

VERTICAL PORTALS AS PARADIGM OF THE E-COMMERCE IN THE TOURIST COMPANIES

L. Martínez, F. Mata

Department of Computer Science, University of Jaen, Paraje las Lagunillas, s/n, 23071 Jaén, Spain
Email martin@ujaen.es, fmata@ujaen.es, pedroj@ujaen.es

E. Bernal

Department of Applied Economic, University of Jaen, Paraje las Lagunillas, s/n, 23071 Jaén, Spain
Email: ebernal@ujaen.es

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Abstract: The boom of Internet, and their associated technologies, has implied their use in different sectors or areas of the society as, teaching, leisure, economy, etc. The use of the new technologies has taken quick development in areas related to the trade, the business, finances, etc, i.e., those areas belong to the concept known as “*New Economy*”. It includes the terms of e-commerce and e-business among others. Due to this boom, companies of all the sectors have tried to look for their place in Internet to improve their services, to get a bigger number of clients, to reduce costs and, overall, to obtain bigger profits. A big number of companies have not adapted to the new market (Internet), but it seems evident that the companies that are devoted to the tourism have a great opportunity to offer value-added services to their clients through Internet. The problem to exploit this opportunity and not to transform it into an additional costs to the company consists of choosing the right form of getting the objectives that are pursued. This contribution presents a propose in which is showed how the generation of vertical portals dedicated to tourist services can be a perfect solution to reach the objectives that the tourist companies pursues when developing digital services.

1. INTRODUCTION

In the last years the great development that have suffered the Information Technologies – IT- (Joyanes, 1999), due to the appearance, implantation and use of Internet. It has produced deep changes in the realization of different aspects of our daily activities, as the education, leisure, communications, economy, etc. We focus our interest in the changes produced by these technologies in the way of making business due to the development and implantation of the e-commerce, but specifically we shall study which are the models of electronic business that can better help to the tourist companies to get better results in its development as digital companies.

The e-commerce allows people to buy products, to obtain services and to exchange information about on-line transactions. The channel that has developed in a definitive way the e-commerce has been Internet (Katsushima, 1998). Although the role of Internet as channel of business is a relatively recent phenomenon, its impact, in financial activities or in other related areas, has been substantially bigger than other existent channels of e-commerce which exists from several decades, as is the case of *Electronic Data Interchange (EDI)* through *Value-Added Networks (VAN)* (Camaleño, 1997). The e-commerce provides to the companies an important improvement of the efficiency and of the capacity to carry out business processes through automatic transactions together a substantial reduction of costs (See *Figure 1*).

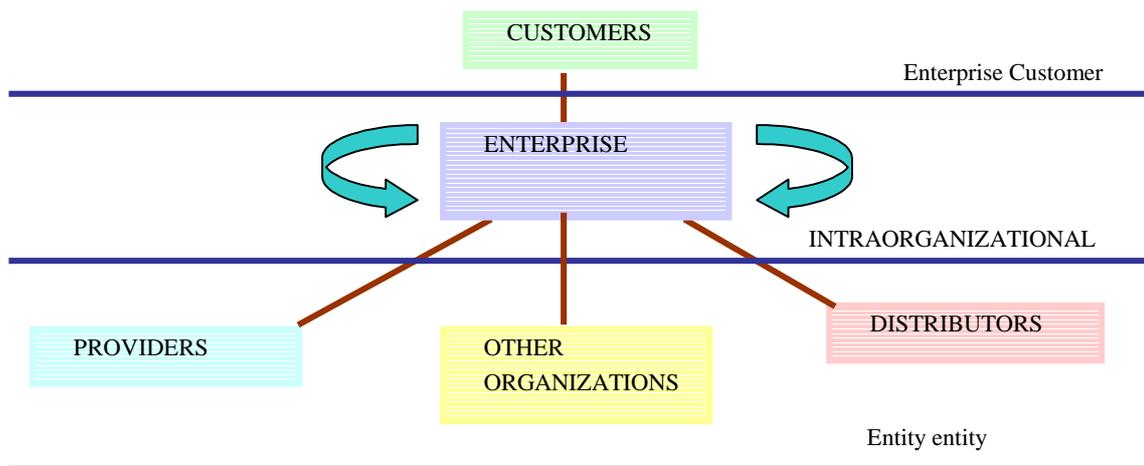


Figure 1. Transactional Areas Associated to E-commerce

The e-commerce is classified in several categories according to its business objectives. The two types of e-commerce that has a bigger importance at the moment due to its development and penetration in the managerial processes are (Fellestein, 2000):

1. **Business-to-Consumer (B2C):** the consumers buy products and services directly to the company without any intermediary.

2. **Business-to-Business (B2B):** the companies buy and sell their products or services among them, automating the purchase and sale processes that they carry out. The B2B provides a bigger capacity of bring up to date of the data taken place in the transactions. To carry out these transactions, the buyers and salespersons can be in an electronic market and to exchange the information that they need. Also, the B2B makes that the information about products is available in a global way and it provides the possibility of its modification in real time.

It seems clear that the tourist industry can obtain many benefits so much of the B2B, as of the B2C. In this contribution we shall focus our work in which is the best form of developing a process B2C in the tourist company. We shall make a review of different possibilities existing to enter in the world of the B2C in general, as

- Independent web pages,
- e-shops (Seltzer, 1999) and
- portals (Bartels, 1999).

After this review about the different possibilities of developing a digital business we shall justify the development of vertical portals dedicated to the tourist sector as the best and more adecuated option for the development of the e-commerce guided to tourist companies in the environment of the B2C.

This contribution is structured as: in section 2 several basic concepts about e-commerce are introduced. In

section 3 we shall introduce widely the concept of Portal in Internet. In section 4 we shall propose the use of vertical portals as the best way of offering tourist services through Internet. Finally, different conclusions that can be obtained of this contribution will be pointed out.

2. BASIC CONCEPTS ON E-COMMERCE

The E-commerce is an area that, due to its economic importance, it is evolving quickly. In this section we shall make a brief review of the past, present and future of this area in the global society of the s. XXI.

E-commerce can mean a lot of things, depending on the perspective since we try to define it. For someone, it can be an on-line digital cashier developed by a digital bank through a digital purse. For the consumers, it can be to charge the purchase through a Web and to pay it with a credit card. And others expect that E-commerce will be the cultivation broth for the appearance of the digital intermediaries that restructures the organization of the trade. The E-commerce is probably a sufficiently wide and not structured area as to be all the things that we have aforementioned at the same time.

Now, the E-commerce can be defined in a wide sense (Katsushima, 1998; Fellestein, 2000) as any transaction form or exchange of commercial information based on the transmission of data through communication networks like Internet.

The use of the concept *Internet* in the definitions of this section is justified because, although the activities of e-commerce among companies, for example by means of the systems EDI (Electronic Data Interchange), exist for more than two decades, and it has been used by big

organizations (Banks, States, Multinationals,...). It use has facilitated the processes of exchanging information through telecommunication structures. Although these systems are previous to the commercial use of Internet, the development of the Internet and the World Wide Web (Katsushima, 1998) is the key element that has made possible the access to a great number of people to the use of computer networks and has reduced the costs associated to the trade processes drastically. Therefore, it has been the responsible one of facilitating the access to the e-commerce to the final consumer and, in definitive, it has caused the current exponential growth of the e-commerce in all their forms.

The e-commerce forces to redefine the role of the intermediaries between providers and final consumers, eliminating them in some cases, but also creating the necessity of new intermediation functions in others. Due to the characteristics of the e-commerce and the new roles that will play the different elements of the business in the new digital environment it is necessary to know the different possibilities that the new technologies offer us to be able to offer services through Internet.

Following, we shall make a review of the evolution of the different ways to offer services through Internet:

a) Web Pages: it was the first form of using Internet as way of realization of electronic business processes. In this case, the pages were used mainly to show information about products and services and it was indicated a telephone number or address in those that could be acquired in a traditional way. A clear example of this use type in the tourist company can see it in:

<http://www.torreluz.com>

b) E-shops (Seltzer, 1999): the logical evolution of these pages was the construction of sites offering a serie of value-added services on the previous pages, as it can be:

- i) Electronic payment Means
- ii) Purchase car
- iii) On-line attention services
- iv) Etc.

c) Portals (Barnick et al., 1999; Bartels, 1999; Phifer, 1999): the "e-shops" are a good proposal to offer products or services through Internet but the biggest problem that they present is how getting to know them without having to wear out a great quantity of money in publicity, since they consist on independent sites. To solve this problem Portals have been used. The Portals were not designed for this, but rather, to concentrate the entrance from the users to Internet through a certain site. In general we can say that a Portal is a site in which a great quantity of the services that usually all the Internet users use as

integrated, as e-mail, chat, news, etc. Being a place of entrance of great quantity of users, the portals began to be used as a way to capture clients for the processes of e-commerce. In the following section we will make a study more in depth of the portals of Internet.

3. PORTALS IN INTERNET

The portals have their more immediate antecedent in one tool call, **Searcher**, which helps the users to move in a chaotic Internet. Yahoo added value-added services to its searcher, to increase its visitors. With the same objective the portals were developed trying to be the place from which the e-commerce is developed.

The concept of Portal (Barnick et al., 1999; Bartels, 1999; Phifer, 1999) makes reference to the aspiration that these Web sites become the door for which the users pass to access to Internet. They gather in one localization everything that the users usually look for when they are connected to Internet and they try to agglutinate a community of usual users, for which they use a great number of fidelity tools that usually translate into free services (access to Internet, e-mail, fax, news, etc.).

From the great quantity of portals that we can find in the network Internet we can say that few differentiating factors exist. Among the common aspects that we detect in the portals we can mention the encounter points to generate virtual communities, information in real time, searcher, calendar, services as fax, mail, chat, newsgroups, etc. All these utilities, considered of general interest, are called **horizontal portal** whose objective is to generate a critical number of users. But, in general, the horizontal portals also have a serie of integrated sites that they compose the vertical or specialized portals, whose target are public's concrete niches (thematic channels of economy, computer science, sports, woman, music, games, bag, etc.).

Following we shall make a brief review of both types of portals, seeing the most outstanding of each one and which are their contents and main services.

3.1 Horizontal portals

Such as we have aforementioned, the general contents included in these sites are focused toward the great public: calendar, plank of announcements, searcher, chat, free email, employment offers, finances, leisure guides, TV, radio, horoscope, games, news, creation of Web pages, postcards, shops, translator, time, traffic, free software, Web CAM, etc. But each one of the portals has their own differential features, according to them the user will

choose to visit one or another: their searcher's power, the variety of channels or their orientation toward the leisure, they are good ideas to get a great audience.

Some horizontal portals with high audience indexes are the following ones:

- www.yahoo.es.
- www.msn.es.
- www.terra.es.
- www.eresmas.es.
- www.worldonline.es.

3.2 Vertical portals

After seeing the offer of horizontal portals, now we shall make clear the thematic offer that any Internet user can find in Internet as the vertical portals.

Once the horizontal portal has reached a great number of users with its general contained, Internet advances one step more to offer value-added services through the differentiation from products and services, and as it already passed in the printed magazines, and now in television, specific contents are offered for specific people. At the moment, we talk about WEB sites, created to expose different topics. These are called **vertical portal** (vortal) when they propose such a quantity of services like to satisfy the interests of the audience in an specific topic.

Following we shall enumerate a group of important spanish vertical portals:

1. www.lanetro.com: Leisure and entertainment portal.
2. www.tuciudad.com: Leisure.
3. www.juniper.es: Portal of travel agencies

4. VERTICAL PORTAL AS SOLUTION OF SALE OF TOURIST PRODUCTS IN INTERNET

The available statistics point to that the activities related to the tourist sector are among those that more success are obtaining in the e-commerce through Internet. This way, according to the Spanish Association of E-commerce (AECE, 2001a), the "reservations of trips" had been acquired by Internet it is one of each six Spanish online buyers and it occupied a third position in the ranking of more demanded products in the net.

The potential that has the business online for the tourist sector has not passed unnoticed for its companies,

but rather, on the contrary, in accordance with the (AECE, 2001b), the 82,5 percent of those that had presence in Internet during the year 2001 sold its products and services directly through this distribution channel, being the products leaders the "reservations of hotels", the airplane tickets and the "closed tourist packages".

In the context of the present contribution, it is interesting to analyse the sale forms adopted by the companies of the tourist sector in Internet. According to the (AECE, 2001b), the tourist companies that sale products to final clients exclusively (B2C), representing 26,83 percent of those that have presence in internet, in front of only 2,44 percent of them that go to other companies (B2B).

Previously we saw how the portals are good to generate a critical number of users, for what they are a very appropriate model for the B2C. Following, we focus in the use of tourist vertical portals as the best way for the companies of the tourist sector that want to offer their products and/or services through Internet with certain guarantee of success.

The tourist sector is an area composed by a great diversity of companies that offer different goods and/or services. Leaving of this premise, it seems clear that the potential client of this type of services finds it more interesting to have access to a complete package of services than to have to buy them for separate. Therefore, the philosophy of the vertical portals adapts perfectly to the *modus operandi* of the potential clients of the tourist services.

Therefore, it could be deduced that when a tourist company wants to offer its services through Internet it should build a vertical portal. Evidently, this is false, since not all the companies can offer all the services of a vertical portal. Such as it was indicated in the previous paragraph to obtain a great quantity of possible clients it is necessary to join the participants in a tourist vertical portal. To do so, each participant (company) must look for other tourist companies interested in the E-commerce to offer altogether the tourist services trough a portal, or also a company can visit tourist portals. Examples of them are:

- www.juniper.es
- www.edreams.es
- www.gerenciadeviajes.com
- etc.

We will see that they usually have very similar services:

- Comparative of airplane tickets.
- Offers of trips, cruises, tours, etc.
- Tourist guides.
- Hotels, restaurants, promotions.

- Typical products.
- etc.

Depending on the product or service that we want to offer through Internet, we shall study which it is the portal that adapts better to our demands, studying the number of accesses that it has, the type of clients, if our prices are competitive with other similar companies that already collaborate with the portal.

We can also keep in mind that our product or service is not considered at the moment in the portal, reason by what it can interest very much to the agents of the portal, besides it would provide an value- added of the portal on other competitors.

Once the company has carried out the previous study, it will negotiate with the agents of the portal the form of promoting its services or products in it. If the studies have been carried out in a coherent way and our services are interesting we shall see how Internet provides us a substantial improvement in their promotion and sale through the vertical portals.

5. CONCLUSIONS

The biggest problem of many companies of diverse sectors affront to success in Internet, among them the tourist one, it is that they are not able to use the possibilities that it offers Internet to improve its results satisfactorily. In this contribution it has been carried out a review of the evolution in the ways of offering services and/or products through Internet, indicating finally that the participation in vertical portals is the most appropriate form of getting the objectives that any company is marked from the tourist sector when entering in Internet, since it provides a serie of value-added services to the clients that look for tourist products through Internet.

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