Article Title

The effect of E-Commerce travel agencies in East London, South Africa

Citation

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Abstract

This study investigates the impact of e-commerce on travel agencies in East London (EL). While there is a general belief that e-commerce provides many opportunities to travel agencies, the reality is that traditional travel agencies face competition from several newcomers. Beside pressure from new mega travel agencies, the traditional travel agency also faces challenges from other innovative organisations as well as direct sales from tour operators. Furthermore, major threats stem from airlines and wholesale travel companies offering their products and services directly to the customer by replacing the travel agency as an intermediary, operating from physical offices, with online services. Competition coming from different fields will destroy the conventional marketing and distribution channels in future. It is in this context that the current study aims to determine the awareness and impact of e-commerce on travel agencies in EL, a small city in the province of the Eastern Cape (EC) in South Africa (SA). The survey population of this case study includes retail travel agencies in East London. A total number of 21 questionnaires were administered to travel agencies in EL, using the convenience sampling method. The findings explain that travel agencies generally are experiencing both the opportunities and the challenges of e-commerce adoption. The results indicated a high percentage of e-commerce use amongst travel agencies in EL. This means that the travel agency have adapted to technology in doing business and this is good as guests have developed into becoming digital natives.

Summary

Travel agencies must take action to ensure that they continue to facilitate the adoption of ecommerce. Additionally, the introduction of rewards as incentives leading to the improvement of online activities, the involvement of senior management in the e-commerce project, and the creation of a climate of co-operation are a few of the elements that may reinforce positive attitudes towards the changes created by e-commerce within travel agencies This study has brought to light variables that encourage a greater trend toward non-equity agreements by the world's top hotel

companies. These include control of new markets, economies of scale, economic liberalization, making the most of cultural and linguistic barriers, increasing the size of the hotel chain, technological progress and greater recognition of the hotel chain's brand name.