Exploration of Availability of Online Tourism Services Providers (OTSP) in Pakistan

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ABSTRACT

Travel and Tourism's impact on the economic and social development of a country can be enormous; opening it up for business, trade and capital investment, creating jobs and entrepreneurialism for the workforce and protecting heritage and cultural values. Pakistan is one of those few countries in the world that are blessed with a diverse inventory of tourism attractions. The country has oldest civilizations in the world, locations with attractive scenic beauty, splendid mountains and peaks, sacred religious and historic places, seasonal varieties, unique arts and crafts and rich culture and heritage. The increasing competitiveness in the global tourism market spatially in the Asian region, encourages tourism operators to investment more in promotions, resources, knowledge and quality in order to achieve satisfactory growth. Based on the discussions of Pakistani tourism demand escalation, this article has made the explorations of online availability of online tourist service provider in Pakistan. Supply (business) model of several Pakistani online tourist services providers from different Pakistani online websites are analyzed. Some comparisons with US, UK, China and India's similar online tourism services providers have explained with hints of seeking discussion. For better developing such new supply (business) model, a cost structure of this model is offered based on interviews of the tourism industry in Pakistan.

Key words: Online tourism service providers (OTSP), Essential features, Emerging tourism industry in Pakistan,

INTRODUCTION

An online tourism service providers (OTSP) site is majorly focused on the travel reviews, trip fares, or a combination of both. According to one survey, approximately seventy million consumers researched travel plans online in July 2006 [1]. With the rapid development of information and communication technology, internet have become important tools in business, which has a major impact on the business world. Internet has also significantly revolutionized travel industry in the last decade. In the early stage of Internet market, online travel service companies had competed with traditional travel service companies by providing travel service at lower prices.

There are some key differences between traditional and OTSP (Surjadjaja, Ghosh & Anthony, 2003) [2]. In the traditional service, only people, like the employees are involved in the interface of the service encounter, while in OTSP, ICT or employees are involved in the interface, mediated by the Internet. Moreover, during the OTSP, the customers are restricted to hearing and viewing whereas, in traditional services, customers can experience the service by using all their senses. Furthermore, traditional service is restricted by distance and opening hours, whereas OTSP has substantially removed these barriers [3].

LITERATURE REVIEW

OTSP considers that traditional travel agencies, tour operators, national tourism offices, airlines, rental car company, hotels and other accommodation providers offer their services on the Internet that allow tourists to plan their trips online, and therefore describes a new way of doing business. It produces rapid means of

communication, global availability and minimal costs for new tourism organizations takes place on the Internet [3]. As use of the Internet is growing fast, a lot of travel companies are motivated to offer their services online. While the Internet is so important that if a tourist service will not be in the network, it may well be ignored by millions of people who now have access to the Internet and expect that each of tourism services have comprehensive online presence (WTO, 2000). Internet has become an almost universal feature of the tourism industry. Its capacity allows to manage information more efficiently, and transported around the world almost instantly.

In a study conducted by Rob Law, Shanshan Qi in 2009, in order to clarify recent changes in the site assessment by gathering information about the published articles from Science Direct and Google Scholar, it was found that the theories and models from other disciplines such as psychology, human interaction with the PC should be included in the process of evaluating web tourism [4]. In another study, the analyzing role of internet in streamlining the e-distribution of travel inventory was studies, it was found that changes like disintermediation, standardized content, value added service providers with strong cost industry alliances are likely to happen in the future. Multiple regression analysis was used to analyze the information [5]. Later, Yoon C. Cho and Jerome Agrusa investigated as ease of use in 2006 and usefulness affects attitude towards online travel agencies and customer satisfaction, it was concluded that the client's attitude towards online travel agencies significantly affect the electronic level of satisfaction [6]. In one other study, conducted by Kostas Zafiropoulos year considered 2006 as offer cost-effective, attractive and informative online experience, which leads to a high

proportion of repeat visits and online sales, it was noted that, although the primary use of the site is like a brochure advertising , online booking and reservation provided low degrees [7].

Pierre Benkendorf 2006 examined the preferences of airline travelers for various attributes of content on the websites of airlines, it was found that the main feature of the "Look and Book" is considered as the most important by consumers when choosing the airline's website [8]. In a study, Poonam and Hema Bedi Banadi (2006) studied the relationship between the user confidence and usability of the website. And it was found that reliable, attractive and user-friendly website can attract and retain customers, thus providing them to review the site, crucial to the success of this site [9].

2. Online tourism service providers

Many travel sites online travel and tourism magazines, usually by individual travelers and placed companies generally provide their information to consumers for free. These companies generate revenue through advertising or by providing services to other businesses. This environment produces a wide range of styles, often collaborating graphics, photos, maps, and other unique content. Some examples of sites that use a combination of travel and travel book reviews are TripAdvisor, Priceline, Liberty holidays, and Expedia. Some airlines, hotels, bed and breakfasts, cruise lines, car rental companies and other providers of services related to travel frequently to maintain their own web sites providing retail sales. Many complex proposals include some search engine technology to search for orders over a certain period of time, class of service, geographic location, or price range [10].

Online tourism service providers in Pakistan

With the wide adoption of e-commerce in travel and tourism industry, the internet has become an important channel for service delivery. The traditional travel agencies that devise the entire trip for the traveler, including tickets, accommodation and itinerary, are still widely functioning in Pakistan. Apart from this, travel service providers are also shifting towards online service. This can be seen as a positive initiative as the internet usage has majorly increased nowadays.

The problem that still persists is the idea of moving from traditional travel agencies to online travel services. Online services are highly believed to be insecure and unauthentic. We can't blame the general public to have this attitude due to many fraudulent activities that occurred through online websites. The good part is that these activities are fading as online security is being increased by various checks. The difficult part, however, is to change people's perceptions about online travel websites.

In Pakistan, online travel websites include airplane/train/metro tickets, hotel booking, car rental service, details of tourist destinations and online guides. These websites remove the agent in the middle and makes it easier for the traveler to search, review, select and book for themselves. Booking transportation is the easiest as they have their own websites where you can search for your best possible option. There are several websites that display cheap rates. Similarly, there are many online hotels booking websites that display a number of hotels throughout Pakistan [11]. According to World Tourism Organization's Report, in 2012, on a global basis, there were 1035 million foreign tourists [1]. Pakistan's share of the global tourism market in 2012 was only 0.09%; which is below its potential. In South Asia, Pakistan's share out of a total of 14.37 million foreign tourists was 6.7%; compared to India's share of 46% [12].

Essential features for OSTP websites

International OSTP are well established and are working form last few decades. There are some suggested key features that travel websites should have as following.

Invitation letter providers

They provide invitation letter when some countries visit visa need it from the host country person/department. The travelers are only requested to use OTSP to get a visa because they needed an invitation from a national/resident, or from a travel agency for a tourist visa. They are compelled to approach a travel agency which normally demand extra charges for an invitation which excludes the visa processing fee.

Mobile app facility

Now major OTSP has also introduced mobile apps, which is the easiest way to approach to the OTSP and for booking and payment online. Users use these apps in mobiles or tablets, as shown in Figure 1(a) [13].

Straightforward search filters

During destination search via OSTP, the filters have to be very clear and understandable. Such as they are from secret Escapes, which serve you the results of the appointment are updated in real time, based on the boxes you check, as shown in Figure 1(b).

Predictive search

The respective keywords should give you related predictions, which make the search easy. Mr and Mrs Smith has a predictive search which provides results based on hotel names, the city as a search

category and other hotels within that city, as shown in Figure 1(c).

Huge beautiful images

Airbnb showcases the location of the consumer incredibly well with glory fill the screen. You also do not fall asleep in rows on rows of thumbnails, just a few well-chosen pictures that you can sort through at their own pace, as shown in Figure 1(d).

Customer reviews

An integral part of the retail experience and consumer reviews are effective engines sales and reliable source of information for users, unfortunately, very little hotel brands, seem to be using them as our editor Graham Charton discovered in September. Graham went on to say that people are aware of sites like TripAdvisor, and there, if there is no room reviews, they will find them there anyway. Of course aggregator sites are less concerned about the negative reviews than hotel chains. Some websites use review scores on the homepage and search results pages, with links to the individual reviews via the text. Search results can also be filtered by star rating, as shown in Figure 1(e).

Favorites list

You have not yet chosen a destination, your favorites list is a very useful tool that allows you to recall the places that have a short time before your fantasies in this category. Voyage Prive has clearly chosen button at the top of each list, as it recognizes that a significant proportion of its client's browsers without a set destination in mind, as shown in Figure1 (f).

Editable calendars

Skyscanner has a great easy to view calendar for arrival and departure dates, which pops out off the departure and return fields. Also note the bright green selection color which stands out clearly,

and gave the user various options with flexible dates, as shown in Figure 2(a).

Clear pricing without hidden fees

Nothing makes a visitor bounce quicker than unexpected charges and taxes. Despite its insistent, upselling tactics, EasyJet is clear about its pricing throughout the customer journey, as shown in Figure 2(b).

Use evocative and interesting copy

Many OTSP are offering holidays to similar, if not identical destinations, so stand yourself out from the crowd with some well written descriptions, as shown in Figure 2(c).

Google map integration

It's helpful to see available holidays laid out on a map, especially one that's fully interactive and lets you see the details of the destination selected with an arresting image, as shown in Figure 2(d).

Simple checkout

And finally, let's go back to Graham Charlton and his post on Airbnb. Create a great user experience is wasted if your order contains a lot of obstacles to the purchase of travel sites and have a habit of over-complicating the test. Airbnb is engaged in the registration of a well, which makes it as painless as possible, and to continue the good work with a clear and simple manner form. The order of a well-designed data entry is easy enough, and there is no unnecessary form fields or convention on such things as zip code formats, as shown in Figure 2 (e).

3. Research on OSTP in Pakistan

If we try to explore the online data and research in this field, we find a big gape, because web tourism is newly growing service in Pakistan. Thus, to have some idea, we tried to get first hand data from internet and secondary data from face

to face interviews from various travel agents from big cities of Pakistan. We used online data and interview with Pakistani OTSP employees and workers, as there are not much online tourist service providers in Pakistan. We chose most common websites of Pakistan but we deeply studied more than 25 Pakistani tourist websites, as listed in Table 1. From Table 1, we can see that most of the companies are private. And the the payment after the booking is the major issue in most of the OTSP in Pakistan. But at the same time they provide the option for visa issuance and flight and hotel bookings. And also most of the sites work internationally, thus providing services not only to the Pakistani residents but also to other nationality holders.

4. RESULTS AND DISCUSSIONS

Research outcomes

Findings (1): *The growth of online tourism services providers in Pakistan*

The rapid growth of e-commerce and usage of internet has led to a number of windows of opportunities for businesses to explore. From fashion to the up and coming travel and tourism industry, all the sectors are gradually using the power of internet to reach out to maximum number of people and facilitate them in every way. Pakistan with its snow-capped peaks, sparkling blue waters, and breathtaking natural sceneries have tremendous potential in terms of travel and tourism. The figures of World Travel and Tourism Council show a notable direct contribution of PKR. 780.4bn by travel and tourism industry towards the overall GDP of Pakistan in 2015. Forecasted figures display a further increase by 3.2% this year. Moreover, the overall direct and indirect contribution towards the GDP is likely to rise by 4.4% this year [14].

Findings (2): *The hints from leading international online tourism services providers*

Next is the comparison of some leading OTSP which are successfully offering online tourist services from last few years. Table 2 describes the US, UK and china's leading OTSP and their important features. The OTSP offer their services in a number of innovative ways and efficiently provide their services globally all around the world.

The services analysis of these international various OTSP are summarized in following points.

i) If we look at the Table 2, its shows that leading OTSP websites are offering online process and payments, which is not fully in practice of Pakistani websites.

ii) Most of the international OTSP have mobile applications for both android and IOS users, and which are very user friendly. This type of facility to check immediate availability of tourism services is not present in the Pakistan.

iii) Price comparison and the then to choose the moderate tourism service is easy to get with these international services. Due to lack less number of OTSP in Pakistan, the end users have less options to choose.

Evolution and barriers to online tourism service providers in Pakistan

i) Mostly Online suppliers have their websites, and social media pages but they are not providing online processing facilities, customers can get information about hotels, flights, packages etc, but they can book/reserve online at the same time, they need to visit personally or have to call to agents and payments issues. After visit websites customers chose favorable flights, hotels or packages then they can't pay and confirm their booking. Then they need to go to bank,

or ATM transfer or by cash. This is very poor level of service.

ii) Lack of mobile applications from the Pakistani OTSP (this is also an issue, in Pakistan personal computers are not available to everybody, if OTSP also provide mobile app service, it will be very useful for the customers and as well for the agent. If the price is same according to market, customers will prefer that supplier.

iii) Lack of marketing (they are just practicing target marketing, mostly agents working for Hajj and Umrah packages).

iv) There is lake of OTSP in Pakistani market but some agents are not working properly they are using social media (Like Facebook, Twitter) for offer their services, they don't have their proper and registered website.

v) This kind of suppliers are not reliable for customers and they don't have a proper business model. They can play a positive role in Pakistani Online tourism market if they make their proper online websites and at least one proper office.

Study of new growing tourism business in Pakistan

The importance of new tourism business model of tourism service providers is much cleared. In Pakistani market if tourist companies practice and follow to Ctrip etc, which is the the leading online tourist services providers in China. They are providing services directly and working as a third party. But the costumer response is very high because they are reliable and their business models are so solid [15].

A large reason of Ctrip success comes from its smart business model. Ctrip established supplier relationships with more than 5,600 hotels worldwide. Ctrip also has the largest network of ticket sales, and customers can get a free ticket through an extensive and efficient distribution system for Ctrip. This strategy allows the company to offer a wide range of travel options. Ctrip primarily focused on the fast growing frequent independent traveler (FIT) segment, as opposed to the traditional tour group focused travel agencies. The Company expects that its growth will be driven by the expanding FIT segment. In addition, the company has a strong competitive advantage, with 95% of their income to book hotels based on the star rating of hotels that offer higher commissions. It also has critical mass in order to convince the hotel operators to allocate their rooms in Ctrip is more than 2,800 guaranteed allotment of hotels. In addition, a scalable and profitable business Ctrip platform provides companies with a high degree of operating leverage. Fixed costs make up more than half of the cost of services, which means that sales can grow without a similar increase in costs. As a result, Ctrip revenue growth Translate to even more rapid growth in the bottom line. We expect Ctrip to further increase its operating leverage as it shifts consumer orders from call centers on the Internet, which is more cost effective for the company. Taking full advantage of the well established business model, OTSP Pakistan can also become a better service provider, not only at national but also at international level.
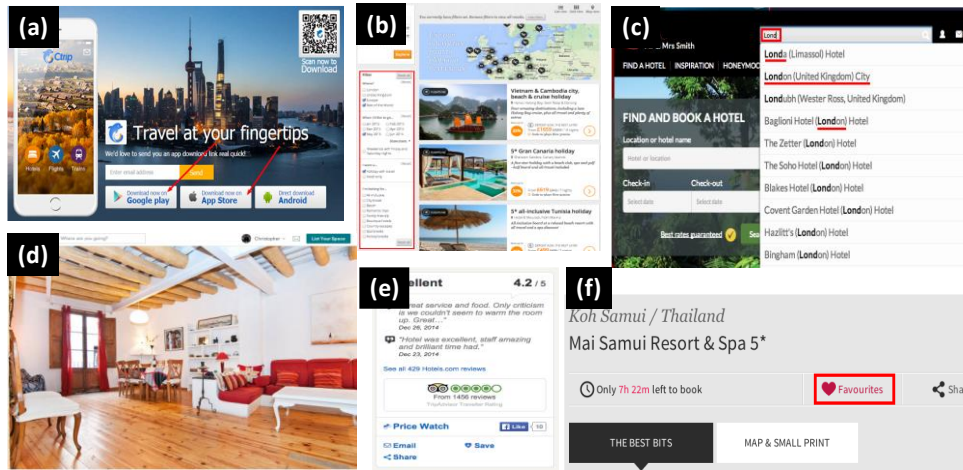
SUMMARY AND IMPLICATIONS

Internet technology is an important "channel of communication" between supply and demand in the modern tourism. With the help of the Internet, it is possible for all operators in the tourism industry in order to successfully market and sell products and services, and to act in accordance with the wishes and needs of today's consumers. In today's business travel agencies, Internet has proven to be

an effective tool for the promotion of tourism and sales, so that the distribution of goods and services are no longer dependent on the number of printed catalogs and brochures, but the information on tourism products and services can reach millions of Internet users, and overbooking has become virtually impossible, because all the communication problems were removed. Marketing activity plays an important role in the business strategy of the modern travel agency, where the Internet has recently become an integral part of media planning. It can be concluded that the modern Internet technology to help travel agencies in creating a unique identity, efficiency and the development of value-added services.

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Figures and Tables

Figure 1. Description of essential features of an OTSP taken from various international OTSP, (a-f) mobile application facility, Easy, straight and predictive search options, beautiful images, customer and favorite list, respectively.
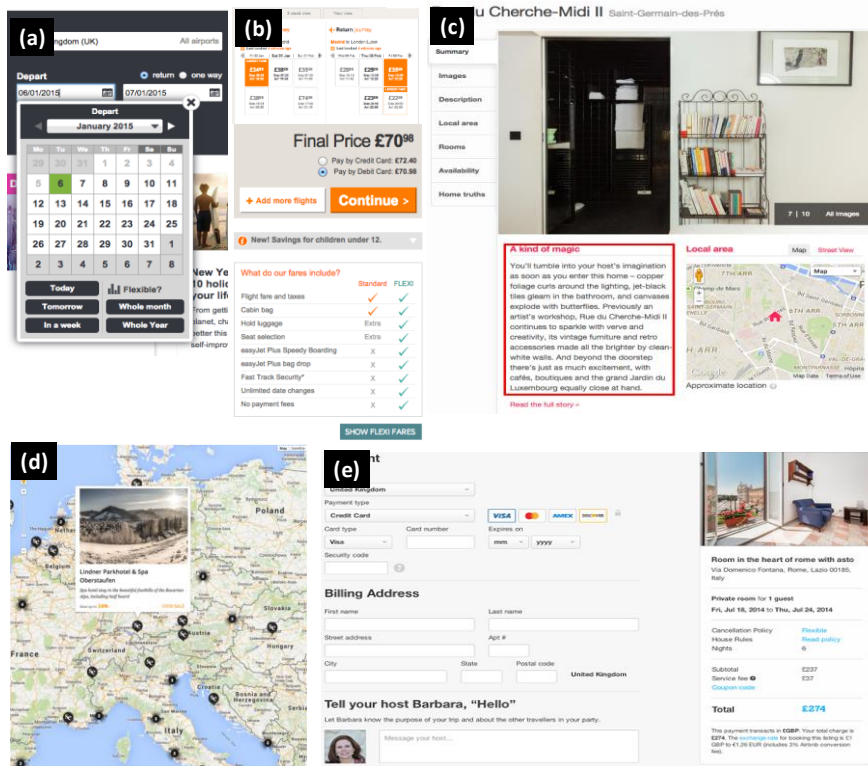
Figure 2. Description of essential features of an OTSP taken from various international OTSP, (a-e) editable calendar facility, clear pricing, evocative description, clear location options, and simple checkout procedures, respectively.

Table 1. Leading Online Tourism Services Providers in Pakistan and their characteristics/features.

Sr. No.	Company Name	Type	Instant Online Booking	Services	International	Itinerary	Web Address
1	PTDC (PAK)	Government	Available	Accommodation, Transport, Travel Guide	NO	Roadways	www.ptdcmotels.com www.tourism.gov.pk
2	Sakuf travel & tours	Private	Available/ but not Instant	Air Ticketing, Hotel Reservations, Hajj & Umrah Packages, Packages	YES	Airways and Roadways	www.sakuf-travels.com
3	Gerry's Travel and Holidays (PAK)	Private	Not Available	Visa assistance, Travelling and Leisure.	Yes	Airways	http://www.gerrys.com.pk/travelnholiday.asp
4	Tour Planners	Private	Available	Hotels, Cars Rental, Packages, Local Travel Guide	Yes	Roadways	www.tourplanner.pk
5	Waqas and Travel (PAK)	Private	Not available	Visa assistance, Traveling & Hotel services	Yes	Airways and Roadways	waqasholidays.com
6	Askari Travel and Tours (Pak)	Subsidiary	Not available	Travelling & Hotel services.	Yes	Airways and Roadways	www.askaritravels.com
7	Star Holidays (PAK)	Private	Not Available	Visa assistance, Ticket, Hotels, Insurance	Yes	Airways	www.starholidays online.com
8	BTTS (PAK)	Private	Not Available	Visa assistance, Ticketing, Hotels, Ziarat, Package		Airways, Roadways	www.bukharigroup.com.pk
9	Jovago (PAK)	Private	Available	Hotels, Travel Guide, Mobile Application	Yes	Accommodation,	www.jovago.net
10	checkin.pk (PAK)	Private	Available	Visa assistance, Travelling, Mobile Application	Yes	Airways	www.checkin.pk
11	Lonely Planet US based	Private	Available	Travelling, Hotels, Cars Rental, Insurance		Airways, roadways	https://www.lonelyplanet.com/pakistan

Table 2: International leading OTSP and their important features.

Sr. No.	Company Name	Type	Instant Online Booking	Services	International	Itinerary	Web Address
1	Ctrip (CN)	Private	Available	Accommodation reservation, transportation ticketing, packaged tours and corporate travel management, Things to do, Mobile App	YES	Airways, Railways, .	www.english.ctrip.com
2	Qunar (CN)	Private	Available	Accommodation reservation, transportation ticketing, Mobile App	NO	Airways, Railways,	www.qunar.com
3	Travel china Guide (CN)	Private	Available	Visa Service, Accommodation reservation, Transportation Ticketing, Mobile App	YES	Airways, Railways	www.travelchinaguide.com
4	FCM Travel Solutions (AUS)	Public	Available	Consultancy, 24/7 emergency assist, VIP Travel, and Group Travel	Yes	Marine, Airways, Roadways	www.fcm.travel
5	BCD Travel (NL)	Subsidiary	Available	Integrated Travel and Management, Planning and Visa services, Theatre tickets, Accommodation, and Group travel for special events	Yes	Marine, Airways, Roadways	www.bcdtravel.com
6	Expedia, Inc (US)	Public	Available	Accommodation, Car rentals, Cruise ship centres, and Travel guides	Yes	Marine, Airways, Roadways	www.expediainc.com
7	Priceline (US)	Subsidiary	Available	Accommodation, Car rentals, and Cruises.	Yes	Marine, Airways, Roadways	www.priceline.com
8	Carlson companies(US)	Private	Available	Security, Business meetings arrangements, and Hotel services.	Yes	Marine, Airways, Roadways	www.carlson.com

9	Sky-Tours (US)	Private	Available	Fly Drive, Flights, Hotels, Spurts and musical , Car Rental	Yes	Airways roadways	http://www.sky-tours.com/
10	Simpson Travels (UK)	Private	Available	Travelling, Hotel services, Cruises, Special Villas, and Events arrangements.	No	Marine, Airways, Roadways	www.simpsontravel.com
11	Lastminute (Swiss-based provider)	Private Group	Available	Accommodation, Cars, Attractions, Theatres, Eurostar, Restaurants	yes	Airways, Roadways	www.lastminute.com
12	Airbnb	Private	Available	Accommodation, Become a host	Yes		www.airbnb.com