

The Adoption and Influence of Internet Technology and E-Business on Small to Medium Sized Tourism Enterprises.

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Abstract

The importance of successfully adopting Internet technology in today's electronic world has been identified as critical to ensuring growth and sustainability of the New Zealand tourism industry. With small tourism operators in abundance in New Zealand and given the lack of previous research in the area, it is appropriate that this study should focus on an examination of small tourism operators and their adoption and use of Internet technology. Other research objectives included identifying barriers hindering adoption, as well as examining the perceived importance of the Internet as a marketing tool.

A quantitative study was undertaken using a mail survey as the chosen method of data collection to sample all tourism operators in the two target regions of Taupo and Wanganui. Two questionnaires were administered, one to those who had their own website, and one to those who did not, as indicated by the database collected primarily from the respective destination website in consultation with the regional tourism organisation (RTO) in each area. Two hundred and twenty two completed and usable questionnaires were received representing a 49% response rate.

The findings were consistent with the literature which stated the New Zealand tourism industry is dominated by small to medium sized enterprises (SMEs) (Tourism Strategy Group 2001, p.7) and that SMEs have been slower than their larger counterparts in adopting the Internet and developing a website (Ministry of Economic Development 2000a, p.6). It is suggested by Buhalis (1999, p.81), the Government (Ministry of Economic Development 2000a, p.2), and supported by the findings of this study, that SMEs are slower than larger businesses to adopt electronic technology because they lack adequate knowledge and understanding, financial capital, have next to no specialised staff, and limited marketing know-how.

In April 2001, 44% of tourism operators had not yet developed their own website, despite almost all having an Internet connection, and it being widely documented that tourism operators can gain huge benefits through the development of one. Many operators lacked information technology training and had a low recognition of the basic tools required to develop an effective website.

Merely having a website is not enough in the electronic age when many travellers are turning to the Internet as a source of travel information, and in a growing number of cases to book their arrangements. Inadequate websites which lack important design features and e-commerce capabilities will struggle to be successful given the rapidly growing number of websites available to the potential consumer. Tourism operators should have their own website which must be highly visible and should offer e-commerce features such as online reservation and payment facilities. It is vital to success in a competitive marketplace that small tourism operators use Internet technology to gain advantage.