INTERNAL AND EXTERNAL USE OF ICTS BY ZIMBABWEAN TOUR OPERATORS

Author: Shepherd Nyaruwata (PhD)
Senior Lecturer in Tourism.
Affiliation: University of Zimbabwe; Tourism, Leisure and Hospitality Studies Department; Box MPN167 Mountpleasant, Harare, Zimbabwe; Phone 263772685165/2634303211, Email: scnyaruwata@gmail.com

ABSTRACT
Tourism enterprises have judiciously used information communication technologies to improve business efficiency and competitiveness. The purpose of this study was to identify the internal and external uses of ICTs by Zimbabwean tour operators. Quantitative method and participant observation were used to gather data for the study. The study showed that internal use of information communication technologies ranged from generating internal reports to security risk management whilst external use included distribution of tour packages and networking with suppliers and partners. The study further showed that tour operators do not include information communication technologies as part of their business strategy. It is recommended that the Zimbabwean government through the Zimbabwe Tourism Authority implements a tour operator ICT awareness programme to enable the entrepreneurs to appreciate the role that technology now plays in business operations globally.

Keywords: Internal use, External, Tour operators, ICTs, Zimbabwe

1 Introduction
The growth in the use of information communication technologies in the tourism industry has helped enterprises to improve their efficiency and competitiveness. The development was noticed by a number of authors some two decades ago (Poon 1993, Karcher 1996, Buhalis et al 2011). Tour operators in both developed and developing countries are using ICTs for a wide range of internal and external functions (Verhaes et al 2007). The purpose of this study was to assess the internal and external use of information communication technologies by Zimbabwean tour operators.

1.2 Background
The tour operating industry in Zimbabwe has been characterised by the dominance of a few large companies with a proliferation of small family run companies, for example from 1980 to 1986, the United Touring Company (UTC) and Abercrombie and Kent (A&K), were the major tour operating companies. In recent years the largest companies in the subsector have been Wild
Horizons, Shearwater Adventures, Wilderness Safaris and Rockshade Tours and Travel (Zimbabwe Tourism Authority: ZTA, 2017).

The adoption of information communication technologies for the majority of the tour operators in Zimbabwe is confined to the use of websites for the provision of product information to potential tourists. The major operators like Shearwater, Wild Horizons, and Wilderness Safaris have websites that are attractive, easily navigable and provides the potential tourists with adequate information to make a decision on purchasing a holiday to Zimbabwe. However some tour operators’ websites are still rudimentary and hence are not user friendly, for example websites of companies like Khanondo tours and travel and Falcon tours and travel are difficult to access, slow and difficult to navigate.

2 Literature review

The growth of the internet and the use of the World Wide Web have had a major influence on the holiday shopping process of tourists (PhoCusWright Inc. 2009; Fotis et al 2013). The PhoCusWright study indicated that 65% of European travellers use websites as the first source of information for holiday search and 34% of the travellers use search engines first whilst 32% use online travel agencies first. The study further indicated that 48% of the travellers visit more than five websites before making their decision to purchase a holiday. These figures were further confirmed by Reino et al (2012) who indicated that 36% of all sales in Europe come through online bookings. Research by the government of Australia, (2009:6) produced similar findings where it was shown that 44% of the visitors to the country used the internet as a source of information for holidays to the country.

The development and growth of information communication technologies have led tourism enterprises to reassess their business strategies. Ndou and Passiante, (2002:5) claim that the use of information communication technologies strategies by tourism enterprises has the following competitive advantages:

- provides opportunities for cost reduction leading to operational efficiency;
- facilitates knowledge sharing and creation of new products/services;
- allows enterprises to offer better customized products/services leading to customer loyalty; and
- enables companies to diversify their markets.

They conclude that the adoption of information communication technologies by small and medium sized tourism enterprises (SMTES) help them to enter into new markets and improve their internal and external efficiencies. Similarly, Daniele and Frew, (2005) posit that enterprises
in the tourism industry including tour operators have implemented information communication technologies strategies to cover several areas of their business operations including the following:

- infrastructure management-flight search engine technology and direct search technology;
- customer relationship enabling technology for the creation of brand awareness, generation of traffic, offering of inventory and customer retention;
- product innovation technologies, for example dynamic packaging capabilities.

The above observations were confirmed by Cavlek (2013) who pointed out that tour operators have responded to current market changes by implementing strategies of differentiation utilizing information communication technologies (ibid:3). He further points out that the use of ICT alone has not been adequate for the enterprises to survive in the market place. He highlights the point by citing Dwyer et al, (2009 :66) who conclude that: “success of tourism enterprises will continue to hinge on their efforts to add value to products and services through the use of technology producing competitive advantage”. The main argument of Cavlek is that tour operators have to change their operational architectures from being organizers of tour packages to designers and innovators of unique holiday experiences that the customers are looking for. He goes on to claim that the change in operational architectures can only be achieved through the use information communication technology through the whole value chain of the business (ibid: 5).

3 Methodology

Data for the study was collected using the quantitative method and participant observation. Before any company can operate in the country within the tourism industry it has to be registered by the Zimbabwe Tourist Authority (ZTA). The Tourism Act Chapter 14:20 of 1996 require that tour operating companies annually renew their operating licences with the Zimbabwe Tourist Authority. The study therefore used the current register of tour operators from ZTA as the sampling framework from which the sample population was drawn. A survey of 181 tour operators in Harare and Victoria Falls was undertaken using a self-administered questionnaire. The tour operator survey achieved a response rate of 68.29% . According to Saunders et al, (2012: 269) response rates of 35-40% are adequate for academic studies to make generalizations on the population of the study. Table 1 shows the response rate of the tour operator survey.

Table 1: Questionnaire response rate

<table>
<thead>
<tr>
<th>Item</th>
<th>Count</th>
<th>Percentage</th>
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An analysis of the websites of tour operators in Harare and Victoria Falls was also undertaken with a view of ascertaining the quality and utility of these websites for generating sales for the tour operating companies.

4 Findings

4.1 Internal usage of ICTs

In order to establish the extent of internal usage of ICTs, respondents were asked to rate the importance of a number of variables on a 5-point Likert scale with:
1 representing very poor;  
2 representing poor;  
3 representing neutral;  
4 representing good; and  
5 representing very good.

The variables rated were:
- generation of internal reports;
- management database;
- market intelligence database;
- inter departmental communication; and
- security and risk management.

The outcomes of the ratings are summarized in Table 2 below.

<table>
<thead>
<tr>
<th>Internal usage ICTs</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Friedman Rank Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation of internal reports</td>
<td>4.20</td>
<td>1.021</td>
<td>1</td>
</tr>
<tr>
<td>Interdepartmental communication</td>
<td>4.12</td>
<td>.961</td>
<td>2</td>
</tr>
<tr>
<td>Market intelligence database</td>
<td>4.06</td>
<td>.973</td>
<td>3</td>
</tr>
</tbody>
</table>
Table 2 shows that the primary internal usage of information communication technologies by tour operators was the generation of internal reports and inter-departmental communication. The two variables had mean ratings of 4.20 and 4.12. The other significant internal applications of information communication technologies were for market intelligence database and the management database, with mean ratings of 4.06 and 3.98 respectively.

The ranking of market intelligence database as the third significant variable was symptomatic of the challenges that the country’s tour operators had on the general application of information communication technologies in their operations. Currently, data analytics is a major component of businesses activity including those in the tourism industry. Business performance and viability, especially in the service industry, is highly dependent on the quality of data and market intelligence that the business is able to gather and consolidate (Euronomitor 2014). Market intelligence database is the cornerstone for market segmentation and targeting of customers. Therefore, the ranking of this variable as third in importance out of the five that the respondents were considering showed lack of understanding of the power of market intelligence in driving business performance. Further, the fact that database management was ranked fourth out of the five variables showed that the country’s tour operators still had a long way to go in appreciating the importance of information communication technologies as a key tool for business operations. For example internationally, tour operators were treating their databases as a key asset because they enabled them to effectively interact with their current customers and potential clients through a range of customer relationship management systems (www.sagepub.com).

The least significant internal application of information communication technologies was for security and risk management which had a mean of 3.5 out of five variables. The downgrading of security and risk management as a key internal use of information communication technologies was surprising as it had a direct impact on the overall well-being of any business. The finding was indicative of the low level usage of ICTs by the country’s tour operators as well as a general lack of understanding of the strategic role that information communication technologies were playing internationally in business operations. In most businesses both in Zimbabwe and overseas, security and risk management were key variables in the use of information communication technologies, (Tourism Australia 2014 and the Economist 2014). The low ranking of this variable by tour operators clearly, showed their lack of understanding of the
strategic importance of role that information communication technologies play in business operations.

In order to determine the statistically significant rankings of the internal usage of ICTs, the non-parametric Friedman Test was computed and the rank summaries are presented in Table 2 above. The table shows that the primary internal use of ICT by the tour operators was generation of internal reports and facilitation of interdepartmental communication which were ranked 1 and 2 respectively. The least internal usage of ICTs was facilitation of security risk management which was ranked fifth out of the five variables.

4.2 External use of ICTs

In order to find out the extent of external usage of information communication technologies by the tour operators, the respondents were asked to rate a number of variables on a 5-point Likert scale with:

1. representing very poor;
2. representing poor;
3. representing neutral;
4. representing good; and
5. representing very good.

The variables considered were the following:

- providing information to customers;
- distribution of company tour packages and other products;
- advertising company products;
- networking with suppliers and partners;
- e-commerce activities; and
- receiving payments from clients.

The summarized statistics from the analysis are presented in the Table 3 below.

Table 3: External usage of ICTs

<table>
<thead>
<tr>
<th>ICTs external usage</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Friedman Rank Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of company tour packages</td>
<td>4.54</td>
<td>.828</td>
<td>1</td>
</tr>
<tr>
<td>Providing information to customers</td>
<td>4.43</td>
<td>.854</td>
<td>2</td>
</tr>
<tr>
<td>Networking with suppliers and partners</td>
<td>4.25</td>
<td>.758</td>
<td>3</td>
</tr>
<tr>
<td>Advertising company products</td>
<td>4.20</td>
<td>.991</td>
<td>4</td>
</tr>
<tr>
<td>Receiving payments from clients</td>
<td>3.58</td>
<td>1.319</td>
<td>5</td>
</tr>
</tbody>
</table>
Table 3 shows that the primary external usage of ICT was for the distribution of company tour packages. The variable had a mean rating of 4.54. Given the relatively low standard deviation of 0.828 on the variable, the results showed that there was overall consensus by the respondents on the use of information communication technologies for product distribution. Evidence from the website evaluation confirmed the assessment by the respondents. The majority of the websites showcased a variety of tour packages that each tour operator sold and therefore the websites were used as a key tool for product distribution. The finding concurred with those of Karanasios (2007) in Ecuador who reported that information communication technologies were used by tour operators to distribute information on the services they offered. Similar findings were reported by Verhaes et al (2007) in South Africa.

The second rated external usage of information communication technologies by the tour operators was for providing general holiday information to customers, with a mean rating of 4.43. The variable also had a relatively low standard deviation of 0.854, showing that there was a significant coherence on the respondents with regard to their views of the importance of information communication technologies for providing information to customers. The rating of this variable by the respondents is in concordat with the current buying behaviour of international tourists. For example, publication by Euronomitor (2014:31) showed that 87% international travellers use the internet to search for information for planning their holidays, that 45% look for travel ideas on the internet and that 31% watch travel videos posted on different platforms. It was however, not clear whether the rating observed was a result of the respondents’ full understanding of international buying behaviour or that it was a result of a general perception of what they believed should be the main use of their information communication technologies.

The respondents indicated that the third significant external usage of information communication technologies was for advertising company products. The variable had a mean rating of 4.20 and a standard deviation of 0.991. Similar findings were reported by Verhaes et al (2007:177) in their study of South African tour operators where 97% of the respondents indicated that they used information communication technologies for advertising their products and services. The use of the virtual platforms for advertising the tour operators’ products was important because advertising the products on the websites and social media like facebook and twitter had a long shelf-life when compared to advertising in the print media. For example, advertisements that appeared in daily newspapers often last for one day and hence the impact on the potential clients would be fairly minimal.
The challenge that Zimbabwe’s tour operators faced in using the virtual platforms for advertising their holiday products, was lack of updates on both the products as well as the prices for different products. It was observed during the field study that a number of companies had products on their websites that were different from those in their physical brochures and that price changes that had been made on the physical brochure, had not been effected on the products on the websites. The lack of up-to-date product prices on the websites, reduced the credibility of the tour operators’ websites in the eyes of the potential customers.

Networking with suppliers and partners was indicated as another main external use of information communication technologies by the respondents. The variable had a mean rating of 4.25 and a standard deviation of 0.758. The result was not a surprising outcome because the majority of tour operators’ local principals were communicating through e-platforms. International partners of the tour operators, for example, had also adopted information communication technologies as their first choice form of communicating with business partners. Therefore, the country’s tour operators had no option but to install some form of information communication technologies in their organizations in order to be able to interface with suppliers and partners.

However, the ability to effectively network with both the local and international partners has been compromised by the tour operators’ inability to purchase and install modern information communication technologies hardware and software due to financial challenges that the majority of them are experiencing. For example, a number of the small tour operators are still using Microsoft Office Word 2003 whilst their suppliers and partners have migrated to Microsoft Office Word 2010. The differences in the types of software used resulted in communication challenges between the tour operators and their partners and therefore limited the level of business being transacted between the local tour operators and their partners. The challenge has encouraged local suppliers in the industry to prefer dealing more with regional and international tour operators for inbound business. The local tour operators will therefore need to improve their utilization of information communication technologies or risk losing their market share of international tourism to regional and international operators in the long term.

The least significant external uses of information communication technologies were for e-commerce activities and receiving payments from clients, and these had mean ratings of 3.43 and 3.58 respectively. The two uses were further characterized by very high standard deviations of 1.133 and 1.319 respectively, showing a strong lack of coherence of the rating of the variable between the respondents. The outcome was contradictory to global trends in the adoption and use of information communication technologies in business operations whereby e-commerce activities and receiving payments from clients were the core uses of ICTs (Buhalis et al 2011).
The findings clearly demonstrated that the majority of the country’s tour operators were still at level 2 of technology adoption ladder model as propounded by Martin and Matlay (2001). The current state of technology adoption by tour operators in Zimbabwe is far below that of tour operators in Tanzania where Runevad and Olofsson (2014:48) reported that 45% of the respondents of their study had reached level 3 of the adoption ladder, whereby they were practicing e-commerce. The outcome of the study however, highlighted the short comings of the technology adoption ladder model in that a large number of the tour operators in Tanzania had not gone beyond just establishing a simple website. There was no significant progression to the next stage of technology adoption as propounded by the model.

The Friedman Test was again computed to determine the statistical significance of the rankings of the external usage of ICTs. The corresponding rank summaries are presented in Table 3 above. The table shows that the primary external use of ICTs by the tour operators was for the distribution of company tour packages and providing information to customers whose overall rankings were 1 and 2 respectively. On the other hand, the least external uses of ICTs by tour operators were receiving payments from clients and e-commerce activities whose overall rankings were 5 and 6 respectively.

It is important to point out that whilst 77% of the respondents had websites, the lack of e-commerce on these websites meant that customers had to find other ways of paying for the services they would have booked from the tour operators. Findings from the websites’ observations showed that the majority of the tour operators gave potential customers their banking details and requested them to make telegraphic transfers through their own banks to pay for the holiday products. This was an uncompetitive and old fashioned way of transacting business which the present tourists were not willing to tolerate. Gruescu et al (2009 94) argued that information communication technologies solutions helped to increase business efficiency and reduced the cost of doing business. Similar views were expressed by Ashari et al (2014), who noted that companies needed to use information communication technologies for tactical purposes in their daily activities.

The implications of this finding was that the Zimbabwean tour operators will continually lose business to principals who have put in place online payment facilities because potential customers will find it easier to book and pay for the services needed directly with the principals using the online platforms. International customers are also more likely to use the services of source market tour operators, whose e-commerce platforms are advanced, thus further eroding the business base for the local tour operators.
It is therefore, essential for the country’s tour operators to digitalize all their business operations including among others; marketing and sales, human resource management and finance and accounting, if they are to attain long term sustainability.

5 Discussion

The use of information communication technologies in the business operations of the local tour operators was in line with Porter’s five forces model (Dobrivojevic 2013 and Waema and Katau, 2013). Porter postulated that enterprises were impacted by five factors in their business competitiveness: bargaining power of suppliers, bargaining power of consumers, rivalry among existing competitors, threats of substitution and barrier to entry. The study revealed that tour operators had to contend with the increasing power of suppliers most of whom were distributing their products directly to the consumers through the internet, by-passing the tour operators as channels of product distribution. It further showed that information communication technologies had increased the bargaining power of the ‘new’ tourists who were able to search the internet for travel options to Zimbabwe. They were also able to compare prices offered by different tour operators and principals in the tourism sector.

Further, the tourists were able to create their own tailor-made tour package itineraries using information from different e-tourism platforms of the destination. The high level of cost transparency brought about by information communication technologies as a result of price competitiveness and rivalry within the tourism stakeholders in the country, further increased the bargaining power of the customers. The study also indicated that adoption of information communication technologies, increased threats of substitution to the established tour operators. A number of the new tour operators had based their businesses on virtual platforms which had very limited barriers to entry. They did not have to incur heavy start-up costs. Their key requirement was a well designed creditable and functional website which had the ability to transact business with both the potential customers and trading partners.

However, given the dynamic nature of information communication technologies and the frequent product changes that have become the norm in the information communication industry, the Zimbabwean tour operators are going to find it very difficult to cope with the global changes of information communication technologies products. Therefore, there is a danger that left on their own; the country’s tour operators will be forced to operate on the fringes of the global tourism industry resulting in the majority of them going out of business. The government will need to put in place, policy frameworks that will enable the operators to access and install the most up to
date ICT hardware and software in their operations. Waema and Katau (2013) posited similar views with regard to effective adoption and use of information communication technologies by tourism stakeholders in Kenya.

It is essential for the tour operators to develop a full understanding of the business case for adoption and use of information communication technologies in their enterprises. This will help them to make information communication technologies an integral part of their business strategy (Porter, 2001). Hence, regardless of the macroeconomic environment, the business will operate in, in the future, information communication technologies which will need to be part of the business strategy. The current situation whereby the tour operators are adopting ICTs as a result of the need to respond to the demands of trading partners and customers, is inadequate to ensure that information communication technologies are embraced in the future as part of the normal business strategy by the country’s tour operators.

The effectiveness of using the websites for the distribution of tour operators’ holiday packages was marred by the poor quality of the majority of the websites. In general, tourists were wary of the information they obtained from websites because of the proliferation of bogus operators. Tourists are suspicion when dealing with websites of tour operators based in developing countries (Wiig, 2005). Hence the poor quality of the websites of the country’s tour operators meant that potential customers were reluctant to use those portals as creditable sources of information for making decisions to purchase holiday packages to the country. They therefore, preferred to use the websites of source- market tour operators whose brand they trusted. User friendliness of websites was a key element in the successful utilization of websites for e-commerce in tourism (Hojeghan and Esfangareth 2011). The problem of effectively using the websites for product distribution by Zimbabwean tour operators was exacerbated by the constant interruption of electricity supply which resulted in lack of internet connectivity. The websites were therefore often “down” and hence potential clients were not able to fully utilize them as a source of information to assist them in making holiday purchase decisions.

There was a huge disparity in quality, functionality and accessibility of the websites of the few big tour operating enterprises and those of the rest of the businesses in the country. The disparity was reflected in the number of visitors that accessed these platforms in any given period. For example in the month of October 2015, one major tour operator in Victoria Falls registered a total of 4422 likes on its facebook platform, whilst a small operator in the same area registered a total of 269 likes on its website during the same month. The paucity of traffic flows to the virtual platforms of the country’s tour operators meant that, their products did not reach the intended customers which in turn resulted in limited sales being generated through these platforms.
The limited understanding of the role of information communication technologies in bringing incremental business to the company was shown by the lack of linkages of the tour operators’ websites to key international holiday booking platforms. For example of the one hundred and forty one companies that were listed on the specialist safari selling website, www.safaribookings.com in November 2015, only 19 were Zimbabwean based tour operators. The rest of the companies were tour operators based in source markets like South Africa, Britain and the United States of America who were offering safari tours to Zimbabwe. Potential clients planning to visit the country were therefore most likely going to purchase their holidays from the foreign companies more than from the Zimbabwe tour operators due to their absence on creditable international holiday portals. Therefore, although the tour operators ranked distribution of company tour packages as the number one external use of information communication technologies in reality, the operators were still at a very rudimentary level of using ICTs for effective distribution of their holiday products. This issue was noted by the key respondents who pointed out that the country’s tour operators were not yet taking information communication technologies seriously as part of their business strategy.

5 Conclusion
The internal and external use that ICTs are made by the Zimbabwean tour operators is confined to meet the immediate needs of the companies and those of their customers. The tour operators lack a vision that integrates the use of information communication technologies as part of their long-term business strategy.

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