

E-Commerce Development for Tourism in China

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ABSTRACT

Along with the web technology has been widely used in every industry for promoting, selling, advertising, after sale service and customer relationship management, etc. In the end of 2006, China Internet market share has been reached 33.6 billion RMB (CNNIC), 40% grow up compare with 2005 (CNNIC). According to China Internet Network Information Center (CNNIC) 2006 annual report, Internet advertisement, B2B, Searching Engine, Online Purchasing and Online Tourism earning were keeping increase in recent 5 years (from 2001 – 2006, CNNIC Annual Report). But CNNIC classified Online Tourism websites as “Information Provider” category; it was only take 4.6% of Chinese Internet Market at year 2006. That means Online Tourism industry only reached at initial stage in internet at 2006. According to National Bureau of Statistic of China Annual report, tourism industry incoming was increased from 100 billion 1994 to 528 billion 2005, average 35 billion rise yearly, and it will keep increasing in future years. How to get first step advantage from huge internet market becomes first problem need to be faced for each tourism organization, developing online service might be a proper strategy to gain extra market share. Olympic Games will be held in Beijing at 2008, at that moment tourism industry will reach a new climax. This report is going to do investigation about the tourism websites and the satisfaction level of website users tries to find out the current E-commerce development level in China. This analysis will focus from two perspectives of online tourism websites: the function provides by the tourism organization, for example, hotel reservation, air tickets booking, setting up schedule of leaving and returning and travel package. Second perspective is to test user experiment through by questionnaire, which this research will be done through by online survey questionnaire. Until now, there are still numbers of tourism organizations only offer the “text” format information and contact

number; finally, after customers make decision, they have to visit Tourism Company physically to negotiate details. This limitation restricts customer that they may only willing to choose company near their resident location, thus, for a tourism company; the market will be narrow down to a confined area. And also, Chinese festival is quite different, May 1st Labor Day, October 1st National Day, and Chinese New Year are only public holiday that will last one week, thereby, peoples are mostly willing to relax within these three "Golden Week", according to Chinese National Tourism Association (CNTA) Golden Week Working Progress Report 2006, 70% of domestic resident choose to travel at Golden Week and, the number of domestic tourist has increased 16.2% and total incoming increased 8.2% compare with 2005 (CNTA, 2006, 2006 Golden Week Working Progress Report). Chinese government also has relative policy sustain citizen can enjoy "Golden Week", so, during the Golden Week period, the price of transportation, hotel and sight place tickets are strictly controlled by government. Based on this information, there is potential that tourist will keep increase in 2007 Golden Week, plus, 2008 Olympic Game will hold in Beijing. Therefore, the utility of E-Commerce in tourism helps both organizations and customers, customers can make decision without physical contact and organizations win extra potential market. Thirdly, O'Reilly has defined Web 2.0 and introduced it to the world since 2005, internet technology has changed a lot, since E-bay, Tabao or Alibaba can make advantage from web 2.0, how's tourism website can do? This report is going to analysis the tourism websites and website user satisfaction to investigate the level of E-Commerce development in Tourism Industry from these three perspectives.