ONLINE TOURISM PLATFORMS AND THEIR EFFECT ON THE PARTICIPANTS IN THE TOURIST MARKET

Ralitsa Radostinova Dimitrova[1]

Abstract

The scientific article aims to examine the impact of online tourism platforms on the various players in the tourist market – tourists, tourist companies and the population. The emphasis is placed on the opportunities the internet provides for the tourism industry. Particular attention is paid to the use of social networks as a factor for the development of online tourism. Examples of online tourism platforms and their contribution to the development of the tourism industry are outlined. The author defends the thesis that online tourism platforms have a positive effect on all participants in the tourism market.

Keywords: *online tourism platforms, participants in the tourism market, internet, positive effect, destinations.*

JEL Codes: *L83, Z30, Z31*

1. Introduction

As the internet penetrates the everyday life of the majority of the population, the ways of distributing travel products and their volume are changing. Travel agencies and tourism service providers are aware of the positive effects that online tourism platforms provide.

The subject of study of this article is the online tourism platforms. **The subject of research** is their effect on the participants in the tourist market.

The scientific article **aims** to explore and discuss the impact of online tourism platforms on the tourism market. To accomplish this purpose, the author puts the following **research tasks**:

- analyzing the impact of online tourism platforms on consumers;
- assessment of the effects from the use of online platforms by tourism businesses;
- consideration of the impact of online tourism on the destinations and population.

---

[1] University of National and World Economy, Sofia, Bulgaria, 1700 Sofia, Student city "Hristo. Botev", Department "Economics of Tourism".

2. Impact of the online tourism platforms on consumers

The emergence and development of online tourism platforms is a natural reaction on the part of the participants in the tourism market. As the **internet** penetrates people's daily lives, tourist businesses are moving to online space as a place to distribute their products.

Online tourism is developing at a rapid pace due to the availability of information related to destinations, attractions, maps, impressions and opinions of other tourists who have visited certain places, creating the conditions for a holiday choice and a good vacation. Numerous offers of accommodation, special offers, last minute bookings, early booking, tours, cruises, hotels and flights, present in the online environment, and the easy access to them from home or the office, facilitate the purchase of tourist packages at the same or lower prices than those of the agencies (Sofronov, 2018, p. 233). Online space attracts the attention of potential tourists through the enormous opportunities to choose more and more frequent trips.

The internet enables **tracking and analyzing consumer behavior**, which is a major driver for improving sales of travel services. It is influenced by many factors that can be grouped into the following categories:
- personal factors;
- social factors;
- situational factors;
- economic factors.

Through their understanding, the needs of the individual can be identified (Fratu, 2011, p. 120). Because of this, online tourism opens up new opportunities for the tourism industry. It is actively used by all participants in the tourist services market. Therefore, the internet **no longer provides a competitive advantage** for a particular company, but rather it is a **mandatory element** of the means of advertising and distribution of tourist products and services.

Online tourism platforms evolve and develop in response to consumer interests and their internet focus. Today, people are doing everything on the internet – looking for information on different topics, communicating, shopping. Virtually there is not any part of life that is not covered by online space (Parusheva, 2017, p. 268). The tourism industry is developing extremely dynamically. As part of it, online tourism has a major merit in this.

The most common advantages of the system are: a huge market; no similar products exist; minimum investments for the partners; a better correlation between supply and demand. In addition, the benefits for the clients are many:
- more information without looking outside;
- minimum costs and maximum information;
- individually targeted and very profitable offers;

- easy access to information about various tourist services;
- better information on tourist services;
- convenience for the customers (Cosma, 2006, p. 359).

These are the main factors that determine the success and development of online commerce in general and tourism online platforms in particular. Customers are aware of and appreciate the benefits of this type of choice and purchase of tourism products and services. This is why the focus of travel companies is shifting to online supply.

Until recently, tourism businesses that use the internet to increase sales and to reach a greater number of users emphasized and relied on developing their own sites. This trend remains in the background after the entry of online platforms that combine **offers from different vendors and for different but complementary services**. From booking a hotel accommodation, purchasing tickets for cultural events, airline tickets, rent-a-car, restaurant reservations to offers for a combination of services – **online platforms offer a wide range of products and services in one place**.

And while on-site travel agencies can also offer a vast majority of all these components, the internet allows for some basic consumer benefits:
- they can easily and quickly **compare terms and prices** from different vendors (via different platforms or a platform that does this instead of them – TripAdvisor);
- they have the opportunity to read **opinions of other tourists** who have already benefited from a product;
- most of the platforms provide **an average score** of all users who have used and commented on the quality of the travel service;
- they have access to **various participants in the tourist market from around the world**, ie. have significantly wider choice.

The quality of the reservation platform is of particular importance for attracting and retaining the interest of online users of travel services. In general, it can be divided and categorized into the following categories, which positively influence the intentions of users to reserve and purchase travel products and services online:
- quality of information;
- quality of the system;
- quality of the online services (Elci, 2017, p. 5).

Tourism market participants should maintain their online platforms at a high level as regards the quality of products and services and the ease of use of the system itself. Otherwise, there is no way to deal with growing competition and ever more innovative portals for booking and purchasing travel products and services.

3. Effects of using online tourist platforms for the businesses

From the point of view of the tourist enterprises, the positives are too many. Apart from having access to a significantly higher number of potential tourists, the internet is an

appropriate means of maintaining a good image. **Mouth-to-mouth advertising** has proven to be an extremely effective method of attracting new customers and creating loyal ones. Online payment and booking platforms for tourism products open a similar opportunity through user reviews and ratings.

Another positive for tourism companies is **the existence of social networks**. Through them, tourism engages an even greater part of people's leisure time - both through the purchase of travel services and through **Facebook advertising, Instagram, Twitter**. In 2018, out of 7,593 billion people, internet access has 4,021 billion people, that is, about 53%. Of these, 3,196 billion people are actively using social media. This means that 42% of the total population and 79% of people who use the internet actively use social media in their daily lives (Chaffey, 2019, p. 1). In addition to accessing a large number of users, social media also provides the ability to target ads to a specific type of users. Thus any tourist company can target those tourists who would be interested in the products it offers. In this way, advertising costs become significantly lower and, equally important, many times more effective.

Not only social media make advertising and distribution of tourist goods economically more profitable. Supply and marketing are directed largely at the online market (Parusheva, 2017, p. 340). This means lower costs for paper promotional materials, for employees, as well as a significant reduction in the cost of an office space for the tourist firm. The office of a travel agency, for example, has to meet certain requirements – about location, information boards, qualification of staff and others. This requires **additional costs that companies avoid by redirecting their business towards the internet.**

The access to new markets, provided by the internet, is also of particular importance. Tourism agents with limited market influence, due to their size, already have access to a much larger market, on account of the new technologies (Mihajlovic, 2012, p. 153). Consumers can make a more profitable and informed choice because of the **access to multiple vendors**. Similarly, tourist businesses can reach a greater number of potential tourists, thanks to the internet as a whole and online tourist platforms in particular.

The online systems help tourist organizations to improve their economic activities, to identify the target segment correctly and easily, to differentiate their bid from competitors and market their position. Other benefits for the tourist organizations are:

- easy delivery of promotional materials;
- reducing advertising costs;
- saving personnel costs;
- saving time to carry out the main activities;
- automated and complex aggregation of processed customer data (Cosma, 2006, p. 360).

4. Impact of online tourism on tourist destinations and population

Tourism and its rapid development in recent years have a huge impact on the overall economic development worldwide and on the cultural and educational achievements. In the first place, a great part of the essence of tourism and tourist trips is culture. **Cultural tourism** enables travelers to explore other customs and traditions. The presence of monuments, museums and other cultural attractions is among the main factors in choosing a tourist destination.

Access to information, provided by the internet, is a basic prerequisite for the increasing advertising of certain destinations or a group of destinations in the online space. Moreover, online reservation services for tourist services increasingly include sections such as **"Hotel Surroundings"** (www.booking.com), **"Things to do"** (tripadvisor.com) and more. Thus, besides the place of accommodation, the attractions in the vicinity are also advertised. The goal is for tourists to choose a place that will be convenient during their stay and, in turn, **to see the local cultural and natural landmarks**.

Particularly popular in the last few years are also booking platforms for visiting a cultural and historical sites. Again, this attracts attention to the destination and promotes sights that are less frequently visited (often a package consists visiting a famous and unpopular one).

No less important is the effect on the population of the visited destinations. Some **negative effects** are observed:

- euphoria – tourists are welcomed by the community without control or planning;
- apathy – tourists are taken for granted by the community, accepted as local;
- discomfort – reaching "saturation" from the tourism industry, the community is beginning to change;
- tourism leadership – process leaders continue to develop infrastructure instead of limiting;
- antagonism – local people show their annoyance from tourism and tourists (Paul, 2012, p. 502).

The term **"overtourism"** describes destinations in which hosts or guests, locals or visitors, think that there are too many visitors and that the quality of life in the area or the quality of experiences has deteriorated unacceptably. This is the opposite of **responsible tourism**, which deals with the use of tourism in order to make better places to live and visit. Visitors and guests often experience the worsening at the same time and rebel against it (Goodwin, 2017, p. 1).

However, positive influence prevails in most cases. On the one hand, the positive economic effect is strong. Tourism creates new jobs for the local population, local government has a larger budget and, accordingly, an opportunity for investment in infrastructure. On the other hand, local people have the opportunity to get acquainted with

people of different nationalities, to establish lasting contacts with them, and the precondition for **intercultural exchange** is created (Parusheva, 2018, p. 152).

Online tourism increases the impact of these effects. Unknown destinations become popular, people travel more, as they have more opportunities, historical, cultural and natural sights are preserved, restored and popularized.

5. Conclusion

Tourism is a major industry in the world economy. As such, it is influenced by the penetration of internet technologies into people's everyday life and takes advantage of the opportunities that online space offers.

Online platforms for booking and purchasing travel products and services play an important role in the development of the tourism industry. They **affect all market participants** as they cover the whole process - from choosing, buying, using and evaluating the tourist product. The internet is becoming a major and indispensable advantage for the tourism industry. Although they have some negative impacts on their minds, **online tourism platforms have a positive effect on all the players on the tourism market**.

In conclusion, online tourism increases the impact of the positive and negative effects for all participants on the travel market. Nevertheless, the **positive effects are much more than the negative**. This does not mean, that there is no space for improvement in the use of the internet for travel purposes. On the contrary – **all participants in the tourism industry need to be more responsible and to pay attention to the destructive effects of the fast development of tourism**.

REFERENCES

Journal articles:
Cosma, S., Grebla, H., Negrusa, A. (2018). E-Promotion, a platform for tourist products development, Proceedings of the 5th WSEAS International Conference on E-ACTIVITIES, Venice, Italy, 355-360.

Elci, A., Abubakar, A., Ilkan, M., et.al. (2017). The Impact of Travel 2.0 on Travelers Booking and Reservation Behaviors, Business Perspectives and Research 5(2) 1–13, Somaiya Institute of Management Studies and Research SAGE Publications, 1-13.

Fratu, D. (2011). Factors of influence and changes in the tourism consumer behaviour, Bulletin of the Transilvania University of Braşov, Vol. 4 (53) No. 1, Series V: Economic Sciences, 119-126.

Mihajlović, I. (2012). The Impact of Information and Communication Technology (ICT) as a Key Factor of Tourism Development on the Role of Croatian Travel Agencies, International Journal of Business and Social Science, Vol. 3 No. 24, 151-159.

Parusheva, T. (2017). Global trends in leisure and cultural tourism, Scientific Journal "Economics and Finance", World scientific extent: Collections of Scientific Articles. – Coventry, United Kingdom, 265-270.

Parusheva, T. (2017). Trends in Cultural Tourism Market, Sofia University "St. Kliment Ohridski", Geography of Tourism Department, International Scientific Conference "Contemporary Tourism – Traditions and Innovations", 336-342.

Parusheva, T. (2018). Cultural tourism: a bridge between past, present and future, Scientific Journal "Economics and Finance", Synthesis of science and society in solving global problems, Collections of Scientific Articles. – Shioda GmbH, Steyr, Austria, 149-156.

Paul, B. (2012). The impacts of tourism on society, Annals of Faculty of Economics, University of Oradea, Faculty of Economics, vol. 1(1), 500-506.

Sofronov, B. (2018). The impact of the online environment on tourism, Annals of Spiru Haret University, 231-240

Internet technical or research reports:

Accomodation, Retrieved April 8, 2019 from the Web site: www.booking.com

Global social media research summary (2019, February), Retrieved April 9, 2019, from the Web site: www.smartinsights.com/social-media-marketing/social-media-strategy/new-global-social-media-research/

Hotels, Retrieved April 8, 2019 from the Web site: www.tripadvisor.com

The Challenge of Overtourism (2017, October), Retrieved April 18, 2019, from the Web site https://responsibletourismpartnership.org/overtourism/