



Article Title

A FRAMEWORK FOR ONLINE SALES NEGOTIATIONS OF HOSPITALITY AND TOURISM SERVICES.

Citation

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Abstract

E-Commerce is having a profound impact on the traditional modes of selling hospitality and tourism services. This article provides an overview of three negotiation models (state your price buying, electronic request for proposals, and bargaining) that have been used by firms leading the industry's e-commerce revolution. In addition, the article considers the possibility of integrative negotiations in such transactions, the allocation of power in e-negotiations, and provides suggestions for sales managers considering application of the new media as a sales channel.

Conclusion

E-commerce has the potential to add new, effective, and efficient tools to the hospitality and tourism salesperson's toolbox. To date, most online industry sales have occurred through the electronic replication of brochures and the employment of fixed-priced galleries of offers.

However, the trend today is for companies to become more proactive in their pricing, customizing prices and products to meet the increasingly complex demands of customers and offering subscriptions.

First, some form of a cost-benefit analysis should be considered in terms of the impact of using the new sales medium upon traditional existing distribution channels, which often involve separate allied businesses. These retailers and distributors, as channel partners, often employ direct sales forces that are much more expensive to operate than the high-tech but low-touch mass marketing medium of the Internet.

With the goal of most manufacturers and service providers to maximize market share, it is often advocated that the most effective way of meeting such a goal is to employ as many sales or distribution channels as possible.

The risk is that these channel partners will become dissatisfied and migrate to other manufacturers or service providers who have made the marketing decision to limit their channels of distribution.

Managers must create a system where negotiations can occur in an environment of trust among participants. Concern over credit card fraud and security will remain paramount in consumer to-computer mechanisms like Priceline. In the electronic RFP model, where the buyer and supplier

are brought together to negotiate outside the purview of the e-hub, the issue appears to be academic. However, fraudulent behavior of one user will run the risk of tarnishing the reputation of the e-hub provider, and by association perhaps competitive providers as well.

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