

Internet Adoption by Travel Agents: a Case of Egypt

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ABSTRACT

Current collaborative and rapid developments in tourism and information and communication technologies (ICTs) make it difficult to imagine that tourism existed before ICTs. Communication technology is one main reason for the existence of the Internet. Travel agents (TAs) are among service providers whom their Internet adoption could be the best marketing device for their business and a tool for their competitive advantages. The study explores the Internet adoption of the Egyptian TAs, patterns of usage and perceived benefits and barriers of e-commerce adoption. It is found that the majority of TAs use the Internet to provide TA's information, find out about customers and competitors. Sales and revenue growth, increasing competitive advantages and marketing activities are the agents' perceived benefits of adopting e-commerce. Limited resources, unskilled labour, lack of readiness of public infrastructure and customers are among the main obstacles for not adopting the Internet technologies. Copyright © 2012 John Wiley & Sons, Ltd.

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INTRODUCTION

The Internet has become a commonly available technology; however, awareness of its functionality, resources and expertise is still required. It is observed that many small and medium-sized tourism enterprises (SMTEs) are either not aware or do not possess or have ready access to resources needed to make the most of Internet opportunities available (Alexander, 2000; Karanasios, 2008). Furthermore, small enterprises are described as slow adopters of technology (Beekhuyzen *et al.*, 2005). However, the Internet presents opportunities for SMEs to harness the benefits of ICTs in an affordable and simple way. In addition to reaching new customers and suppliers, ICTs also offer customers affordable and global reach to seek out new suppliers (Zheng *et al.*, 2004; Harindranath *et al.*, 2008; Saffu and Walker, 2008).

Additionally, the advent of Internet offers considerable opportunities for SMEs to expand their customer's base and rationalize their business (Kim, 2005; Dyerson and Harindranath, 2007; Jin, 2007). The tourism industry has been found to be largely dominated by SMEs, and among them are travel agents, which are typically classified as small businesses (Standing *et al.*, 1999; Gammack *et al.*, 2004; Karanasios, 2008). To survive in an increasingly competitive and global environment, tourism enterprises have to achieve economies of scale and scope to reduce transaction costs, increase productivity and gain market power (Kim, 2005).

Due to the increase in applied ICTs in the travel industry, more traditional bricks and mortar travel intermediaries are adopting ICTs to provide added value to travel customers. ICTs have thus become a vital competitive