

DIGITAL MARKETING TRANSFORMATION FOR THE SMART TOURISM ECOSYSTEM: A STUDY

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ABSTRACT

This study is an initial attempt to analyze how digital marketing is transforming tourism towards smart tourism ecosystems. Innovative developments in technology influenced and affected all the business networks especially tourism industry. In order to achieve the performance level and gain competitive advantages the key players in the industry tries to reach their buyer personality and adapt their offering as per their target tourists. Hence there is a need to study how digital marketing drives for new business models, interaction paradigms and even new genus. Further, the study focuses on how a comprehensive digital marketing strategic approach could allow tourism businesses to overcome the challenges and develop the opportunities offered by technology and get transformed to smart tourism ecosystems. A proposed model has been designed to answer this issue based on the secondary data collection. Tourism experience is the ultimate prime goal of the industry to achieve through digital marketing transformation in the smart tourism ecosystem. Now it is in the hands of the service providers to tap with the development of technology to satisfy the tourist.

Keywords: Digital marketing transformation, Smart tourism ecosystem, Tourism experience

INTRODUCTION

Tourism is a service industry, where tourist experience plays a major role. Innovative developments in technology influenced and affected all the business networks especially tourism industry. In order to achieve the performance level and gain competitive advantages the key players in the industry tries to reach their buyer personality and adapt their offering as per their target tourists. To accomplish the goals of success and increase profit maximization in the industry it is necessary to adapt the current trends and technology. This study is an initial attempt to analyze how digital marketing is transforming tourism towards smart tourism ecosystems.

The flow of the paper is as follows, section 2 depicts the problem statement, section 3 relates to literature review, section 4 and 5 for the objective of the study and the theoretical concepts of the study, section 6 carries the proposed model of the study and section 7 for conclusion and recommendations.

STATEMENT OF THE PROBLEM

There is a need to study how tourism components like attraction, accessibility, accommodation, activities, amenities, ancillary packages and affordability to be digitally marketed which drives for new business models, interaction paradigms and even new genus. Further, the study focuses on how a comprehensive digital marketing strategic approach could allow tourism businesses to overcome the challenges and develop the opportunities offered by technology and get transformed to smart tourism ecosystems. Tourism experience is the ultimate prime goal of the industry to achieve through digital marketing transformation in the smart tourism ecosystem.

REVIEW OF LITERATURE

Reviews of studies related to the search topic are as follows,

According to Gretzel.U (2011), Smart tourism has been introduced for investigating the tourism experiences are formed and shared in the digital media.

Sigala.M (2015) states that tourism resources exchanged can be of three features namely: initially tangibility/ intangibility based on tools, information and software, next human resources like skills, knowledge and commitment and finally relational resources related to the stakeholders' group in the network.

Stolterman and Fors (2004), digital transformation referred as digitalization, is a business model driven by “the changes associated with the application of digital technology in all aspects of human society”. Gassmann et al., (2014), digitization is the “ability to turn existing products or services into digital variants, and thus offer advantages over tangible product”.

Liu (2012), highlights that a business model is “a description of a company’s intention to create and capture value by linking new technological environments to business strategies” Rothmann et al.,(2014), states that digitalization can be represented either as a business model or as a reshaping of existing business model, taking into account digital capabilities.

With the related study of research topic the research gap was identified as, to analyze how digital marketing is transforming tourism towards smart tourism ecosystems. Thus, the research question for this study will be: Is there any influence of digital marketing in transforming tourism towards smart tourism ecosystems?

OBJECTIVE

The objective of the study is as follows:

1. To study how digital marketing is transforming tourism towards smart tourism ecosystems.

THEORETICAL FRAMEWORK

Globally personalisation has emerged as the path breaking consumer trends across the tourism industries. Tourism in India, digitization in the sector has moved beyond economical growth towards economy of experience. Today customer experience is synonymous with personalization. In Indian tourism scenario the potential of this personalisation phenomenon there is a need to study and understand their potential consumer.

The tourism service providers are successfully adapting digital marketing strategies by analyzing the tourist who interacts with surrounding environments while travelling. These studies help them recognize existing customer needs and give travelers what they want to create the satisfaction effect to retain and repeat sales.

Smart refers to the technological development boosted to the industry through the implementations of big data, internet of things, open data, cloud computing. According to the UNWTO (2015), tourism is “a social, cultural and economic phenomenon which entails the movement of people to countries or

places outside their usual environment for personal or business/professional purposes”. Buhalis (2003) studied that the extensive adaptation of information and communication technology laid the groundwork for the e-tourism concepts which comprises of web based technologies, global distribution system and central reservation system.

Tu and Liu (2014), smart tourism consists of three components: first the smart information layer which represents to collect data; second the smart exchange layer which supports to interconnectivity; and finally the smart processing layer for the analysis, visualization, integration and intelligent use of data.

Yoo et al. (2015) discussed about the strategies adopted by Trip Advisor for designing the smart tourism ecosystem services which includes the major key stakeholders, different resources which are exchanged and the various values that is generated from such interactions.

In order to meet the development in the society based on technology the digital marketing transformation requires employees with digital skills and knowledge. For these changes the adoption of artificial intelligence, virtual and augmented realities, the Internet of Things and further many other technologies are required. Now the current challenge of the service providers is to understand the general and specific needs of a digital customer and to exhibit the entire customer journey. But the customer journey is influenced by mobile technologies which are developing tremendously.

According to Altimeter Group - Digital Transformation Report, in digital marketing transformation digital customers' expectations and experiences is considered to be the key influencing factor than the technology.

Tourism experience can be expressed as a set of activities in which a person gets engaged on according to their wish, interest which permits them to enjoy and build their travel experiences. The major challenge for the tourism industry is to create a tourism experience that matches the tourists' expectations. This expectation is related to the information or the big data delivered by the smart tourism ecosystem which in turn linked to the digital marketing which provides the needed information about the tourism product and service providers. In near future technology has got much more to give to the tourism world. But ultimately it is in the hands of the digital marketers to bridge the transformation between the smart tourism ecosystem and tourism experience.

PROPOSED MODEL

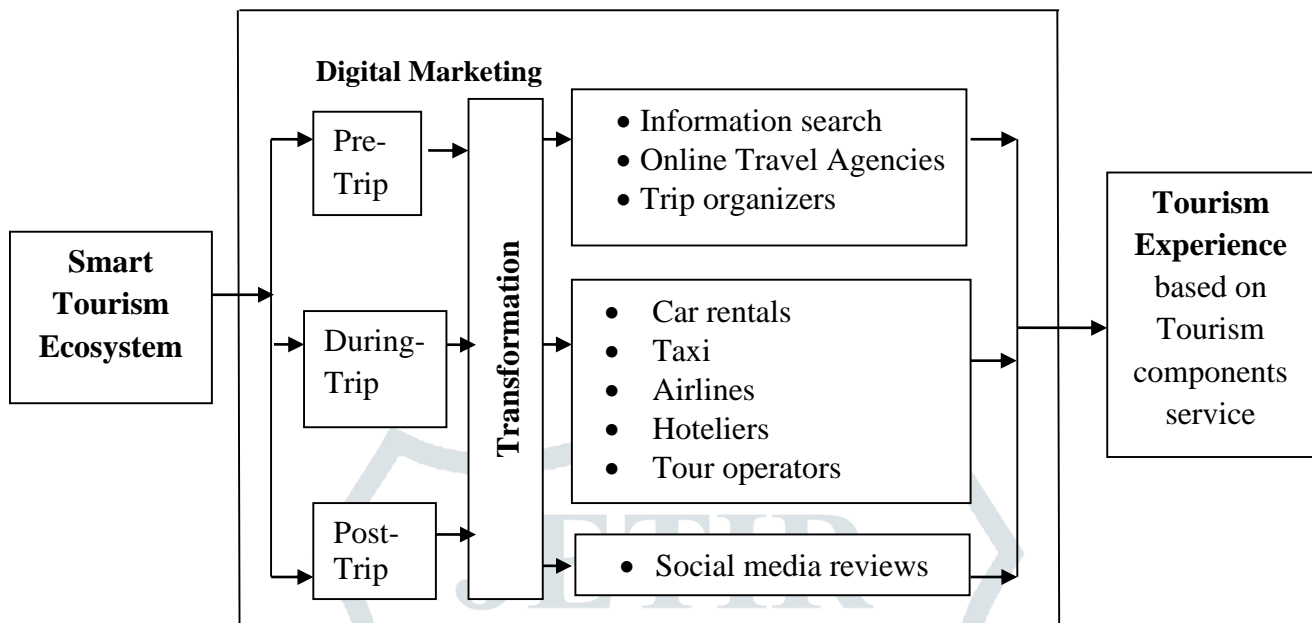


Fig 1: Proposed Model for digital marketing transformation for the smart tourism ecosystem

The proposed model for the current study consists of three phases namely: smart tourism ecosystem, digital marketing transformation and tourism experience. The first phase projects the concepts of smart tourism ecosystem which is comprised of three layers which assist towards extraction of information, exchange of information for interconnectivity and processing the data as per the end users need.

The second phase consists of the digital marketing which includes the three stages of the trip, transformation and the extended service of digitalization. The three stages of trip namely pre-trip, during trip and port trip. Pre-trip increase the interest of the tourist by providing related information through meta search which includes online travel agencies, trip organizers to fulfill their needs, wants and demands. During trip includes the information related to car rentals, Taxi, Airlines, Hoteliers and Tour operators. Post trip provides the reviews related their expectations and experience in the blogger, user generated contents and social media. Further, transformation is designed with the four major elements namely digital capabilities, business models, operational process and end users experience. Digital capabilities can be studied through the digitalization, internet technologies, analytics, mobility, social network, knowledge and skills. Business models includes the extend market, Focusing on customer value propositions, Reshaping existing business model due to market imperatives. Operational process comprises of supplier relationship, customer relationship, marketing, delivery,

sales / engagement, knowledge management. Users' experience indicates user maturity, interaction and collaboration.

The effectiveness of digital marketing transformation is based on the mobile applications, marketing analytics, customer relationship management tools, content management, marketing automation, predictive intelligence, collaborative techniques tools, social listening and publishing tools and enterprise resource planning software.

The third layer expresses the eminent role of tourism experience and the demanding spotlight on the customer force is driving many evolutions in the global organizations. Digital marketing transformation is one of them. Customer satisfaction and customer experience go hand in hand. Here the tourism components play a critical role to analyze the performance of the service providers. The tourism components comprises of attractions, accessibility, accommodation, activities, amenities, ancillary packages and affordability of the tourism product.

CONCLUSION

The study leads to the conclusion that the digital marketing transformation has influenced the digital capabilities, the business models, the operational processes and the users' experience. The alarm of current tourism business tactics are new business development, service quality standards, updating towards latest marketing trends and technology. Further to focus towards social media marketing and advertising, location based mobile tracking to provide information and mobile applications to gain better experience in the journey. Tourism experience and satisfaction taps the potentiality of the industry. Hence there is a big challenge before the service providers to build the customer journey and their usage from mobile applications to digital marketing analytics and to design the customer relationship management. Now it is in the hands of the service providers to tap with the development of technology to satisfy the e-tourist by providing the right information, at right time, with right price, with safety and security.

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