

The Impact of Information Technology on Tourism Sector

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ABSTRACT

Technological advances have changed the way we travel, and these new developments promise an even more interactive and exciting experience. Today, nobody doubts that technology and travel are the perfect combination. This joint force also plays a crucial role in the way we travel: from the vacation destination we choose, all the way to what we do once we're there and even in the time after we've come back from our adventure. It is so prevalent, that according to a Google Travel study, 74% of travelers plan their trips on the Internet, while only 13% still use travel agencies to prepare them.

INTRODUCTION

Millennials have also played a significant role in this paradigm shift. They love to travel and are also passionate about new technology. This combined interest has given way to a new context where social media, apps, blogs, and so more have an important part to play when it's time to play a trip. By that same token, the industry, as it becomes increasingly aware of this trend, has followed suit by adapting its business model and product offering to attract this coveted target.

Who hasn't gone somewhere just because Ryanair was offering round-trip tickets for 30 euros? If we merely feel like going somewhere, we go online and look for what the budget airlines are providing, we see what destination will be the cheapest, and voilà, let's go! This scenario, so ubiquitous today, was unthinkable some years ago.

Trends and updates in travel and tech

As we mentioned in our tourism trends report, the industry is in the midst of a deep metamorphosis. There are many mitigating factors but the new technological solutions coming about are some of the main actors.

Eurecat Tourism Innovation Department Director Salvador Anton Clavé commented during the Forum TurisTIC de Barcelona event that "the change goes beyond improving processes or the tourist experience; it entails transforming the tourism system itself." We're participating in making improvements to processes, customer service, relationships with customers, and the creation of new business models. All this naturally leads to benefits for the traveler, letting them simplify, and often enrich, the travel planning process.

Booking.com Senior Vice President and Chief Marketing Officer Arjan Dijk recently echoed similar sentiments and stated that "in this new decade, we'll see how the travel industry tries to

respond to the needs of a type of a traveler more concerned with sustainability, and with more tech knowledge or curiosity, through developing products, functions, and services make discovering the world easier for all.”

Next, we’ll take a look at some of the technological advances currently leaving their mark on the industry and will, according to various studies, bring significant short-term changes to the sector.

The seven most important tech solutions for the tourism industry

1. Mobile Technology

This is undoubtedly the main character in the new ways of travel. The cell phone has become our tour guide, travel agency, best restaurant locator, map, and more. It's by our side during the entire purchase journey. In fact, according to TripAdvisor, 45% of users use their smartphone for everything having to do with their vacations.

This is why there’s a need to adapt corporate services and communications to these devices. KLM, for example, has already created an information service for passengers using Facebook Messenger.

This system, once someone has made a reservation, sends the user information regarding their ticket through Facebook Messenger as well as their boarding pass or updates about the status of their flight. This way, the user has all the pertinent information about their trip in the palm of their hand using an app that they already use, eliminating the need to download anything else.



2. Augmented Reality

Augmented reality (AR) or virtual reality (VR) have also entered the travel world, and the truth is that it's a trend due to all the possibilities they can offer. More and more companies use it to show users a cabin on a cruise ship or transport them, for a few seconds, to the Great Wall of China.

Today, it's possible to "teleport" ourselves to the most remote corners of the globe without getting off the couch. That's what you can get using Everest's EVEREST VR app, which lets you see the top of the world without having to climb to the top. Or, if you would prefer, you can cross the Grand Canyon in a kayak enjoying the landmark's sights and sounds.

3. Internet of Things (IoT)

The Internet of Things (IoT) promises to bring significant updates to the tourism industry. They include integrating sensors connected to the Internet inside items like cars, suitcases, buildings, and more.

In fact, Spain's Hotel Technology Institute (Instituto Tecnológico Hotelero, or ITH) affirmed that the Internet of Things "is going to be the major transformative factor in the personalization of the customer experience over the next few years."

Some Virgin Hotel properties offer an app to their clients that lets them interact with the room's thermostat or control the television in the room. There are also suitcases that have devices that allow users to use their cell phones to follow where their suitcase is at any time to avoid lost baggage at the airport or other public places.



4. Virtual Assistants

We're all familiar with Siri and Alexa, the virtual assistants that meet all our needs: what's the weather like today in my city, turn the radio on, open my email, and more.

Hotels are now starting to enlist this “help” thanks to the arrival of virtual assistants that are specifically designed for this environment. IBM recently launched Watson Assistant, an AI-powered virtual assistant that creates an interactive and personalized experience for consumers.

This is the open technology that firms can employ and adapt to their needs. This way, the virtual assistant won't be called Watson but instead, have the name that the hotel chooses.

5. Big Data

There has been a lot of recent talk about Big Data, but they have yet to show all the opportunities it offers for the travel industry. Nonetheless, many industry players are already using it.

The Meliá hotel chain uses information about their guests to figure out what is the best target for marketing campaigns. Primarily, they examine their database to look at the amount spent, the reason for the trip, the country of origin and cross-checks this information with public data from government sources to develop the most appropriate customer profile and achieve a higher success rate. This way, they make a better segmentation for their campaigns to increase their efficacy and optimize the investment required for these campaigns.

6. Blockchain

Blockchain is a technology poised to transform the world as we know it. Although it's mainly associated with finance, it also appears that it can impact travel.

While there has not been that much experimentation with it, it is possible that it will be useful in identifying passengers at the airport, guaranteeing transparency in tourists' opinions, and easy and secure payments.

7. 5G

Travel technology becomes all the more powerful with help from 5G networks. They promise much faster loading and downloading speeds, wider coverage, and more stable connections. Beyond downloading content 20 times faster than before, 5G allows us to develop and deploy technology that 4G limited us. That means the connection between smart devices will be more efficient and we'll be able to start to truly enjoy the Internet of Things (IoT).

Immersive tourism, where technology turns travelers into the experience's protagonist, will be a reality. Plus, augmented reality (AR) or 360° video will be more ubiquitous and accessible.

The BBC ran a test project that used **5G and an AR application** at the Roman Baths in Bath, England where users could go back in time to reconstructions of the site in key moments throughout history. This video shows the pilot testing, which saw that over 80% of participants reporting they would be more willing to visit a museum if it had experiences of that caliber.

CONCLUSION

Information Technology has played an important role in the hospitality and tourism industry over the last decade. Technology has helped reduce costs, enhance operational efficiency, and improve services and customer experience. Both customers and businesses can benefit from improved communication, reservations, and guest service systems. Technology has helped tourism and hospitality industries replace expensive human labor with technological labor. This helps reduce labor costs, but also helps avoid customer service issues. Here are some examples of the ways that IT continues to improve the hospitality and tourism industry.