

# Effect of Electronic Commerce in Tourism Industry: A Study in Context of India

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## ABSTRACT

E-commerce in travel and tourism is growing day by day, which provide opportunity to this industry to groom and grow. Due to change in Information technology, e-commerce is emerged in this industry and companies are now heading toward e-business through website, internet and different online software. Online businesses like financial services, travel, entertainment, and groceries are all likely to grow. Forces influencing the distribution of global e-commerce and its forms include economic factors, political factors, cultural factors and supranational institutions. The growth of e-commerce is taking pace worldwide. This research paper shows the growth along with issues of electronic commerce(e-commerce) with regard to tourism industry. Customer utility and strong business models drive growth of e-commerce. The idea of growth and reasons of issues differs according to the countries, which have researched in this paper.

**Keywords:** E-commerce, EDI,business-to-business (B2B), ICT, Foreign Tourist Arrivals (FTAs), Foreign Exchange Earnings (FEE).

## INTRODUCTION

Electronic Commerce is a general concept, which covers any form of business transaction, or information exchange executed using information and communication technologies (ICT's). E-Commerce includes electronic trading of goods, services and electronic material ecommerce systems include commercial transactions on the internet but their scope is much wider than this, for example, Electronic Market, Electronic Data Exchange (EDI) and Internet Commerce. It is the process of buying, selling or exchanging products, services, and information through computer networks. It also pertains to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact(Efendioglu, A, Yip, F, W, & Murray, 2005).According to (Zwass, 1996); (Wolcott, Press, McHenry, Goodman, S, & Foster, 2001); (Travica, 2002); the number of internet users around the world has been steadily growing and this growth has provided the impetus and the opportunities for global and regional e-commerce., various studies have been conducted and models have been developed to identify diffusion of e-commerce in different environments.These models have looked at "infrastructure"(e.g. connectivity hardware and software, telecommunications, product delivery and transportations systems) and "services" (e.g. e-payment systems, secure messaging, electronicmarkets, etc.) as the primary diffusion factors.(Goldsmith & McGregor, 2000)Reported that the general category of e-commerce can be broken down into two parts:

- E-merchandise: selling goods and services electronically and moving items through distribution channels, for example through Internet shopping for groceries, tickets, music, clothes, hardware, travel, books, flowers or gifts.
- E-finance: banking, debit cards, smart cards, banking machines, telephone and internet banking, insurance, financial services and mortgages on-line.

## Types of E-Commerce:

There are many types of e-commerce (Turban & King, 2003). Explain different types of e-commerce. Some authors describe the types of e-commerce as models of e-commerce. The major types or models of e-commerce are:

- **Business-to-business e-commerce (B2B):** In this case, two or more businesses make transactions or collaborate electronically. Although B2B is the major current type of electronic commerce.
- **Collaborative e-commerce:** In this type of e-commerce, business partners collaborate electronically. Such collaboration frequently occurs between and among business partners along the supply chain.
- **Business-to-consumers (B2C):** In this case, the sellers are organizations and the buyers are individuals.
- **Consumers to businesses (C2B):** In this case, individual customers offer to sell products and services to companies who are prepared to purchase them. This business model is the opposite of the traditional B2C model.
- **Consumer-to-consumer (C2C):** In this case, an individual sells products (or services) to other individuals.
- **Intra-business (intra-organizational) commerce:** In this case, an organization uses e-commerce internally to improve its operations. A special case of this is known as B2E (business to its employees) e-commerce.

- **Government-to-citizens (G2C) and to others:** In this case, the government provides services to its citizens via e-commerce technologies. Governments can do business with other governments (G2G) as well as with businesses (G2B).
- **Mobile commerce (m-commerce):** When e-commerce has done in a wireless environment, such as using cell phones to access the Internet, it has called as m-commerce.

Each of the above types of e-commerce may have several business models. For example, in B2B, one can sell from catalogues or in auctions. Buying can be done in several models such as reverse auctions, group purchasing, or negotiations (Turban & King, 2003).

### Tourism Industry

Tourism Industry is one of the backbones of economy in developed, developing and underdeveloped countries and one of the major sources of foreign exchange. This industry is growing very rapidly and millions of people are directly and indirectly associated with this Industry. This industry represents accounts for 9.9 percent of global GDP, 10.9 percent of world exports, and 9.4 percent of world investment (World Economic Forum, 2009). The use of internet is rapidly growing day by day and as per International Telecommunication union (2009), around 2 billion people will be online by end of 2010. Hence, internet will be effective tool to promote and open up new opportunities for travel and tourism industry sector through e-commerce.

However, it has some limitations as some information may not be correct, outdated, portrayed and we have seen several online fraud case too. Briefly, due to its various benefits rather than some limitations, it is essential for travel and tourism industry to adopt e-commerce for their growth and success. With rise of internet usage on people's daily life, tourism industries are tapping business through e-commerce. E-commerce refers two both financial and informational transactions through electronic media between on organization, between people or to third party (Chaffey et.al, 2006). Through e-commerce, these industries are trying to reach global population to enhance their business through different e-commerce tools and ad there will be more and more challenge to these sectors in coming days for adopting e-commerce. Digital commerce in India has evolved over the past decade in terms of magnitude. Total digital commerce market of India was valued at INR 47,349 Crore in December 2012 and expected to grow by 43% and reach INR 92,967 Crore by year 2017.

### Purpose

From the above little introduction, we can simply say that e-commerce is bringing various opportunities in travel and tourism sectors. Many industries on this field had already adopted e-commerce and some are on the way to adopt it to enhance their services and better facilitate their customers however, these developments have certain impacts on the behaviour of customers as well in industry.

My prime focus on this research paper is to find out the impact and challenge of e-commerce in travel and tourism industry and reviewing it through different academic journals. Through those journals I will be able to answer, how will be travel and tourism industry benefit if they adopt e-commerce, what are the customers' perceptions on travel and Tourism Company which adopts e-commerce and what are the benefits and limitations of e-commerce in travel and tourism.

### LITERATURE REVIEW

**Christensen, Johnston, & Barragree, (2000)** in their paper "Pattern of success and failure of e-commerce" identifies the main reasons for failure as the non-existent understanding of e-commerce industry competition, as well as the incompetence in exploiting new technology on a sustainable basis.

**Kshetri, (2001)** in her paper "Determinants of the Locus of Global E-commerce" focused to identify the available evidence on global distribution and forms of e-commerce. In his paper, he indicates the major revolutions in ICT are fuelling the rapid growth of global e-commerce.

**Stead, (2001)** in his paper "Ethical Issues in E-commerce" reviewed the incredible growth of electronic commerce (e-commerce) and presented ethical issues that have emerged. Security concerns, spamming, web sites that do not carry an "advertising" label, cybersquatters, online marketing to children, conflicts of interest, manufacturers competing with intermediaries online, and "dinosaurs" were discussed.

**Featherman, Valacich, & John, (2006)** in their paper "Is that authentic or artificial?" stated that as companies race to digitize physical-based service processes repackaging them as online e-services, e-service replacements may seem unfamiliar, artificial and non-authentic in comparison to traditional service processing methods. Consumers may believe that new internet-based processing methods expose them to new potential risks the dangers of online fraud, identity theft.

**Featherman, Valacich, & John, (2006)** in their paper "Understanding consumer perceptions of risk in e-service encounters" examined whether consumer perceptions of artificiality increase perceptions of e-service risk, which has been shown to hamper consumer acceptance in a variety of online settings.

**Zabihollah, Kenneth, & W, (2006)** in their paper "Electronic commerce education: Analysis of existing courses" stated that e-commerce integration assures coverage of all critical aspects of e-commerce, but it also has several obstacles. First, adding e-

commerce materials to existing business courses can overburden faculty and students alike trying to cope with additional subject matter in courses already saturated with required information. Second, many business faculty members may not wish to add e-commerce topics to their courses primarily because of their own lack of comfort with technology-related subjects. Third and finally, this approach requires a great deal of coordination among faculty and disciplines in business schools to ensure proper coverage of e-commerce education.

**Zaveri, (2008)** in his paper states “The Challenges and Opportunities of e-commerce” in which e-commerce can range from ordering online, through online delivery of paid content, to financial transactions such as movement of money between bank accounts. According to his paper, e-commerce offers unprecedented opportunities to both developing and developed countries.

**Raghunath & Panga, (2013)** in their paper titled “Problem and Prospects of e-commerce” concluded that at the level of global trading system, exploring how recognition of electronic commerce as a global public good may help reduce the digital divide between developed and developing countries.

**Daviy & Rebiazina, (2015)** in their paper “Major barriers of e-commerce in Russia” states that the most significant barriers for the Russian market are infrastructure, concerning markets, and institutional issues. In their paper, they studied the development of the barriers and drivers for e-commerce market in Russia. According to this study the various barriers are technical and managerial expertise, legislation (not enough support by the government), e-payment/banking, telecommunication (internet speed and cost), lack of privacy, security, information.

**Daviy & Rebiazina, (2015)** in their paper titled as “Investigating barriers and drivers of the e-commerce market in Russia”, states the various barriers of e-commerce that affect the Russia.

**Whitson, (2015)** in his paper “E-commerce in 2000s” resulted in the first critical academic reflection on the success factors of the e-commerce marketplace. On the one hand, academics focused on the strategic issues of e-commerce development.

**Raghunath & Panga, (2013)** in their paper titled “Problem and Prospects of e-commerce” concluded that at the level of global trading system, exploring how recognition of electronic commerce as a global public good may help reduce the digital divide between developed and developing countries. Open and distance learning institutions are finding that the need and demand for their services are increasing.

#### OBJECTIVE:

To find out the impact and challenge of e-commerce in travel and tourism industry

#### SCOPE:

This research aims to explore the impact of structuring the e-commerce business on the travel industry. The travel related organizations asked to judge critical success factors that make e-commerce business profitable, factors, which will have an impact on overall business performance because of the structuring of e-commerce business in the travel industry related organizations.

#### METHODOLOGY

- a) **Research design-** The design of the paper is descriptive in nature as the data was processed data, which is already available.
- b) **Collection of data-** The data was collected from journals, articles, research papers, conceptual papers, and books and online too.

#### ANALYSIS

##### Tourism Sector – Global Scenario

The travel and tourism industry is one of the world’s largest industries with a global economic contribution (direct, indirect and induced) of almost seven trillion U.S. dollars in 2013. The direct economic impact of the industry, including accommodation, transportation, entertainment and attractions, was approximately 2.2 trillion U.S. dollars that year. A number of countries, such as France and the United States, are consistently popular tourism destinations, but other, less well-known countries are quickly emerging in order to reap the economic benefits of the industry. Worldwide, the tourism industry has experienced steady growth almost every year. International tourist arrivals increased from 528 million in 2005 to 1.09 billion in 2013. Each year, Europe receives the most international tourist arrivals. It also produces the most travelers: with just fewer than 566 million outbound tourists in 2013, the region had more than double that of the second largest tourist origin, the Asia Pacific region. In 2013, global international tourism revenue reached approximately 1.16 trillion U.S. dollars, having almost doubled since 2005. That year, China had the largest international tourism expenditure, followed by the United States and Germany. The leading city in international visitor spending was London, where tourists spent more than 19 billion U.S. dollars in 2014. For tourism-dependent countries and destinations, tourism’s share of GDP can exceed twice the world average. Today, international tourism receipts exceed \$1 billion per year in some 90 nations. Worldwide, domestic tourism is typically 29 several times larger. Tourism truly has become a global economic and social force. Travel is costly. Historically, only wealthy individuals could afford to travel abroad,

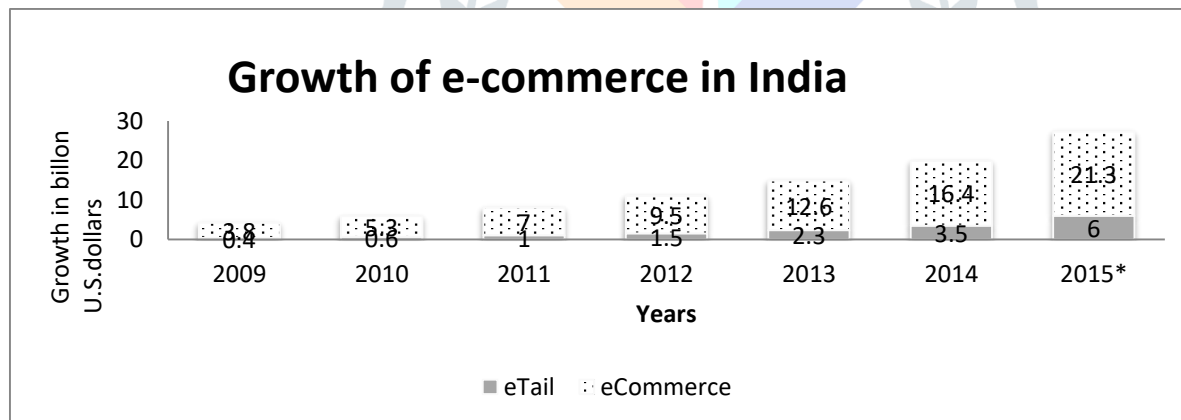
and they tended to travel to affluent countries with quality tourism infrastructure and services. Not surprisingly, Europe and North America have been the largest sources and recipients of international tourists. However, this, too, is changing. In recent decades, tourist arrivals in emerging countries have grown much faster than in developed ones. The Asia-Pacific region has seen—and will continue to see—the fastest growth. The Travel and Tourism (T&T) industry directly contributes about 3.6% of the world's Gross Domestic Product (GDP) and indirectly contributes about 10.3% to it. As one of the biggest contributors to the global GDP, this industry directly employs nearly 77 million people worldwide, which comprises about 3% of the world's total employment. The T&T industry also contributes to indirect employment generation to the tune of 234 million or 8.7 % of the total employment implying that one in every twelve jobs in the world is in the tourism industry. The industry also represents about 12% of the total world exports. Global market trends indicate that long-haul travel, neighbouring country tourism, rural and ethnic tourism, wellness and health holidays, cultural tourism, spiritualism, ecotourism, sports and adventure holidays, and coastal tourism and cruises are a few emerging areas of tourist interest. From a geographic viewpoint, there has been a remarkable rise in Asian tourists, particularly from China and East Asian countries. Further, the average age of the international tourist has also been reducing representing a growing segment of young tourists who would typically travel to take a break from increasingly stressful professional lives.

## INDIA

The rapid growth of e-commerce in India has been driven by greater customer choice and improved convenience. Having a strong business model coupled with a first class level of service is critical to success. E-commerce creates new opportunities for business; it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing e-business education. Indian e-commerce industry has evolved over a period with innovations that have changed the rules of the game globally. Cash on delivery (COD) is one such example (Rau & ICICI Merchant services, 2011).

### Growth

According to Forrester Research, an independent technology and market research firm, only 16% of India's total population was online in 2013 and of the online users only 14% or 28 million were online buyers. India, therefore, was still in a nascent or immature stage of evolution of online retail spending. Since the e-commerce industry is fast rising, changes can be observed over a year. The sector in India has grown by 34% (CAGR) since 2009 to touch 16.4 billion USD in 2014. This sector shows the range of 22 billion USD in 2015.



Sources: (IAMAI, CRISIL, Gartner, PwC analysis and industry experts).

Note: (\*) indicates the estimation of performance in future years.

Currently, E-Travel comprises 70% of the total e-commerce market in 2016. E Tailing, which comprises of online retail and online marketplaces, has become the fastest-growing segment in the larger market having grown at a CAGR of around 56% over 2009-2014. The size of the e-tail market has pegged at 6 billion USD in 2015. (IAMAI; , CRISIL; , Gartner; , PwC analysis and industry ;, 2014).

India had an internet user base of about 354 million as of June 2015 (India's internet user base 354 million, registers 17% growth in first 6 months: IAMAI report, 2015) and is expected to cross 500 million in 2016 (Internet users in India to cross 500 mn: Prasad, 2016). In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities.

According to a study conducted by the Internet and Mobile Association of India, the e-commerce sector is estimated to reach Rs2, 11,005 crore by December 2016. (Internet users in India to cross 500 mn: Prasad, 2016) States the online travel accounts for 61% of the e-commerce market. By 2020, India has expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Google, online apparel sales are set to grow four times in coming years (market to touch \$35 billion by 2020).

As per "India Goes Digital", a report by Avenues Capital, a leading Indian investment bank specializing in digital media and technology sector, the Indian e-commerce market was at Rs.28,500 crore (\$6.3 billion) for the year 2011. Online travel constitutes a sizable portion (87%) of this market. Online travel market in India is expected to grow at a rate of 22% over the next 4 years and reach Rs.54, 800 crore (\$12.2 billion) in size by 2015. Indian e-tailing industry was at Rs.3,600 crore (US\$800 million) in 2011 and estimated to grow to Rs.53, 000 crore (\$11.8 billion) in 2015.

### Issues

The Internet users initially were afraid to conduct any online business, security being the main reason. In order to increase number of consumers of e-services, the sources of consumer confusion, apprehension and risk need to be identified, understood and raised. Electronic commerce provides huge opportunities in various areas but it requires careful application for consumer safety issues. Growth of e-commerce would also depend largely on effective IT security systems for which required technological and legal provisions need to be put in place and become stronger constantly. While many companies, organizations, and communities in India are starting to take advantage of the potential of e-commerce, critical challenges remain to be overcome before e-commerce would become an asset for common people. (Stead, 2001), reported the following ethical issues related to e-commerce.

Ethical issues:

- 1) Privacy: Privacy has been and continues to be a major issue of concern for both current and prospective electronic commerce customers. With regard to web interactions and e-commerce, the following dimensions are most salient. It consists of not being restrained with, having the power to exclude; individual privacy is a moral right. Privacy is "a desirable condition with respect to ownership of information by other persons about him/herself on the observation of himself by other persons"
- 2) Security concerns: In addition to privacy issues, other ethical concerns are involved with electronic commerce. The Internet offers unequal ease of access to the arrangement of goods and services. The rapidly expanding arena of "click and mortar" and the largely unregulated cyberspace medium have however instigated concerns about both privacy and data security.

### Tourism Sector – Indian Scenario

Tourism is not only a growth engine but also an employment generator. According to the Economic Survey 2011-12, the sector has the capacity to create large-scale employment both direct and indirect, for diverse sections in society, from the most specialized to unskilled workforce. It provides 6-7 per cent of the world's total jobs directly and millions more indirectly through the multiplier effect as per the UN's World Tourism Organization (UNWTO). The importance of tourism as a creator of job opportunities can be understood from the fact that in India every one million invested in tourism creates 47.5 jobs directly and around 85-90 jobs indirectly. In comparison, agriculture creates only 44.6 jobs and manufacturing a mere 12.6 jobs. Moreover, tourism is the third largest foreign exchange earner after gems, jewellery, and readymade garments.

### Tourism Outlook – India

Given the Global Tourism perspective, buoyancy in the Indian Economy and growth in the related ancillary industries like Infrastructure and Aviation, the Tourism Industry has expected to be on an upswing in India. Foreign Tourist arrivals to India have been showing an increasing trend, it being estimated at 4.43 million in 2006, up 13% from 2005 (3.92 million). Taking into account the fact that these figures exclude the NRIs visiting India, the total number of international tourist arrivals in 2006 is estimated to be over 7 million. India's outbound travel is twice the volume of inbound, and destinations in the Asia-Pacific region are expected to receive continuous growth in tourist arrivals from India. In terms of the growing travel and tourism economy and the real growth rate of travel market, India is the number one country in Asia-Pacific region. The Travel & Tourism Industry in India has expected to grow and generate US \$ 128 billion by 2016. The Total Demand has expected to grow by 8% per annum, in real terms, between 2007 and 2016. In the year 2006, India represented 0.8 % of the world market share. India's rich cultural and geographic diversity provides the basis of a wide range of tourist products and experiences, which include among others - leisure, culture, adventure, spirituality, eco-tourism and wellness & health. Apart from acknowledging the traditionally recognized advantages of developing tourism for promotion of people-to-people understanding, earning of the foreign exchange, vast employment generation, it can play a major role in furthering the socio-economic objectives of the nation.

### Foreign Tourist Arrivals (FTAs)

During 2011, FTAs in India were 6.31 million with a growth of 9.2% over 2010. FTAs during 2012 were 6.65 (provisional) million with a growth of 5.4%, as compared to the FTAs of 6.31 million during 2011. The year 2014 witnessed a growth of 10.6% in FTAs in India, which is higher than the medium growth rate of 4.7% witnessed in International Tourism Arrivals, globally. FTAs during 2014 were 77.03 lakh during 2013. The year 2016 witnessed a growth of 10.7% in FTAs in India. FTAs during 2016 were 88.9 lakh (provisional) as compared to the FTAs of 80.3 lakh during 2015.

### Foreign Exchange Earnings (FEE) from Tourism

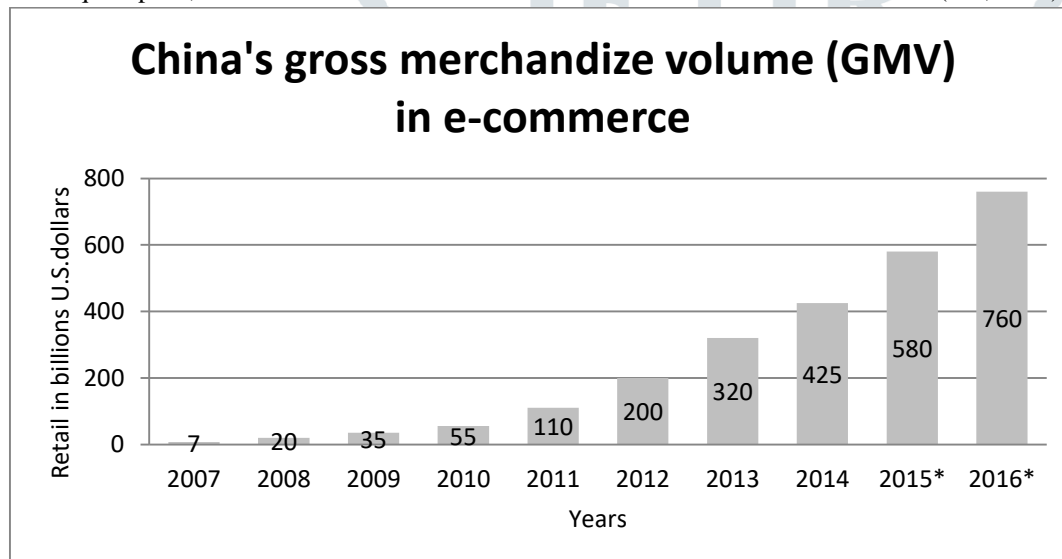
Tourism is an important sector of Indian economy and contributes substantially in the country's Foreign Exchange Earnings. FEEs from tourism, in rupee terms, during 2011 was Rs.77,591 crore (provisional), with a growth of 19.6%, as compared to the FEEs of Rs.64,889 crore (provisional) during 2010. During 2012, the Foreign Exchange Earnings (FEEs) from tourism registered a growth of 21.8% from Rs.77, 591 to Rs.94, 487 50 crore (provisional) when compared to FEEs during 2011. During 2016, the FEEs from tourism registered a growth of 15.1% from Rs.1, 20,083 to 1, 55,650 crore (provisional).

### CHINA

The size and growth rate of the e-commerce market in China is unique. The opportunities for business are diverse and almost unlimited. However, due to special regulations and laws, e-commerce in China works different from e-commerce in the rest of the world. Since China is one of the fastest growing economies in the world, this growth will also continue in the e-commerce market.

### Growth

China is the largest e-commerce market in the world. The Chinese online retail market is almost 40% larger than the US, and together these markets account for more than 55% of worldwide e-commerce. As depicted in graph, China's gross merchandize volume (GMV) in e-commerce has gone up from little over USD 7 billion in 2007 to almost USD 425 billion in 2014. The share of e-commerce in China's total retail has risen above 10% in the first quarter of 2015 – a remarkably higher percentage than in the US – and this will grow to 13.6% in 2016. Despite doubts whether e-commerce can spread to less developed areas in the country with equal speed, for now China is still one of the most attractive online retail markets (Bie, 2015)



Source: (Yearly size of online retail in China 2007-2016 in billions USD, by GMV Source Credit Suisse, I Research (Bie, 2015).

Note: (\*) indicates the estimation of performance in future years.

### ISSUES

1. The greatest weakness in the Chinese market is the embryonic state of B2B development. Most E-commerce activities remain focused on Business-Consumer (B2C) transactions, but there is very little B2B activity.
2. Low level of credit card and internet penetration (less than 1% of the population). The viability of many of China's e-business model is uncertain.
3. Another factor that hinders E-commerce growth is that people in China lives in an environment where so much importance is attached to savings. The Chinese have the highest personal savings rate of any country and not living on credit.
4. Consumers mistrust online merchants and the concept of secure electronic payment. Online shoppers were concerned with security. With respect "Online business security", 55.5 percent of businesses have no firewall, 64.9 percent have no security auditing system, 67.2 percent have no invasion monitoring system, and 72.3 percent have no automatic recovery system.
5. Chinese laws and regulations are not hospitable environment for the development of e-commerce.
6. E-commerce is subject to the scrutiny by government agencies at both the central and local government levels.
7. China's currency is not yet freely convertible.
8. The most contentious problems are with tariffs and taxations.

(Hee & Leung, 2006).

### **E-Tourism in China**

China's tourism industry has developed quickly in the past 20 years. In China since 1999, the government has put effort on further pushing tourism development by establishing three "Golden weeks" holidays, which has impelled both the domestic and international tourism development in China. According to the statistics released by China National Tourism Administration (CNTA) in 2006, the number of inbound travellers in China has arrived at about 124.9 million, the number of outbound travellers has arrived at 345.2 million, and the number of domestic travellers has arrived 36 at 1.39 billion (CNTA, 2006).

World Tourism Organization (UNWTO) also predicts that China's tourism industry will take up to 8.6 percent of world market share and become the world's top tourism industry by 2020 (CNTA 2007). The e-commerce development and the expansion of electronic market in China bring opportunities to travel organizations in tourism industry to perform marketing online, which can help travel organizations to reduce business cost since there will be less intermediaries in the new value chain in e-tourism. Meanwhile, travel organizations are facing great challenges in the Internet times. Although the Internet has become an important travel service delivery channel, e-tourism in China is still at its initial stage. Compared to the application of the Internet in other sectors in China, Internet adoption in tourism has developed much better. In China, more and more travel organizations have begun to perform business online and according to the statistics released by the China Internet Network Information Centre, about 8.6% of Internet users in China are using the Internet to book travel service. Travel organization are attempting to get benefits from their online service channels, and at the same time keeping their off line service channels to keep competitive in the market. Travel organizations in China cannot completely rely on the modern online channels since online travel service booking in China has not been popular compared to some other developed countries. In 2006, the Chinese government has started the Golden Tourism project, which aims at pushing e-tourism development in China.

However, tourism industry is quite fit for e-commerce in China e-tourism is in its initial stage. The research findings in this study reveal that in China B2C business model is not so popular because of the obstacles existed in its development, including payment, security risks and restriction of reimbursement system. According to the customer's perception, travel agencies keep the main intermediaries in tourism in China, though the Internet has become an important travel service-booking channel. Travel agencies take the combined business model to offer travel services to customer – through both the traditional offline and the popular online service. The intensive travel services offered by travel agencies in the combined business model are not what travel service providers can offer to 42 customers through their direct online sales. The results in the study state that half of the investigated customers will still book travel services from travel agencies, which is much higher than that of the Internet bookers for future trip. Even in B2C business, travel service providers have to rely on travel agencies to complete its business process. The role of travel agency as the intermediary in travel value chain keeps important. Based on the discussion we can arrive at the conclusion that B2C e-commerce in China has a great potential for travel service providers. B2C development largely depends on the change of Chinese customer's behaviour. To accept electronic invoices in the reimbursement system in China is very important for the betterment of B2C development. In addition, travel organization can also attract individual customers to book service online by offering them cheaper price or some other promotions strategies. The primary limitation of the study is that the empirical data collected has based on a small size of respondent, which has used to represent the general perceptions of customers in China with a large size of population. This study has provided an in-depth knowledge about the B2C e-commerce development in China, and offered some valuable guideline for travel organizations. Future study should take into consideration of the strategies to realize betterment of B2C development in China.

### **CONCLUSION**

Despite a few stumbles, the future is bright for e-commerce in tourism industry. India's sales almost doubled in three years. If the internet services can be made available at affordable prices to each country then the developing countries like India show more increase in sales. It has expected that sales will increase from 23.39 to 37.5 U.S billion dollars by the end of year 2017 and it will rise from 37.5 to 52.54 U.S billions by the end of 2018. To sum up, Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a flip to the country's overall economic and social development. Since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourist industry. The World Travel and Tourism Council also ranked India the second largest tourism market in Asia after China, the country in the twenty fastest-growing tourism destinations worldwide. In 2013, there were 6.85 million international tourist arrivals in India. This was a large increase from the 2.65 million seen just 13 years earlier in 2000. Placed eleventh in the list, the direct contribution of travel and tourism to GDP in India is expected to grow an average of 6.4 percent annually between 2014 and 2024.

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