existing one.

However, there are reasons that make this transfer attractive, even in the form of a simple presence of a travel agency on the Internet. Travel agencies consider that they will gain new customers through the Internet, and will be able to advertise their services to a huge, new mass of prospective customers (Xiang et al., 2015).

It is stressed that especially in the Internet a travel agency (like any other business) does not have to exist in its physical existence. There are many cases where a travel agency is established entirely in electronic form and serves its customers exclusively via the Internet.

### 3. Characteristics and Functions of an Online Travel Agency

#### 3.1. The Basic Services of an Online Travel Agency

The services offered by travel agencies via the Internet vary. Typically, most travel agencies offer online services that can be fully automated (e.g. search services for tourist products). Of course there are some travel agencies that do not provide any online service. These support their existence on the Internet for purely advertising purposes (Roger-Monzó et al., 2015). The tourist services currently offered by the various travel agencies are grouped into three categories (Table 1):

- Tourist information search services
- Booking services
- System management services

**Table 1.** Basic services of an online travel agency

Search services	Booking services	System management services
Search for tourist products: – Travel packages – Hotels – Means of transport – Cruises – Tickets (air, boat, etc.)	Booking of tourist products through: – Special booking forms (online or in a conventional way) – Direct communication with the travel agency via e-mail.	These services are optional and concern the travel agency: – Online introduction of tourist information – Updates – Collection of statistics – Immediate customer service with automated notification on the course of their booking information etc.

Source: Xiang, Magnini and Fesenmaier, 2015

In their majority, existing travel agencies on the Internet offer both tourist search services and booking services. But few are the travel agencies that offer dynamic search or online booking services.

Technological developments and the needs of the consumers (fast and correct service, direct search results) impose the use of the newest application development techniques (use of a database for the dynamic extraction of information, the ability to make a booking online, etc.)

For a fuller understanding of the functions of an online travel agency, it is necessary to examine the actors involved in all phases of operation. In order to make a trip through an online travel agency, the involvement of three actors is necessary (Lin, 2016):

- Providers of basic tourist services
- Customers
- Intermediaries (travel agencies)

This categorization requires the creation of three different subsystems that will serve the needs of each actor. The role of these actors is the same as the role they play in their offline commercial transactions. The provider of basic tourist products and services sells and promotes its products to the customer/consumer. The customers are looking for the products they want and then, if they want, they buy them. The intermediaries, i.e. the travel agency, are those that undertake to bridge the gap between the providers and the final customers. An analysis of the services offered is presented in the following for each subsystem.

### **3.2. The Customer Subsystem**

It is the main subsystem, because it is the part of the tourist application that the interested customer sees. More specifically, the possibilities that an online travel agency can offer to the customer are:

Electronic directory services: The most basic service to be offered to the user is the description of the tourist products and services through the websites of the travel agency. Their simple reading is a service that replaces the traditional way of reading tourist directories (Swann et al., 2016).

Search services: This service includes the search for a tourist package, the search for cruises, the search for hotels, etc. The search for tourist products can take place through many different ways:

- Search criteria: The search criteria that can be used vary. The search criteria can be the price of the tourist product, departure and booking dates, country of destination, etc. A typical example is the 4U2 Travel Agency ([http // www.focusmn.com/4u2/welcome.html](http://www.focusmn.com/4u2/welcome.html)).
- Navigation engines: such as through a geographic map (e.g. the Cruise Web - [www.cruiseweb.com](http://www.cruiseweb.com))
- A list of tourist products by category (e.g. Travel Plan, <http://www.travelplan.gr>)

In any case, the search takes place on the database of the tourist system and the data that meets the criteria set by the user is dynamically derived. The database is a prerequisite for the proper operation of a travel agency and for the best possible provision of service to its clients.

Booking services: Booking of tourist products can be made via online booking mechanisms. The user just enters all the details required for the booking by simply filling in an online form. For security reasons, this service must allow the user to enter his/her username and personal password. In this way, the system assumes the automatic certification of the data. In some cases there is the possibility of immediate payment (using electronic payment technologies). Many tourist systems, however, provide bookings only by e-mail (Buhalis and Amaranggana, 2015).

Communication services between users and a travel agency. It is the only service that all the ideal travel agencies offer to their users. Thus, users can e-mail comments, make reservations for tourist products (if online booking is not available), answer questionnaires designed to improve the system by the travel agency, etc.

Provision of additional services: such as making use of the possibilities offered by multimedia. The users are now able to see directly on their computer screens, images or videos from the destination they are interested in visiting or the hotel they are interested in booking a room. In this way, the users obtain an initial picture of the tourist product they are interested in, a feature that is not available in the traditional ways of searching and booking.

### **3.3. The Provider Subsystem**

It is the main subsystem for entering data into the travel agency's database. The principal responsible for the introduction and reliability of the data is the provider himself, who is interested in promoting his/her tourism products through the proposed system. In the case of travel agencies, the agency itself usually plays the role of the provider. However, there are cases, as already mentioned, in which a travel agency does not

have a physical presence, but has been created only for the Internet. These travel agencies are called Virtual Travel Agencies. In this case, the role of the provider is assumed either by other travel agencies with which the virtual agency has a contract, or directly by hotels, airlines, shipping companies, etc. More specifically, an online travel agency may offer on behalf of the provider:

Online import of tourist products: This service must include the introduction of the features of the tourist packages, the hotel information, the details of the air or ferry ticket, etc. (Page, 2014). The input of the data from the provider is the basic prerequisite for the proper operation of the proposed system.

Tourist products search services: In the case of a virtual travel agency, safety measures must be taken between different providers (usernames and passwords).

Tourist products information services: The provider has the ability to modify or delete one of the features of a tourist product offered. For example, they can change the price of a tourist package (due to reduced interest), delete it if it is no longer offered, or add new packages, etc. (Benur and Bramwell, 2015).

Booking and customer tracking services: The provider can monitor the booked reservations and obtain information for the customers.

### **3.4. The Intermediary Subsystem**

It is the management subsystem of the entire tourist information system. More specifically, an online travel agency should provide the following management guidelines:

Provider Subsystem Services: Services for the online introduction, deletion, modification, etc. of tourist products should be offered, similar to those of the provider, so that the travel agency itself can manage the tourist products it offers (Vaughn et al., 2015).

Customer management services: The services of this type are very important because in this way the travel agency can monitor the transactions made by its clients and draw useful conclusions from them. By monitoring, for example, customers' preferences regarding the places they prefer to visit may increase the supply of the tourist packages with the highest demand.

But more interesting are the benefits that a travel agency can gain by transferring the provision of its services to the Internet. The intermediary actor/travel agency can benefit from such an action as it can offer several additional services:

Billing services for tourist products. This service is a prerequisite for a transaction between the customer and the travel agency (Anuar et al., 2017). Most online travel agencies use the traditional way of billing with cash or checks in their physical premises and in person. However, some travel agencies use electronic payment technologies and in particular micro-payments. The most common method of payment on the Internet is the use of a credit card.

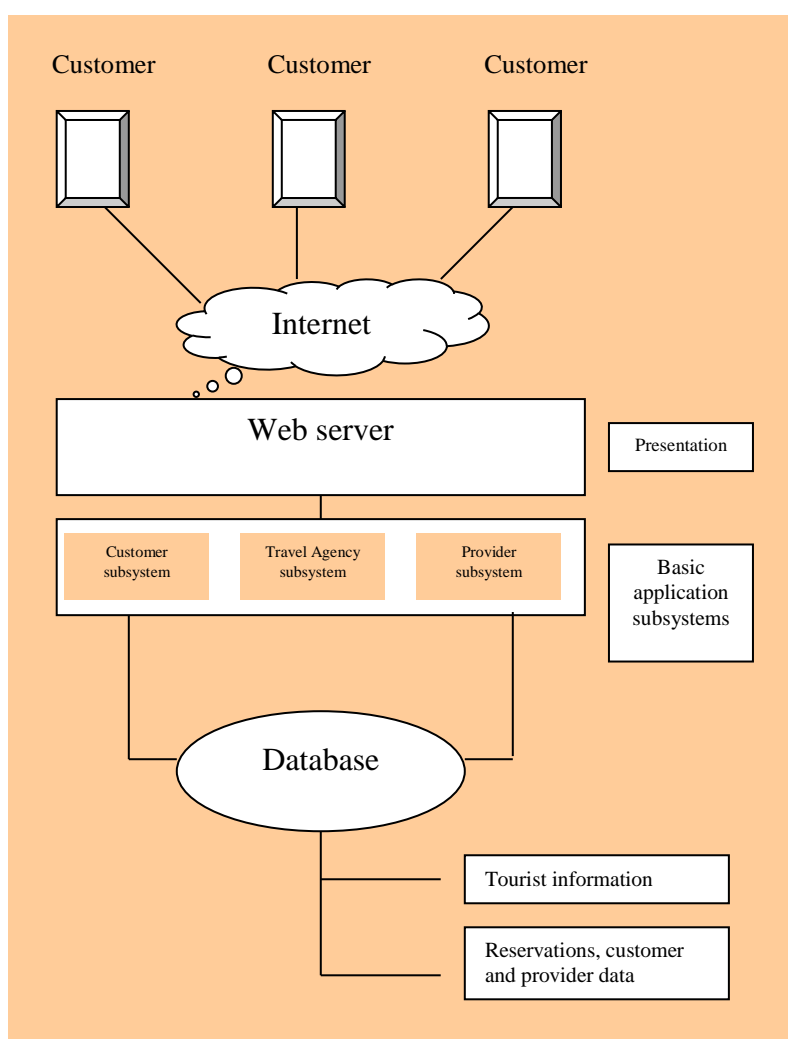
The charge may concern the providers of tourist services, for example the travel agency office may make available some space to the provider's webpage for online advertising. In this case, the method of payment and transaction completion will not be the same as in the end-user case but different technology will be used such as EDI or XML to exchange the necessary documents.

Promotional advertising services: Although the presence of the travel agency on the Internet itself is a means of promotion, it can provide advertising space to its providers by applying similar charging policies (Lovelock and Patterson, 2015).

Statistical data export services. These are services that are mainly applied to major online travel agencies. They are particularly useful because through them the travel agency can draw useful conclusions about the daily traffic (number of hits) and the preferences of its prospective customers.

## **4. A Standard Online Travel Agency System**

As can be seen from the architecture in the following Figure 4.1 (Ling et al., 2015), in order for an online travel agency system to support the above functions, it should be composed of three basic levels plus some interaction characteristics in terms of the booking service. This point entails the difficulty of the system, as bookings relating to providers of basic tourism services such as hotels, airlines, etc., should be passed on from consumers to providers via the travel agency. The problems that arise relate to proper synchronization, efficient booking management, availability check, etc.



**Figure 1.** Standard system of an online travel agency

The basic subsystems discussed above can be implemented with an integrated e-Commerce application development environment. However, there is a set of basic technologies that are necessary for the implementation of an online travel agency system, such as:

- Web Server. It is a basic subsystem to derive tourist information registered in the online database. For this purpose, it is necessary to interconnect with the subsystem level and thus the database for dynamic information
- Web Forms. As with the electronic publishing system, the use of Web Forms is necessary for the development of electronic forms (e.g. search, registration, booking forms, etc.). In addition, the Secure Sockets Layer technology combined with Java can also be used to securely transfer data between customers and the travel agency. Through the Web Forms technology, the interface between the providers of tourism services and the travel agency can be implemented. In particular, providers will be able to update the system via e-forms, and also to monitor the reservations, customers etc.
- XML / EDI. For the automated communication between the travel agency and the providers of basic tourism services, the XML/EDI technology can also be used to exchange documents and process transactions
- Multimedia Database. All tourist information will be registered in the database, in a multimedia format (image, audio and video) so that the final consumer has a full picture and information on the tourist products. Also the database will include information so that the final consumer has a complete picture and information about the tourist products. The database will also include information about both providers and customers. Reservations, which are one of the most basic information, will also be registered in the database.
- Payment Subsystem. In this case, payment between consumers and the travel agency may be concluded via credit cards or electronic money payment systems. To this end, there must be the necessary infrastructure both in the agency and in the bank conducting the banking transactions.

- Data Mining OLAP. These technologies can be used to analyze the data collected by the system (mainly customer and booking information). In this way, the agency can analyze the purchasing behavior of its customers and proceed with projections, renewal of its products and offers, etc.

## 5. Online Travel Guide

CNN has launched a new online tourist service recently, which is a revolution for the tourism sector. A few months ago, the US network provided free travel advice and information to all stakeholders in the form of a travel guide at first, for all the major capitals of the world. In addition to the usual information on attractions, information on restaurants and hotels is also provided.

## 6. Conclusions

It is a fact that modern times are difficult and even more the cost for tourism marketing is much higher than in the past. New technologies are definitely a solution to reduce the cost of tourism services, but also the quality of the provided services must be high and always the same. Now, the competition in the sector is more flexible and the contenders can offer low prices. Greece has to offer both natural beauty and history and a name but these are not enough on their own. In these difficult times only the mighty and proactive will survive.

It is now a fact that in recent years both international tourism and domestic tourism have shown that they can resist vigorously the negative effects on tourism demand of the various external factors, such as inflation, wars in various parts of the world, the constantly rising unemployment, the unstable climatic conditions prevailing and especially in Greece in recent years, etc. Nevertheless, a very large percentage of people around the world have made tourism an integral part of their lives in order to satisfy their travel needs and desires, both for recreational purposes and to learn about unknown destinations, conditions of life and cultures, customs and attitudes, and it seems that they are not affected by the above situation. Nevertheless, if we had to integrate international tourism into a certain phase of life, we would have chosen the maturity phase, as tourism is continuous, and in no case has the same frequency as in earlier years, where it was unprecedented and not tested.

Nowadays, more and more countries are looking for alternative forms of tourism to offer, hoping for the consumers' response, as tourism is a source of wealth for the country-region that promotes and adopts it. For this reason, it is necessary for all tourism companies to use tourism marketing programs in order to anticipate, implement, and achieve new tourist services or new tourism products in the tourist market or even to preserve the older products-services so that the tourist business achieves its goals.

This means that there is a need for a dynamic approach to tourism marketing, that is, there should be a continued readiness on the part of the tourism businesses or organizations to adapt and change their activities in response to the changes in tourism demand, as well as being fully prepared to take advantage of opportunities that may arise and to influence tourism demand in order to achieve their predetermined goals.

Based on the above, it could be said that tourism marketing is a necessary tool for all managements of tourism businesses so as to use it and achieve the planned marketing goals.

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