Digital Competitiveness of Tourism SMEs

Guan Xin, Guo Hui[1], Wei Jianfeng and Wei Qifeng[2]

1, 2 Innovation College, North-Chiang Mai University, 50230, Chiang Mai, Thailand
[ ]Corresponding Author

Abstract: This research examines the digital competitiveness of tourism SMEs in Thailand in hosting Chinese inbound tourists through their websites. Integration of tourism-related technology and social media funnels were considered as significant factors of analysis. Twenty-five tourism companies' online content, including their websites, social media contents, and digital publications, were analyzed to conclude the study results. Though most of the large tourism service providers such as hotels and airline companies have been working on bypassing the travel agency commission charges through direct selling with digital platforms, most of the tourism SMEs in Thailand still depend on third-party agents for hosting their services. The results reveal that Thailand - China tourism business is either B2B or B2B2C or even B2B2B2C models. A very limited number of companies with B2C models can directly reach and host the inbound Chinese tourism market. This research's findings are threefold - a methodology for assessing the digital destination hosting patterns, digital content analysis of tourism SMEs, and determining the business models through the website. Further research directions in this domain were also proposed.

Keywords: Digital Destination Hosting; Digital Content Analysis; Business Model Assessment.

1. Introduction

The Chinese outbound tourism market for the South East Asian countries of Singapore, Malaysia, and Thailand are the earliest and quite different from other international markets. Among those, in the second decade of the 21st century, Thailand emerged to be the most popular tourist destination for ASEAN's Chinese market. Chinese tourists accounted for 27.9% of the inbound tourism market share for Thailand in 2019 (MOTS, 2019). Several factors, including cultural connections, geographical proximity, affordable itineraries, and film tourism (Cai et al., 1999; Xie et al., 2009; Phomsiri, 2015; Sharafuddin, 2017), were the significant "pull" factors of Thailand for the Chinese market. On the other hand, the evolution of the internet has reshaped the tourism industry. Recently, tourism suppliers tried to eliminate or reduce the sales channels and increase their direct selling. The International travel and tourism industry, which was mainly a B2B2B2C (Airline/Hotel/Inbound Tour Operator - GDS - Travel Agency in origin country - Customer) or B2B2C (Airline/Hotel/Inbound Tour Operator - Travel Agency in origin country - Customer) model, heavily relied on multiple stakeholders for sales and marketing. To reduce the dependency and commission costs, almost all airlines and large & medium-sized hotels have adopted the direct marketing approach through digital marketing for reaching their target markets. The website, booking engine, connections to multiple social media platforms are the cores of digital marketing. Hence, the role of tourism supplier's websites in tourism digital marketing is widely studied. Early studies found that the Tour-operators content delivery performance was low (Cai et al., 2004). In Thailand, 61.43% of the inbound tourists from China were Free Independent Travelers. Which means, only 38.56% have arrived in Group tour packages and the remaining were independent travelers (MOTS, 2019). This means there is a huge potential for Thai tourism websites to reach the Chinese inbound tourism market directly. However, even after the growing popularity of the internet as a source of information and key marketing platform, the role of inbound tour operators' websites and their digital content is less explored. There is a gap in the literature on the role of inbound tour operator websites. Hence, this study aims to analyze the websites of inbound tour operators.

2. The Data (websites) & Methodology

So, a convenience sampling method was adopted, and the websites of the inbound tour operators in Thailand who focus on their largest inbound tourist market (China) were collected for the study. The list of inbound tour operators was obtained from the Association of Thai travel agents' website using the member search option with active members specialized in hosting inbound Chinese tourists.

3. Literature Review and Metric Development

There are several approaches adopted by researchers to analyze the tourism websites of the host destination - Technical & non-technical content analysis (Rachman et al., 1997; Han & Mills, 2006), user experience based on the website features (Kim et al., 2008), self-evaluation (Krippendorff, 2018; Luna-Nevarez et al., 2012) and

comparative study of tourism websites (Tanina et al., 2020) from different regions. Kim et al. (2008) developed a travel planning and information search process through the internet and assessed online visitors' first impressions. The researchers developed a scale with hygiene (informativeness and usability) and potential (credibility, inspiration, involvement, reciprocity) design factors of websites and found that inspiration and usability were the top two factors of positive first impressions. Li et al. (2010) evaluated the effectiveness of the websites of DMOs in China with a five-dimensional technical merit scale using (1) information, (2) communication, (3) relationship, (4) transaction, and (5) technical dimensions. They found that the websites were not used effectively. Luna-Nevarez et al. (2012) explored the websites of multiple destination management organizations using a six-factor scale of (1) primary focus, (2) interactivity & navigation, (3) visual & presentation styles, (4) textual information, (5) advertising, and (6) social media and travel aids. The authors found that user interactivity and social media are the critical factors for digital destination marketing success. In China, travel and tourism organizations have adopted the internet as a medium of marketing (Lu et al., 2004), and air tickets, hotels, and travel packages collectively accounted for 34.1% of online booking in 2014 (China Internet Network Information Center, 2014). Cao et al. (2016) studied the e-commerce adoption of Chinese tourism company websites using a six-dimensional approach of (1) Product information, (2) Non-product information, (3) Reservations, (4) Payment, (5) Functionality, and (6) CRM and found that they lack multilingual pages, online booking features and CRM features such as social media connections, blogs, and online reviews.

Zhong et al. (2014) used six KPI based factors (1) Accessibility, (2) Usability, (3) Functionality, (4) Interaction, (5) Commerce, and (6) marketing, to evaluate the maturity index of websites and found that there is a regional difference in websites attraction. The authors also emphasized the importance of websites in interaction (real-time communication and call centers) and marketing ('personalized marketing') to attract and retain tourists.

Chaiprasit et al. (2011) studied the "Tourist expectations towards the travel and tourism websites in Thailand" and found that multiple languages and quality information regarding the destination, services offered, booking, charges were the most important expectations of tourists from the websites.

Fereidouni et al. (2020) studied smart tourism and integrated e-commerce platforms in ASEAN. With the disruption of the Covid 19 virus outbreak and vaccines' invention, the world is slowly recovering from the Pandemic. However, consumer psychology is changing, and more and more relying on the internet. Hence, this study is timely conducted to analyze Thai inbound tour operator websites' readiness in digitally hosting the inbound Chinese tourism markets in the near future.

Huang (2020) extended the scale for assessing the usability heuristics of tourism websites with 'Interoperability,' 'Interactivity,' and 'security & privacy,' along with 'visibility of site status,' 'match site and real-world,' 'user control & freedom,' 'consistency,' 'error prevention,' 'recognition,' 'efficiency of use,' 'aesthetic design,' 'help users recover errors,' and 'help and documentation.' Interactivity includes feedback mechanisms, social networking, and social interactions.

4. The Approach

Based on the literature review and opinions from four academic and industry experts, we adopted the digital content classification of Werthner et al. (2015) and classified the contents into blogs, public websites, company websites, and social media pages. We still used the company website as the central metric and assessed the connectivity between the company website and the other three. Such an approach to connecting content from different platforms will help the tourism companies successfully funnel the inbound traffic to their website and turn the visitors into potential direct customers (Stokes, 2013). In the first phase, the companies registered as inbound tour operators with a special focus on the Chinese market but did not declare their websites in the ATTA directory were screened-out. Such companies were either subsidiaries of a larger Thai/Chinese company or Thai companies with sales representative offices in China or micro & small Thai inbound tour operating companies dependent on consolidators/wholesalers in China. Hence, they do not use the website as a marketing communication tool. With the remaining available websites, we also considered the difference between the tourism website and e-commerce website. The tourism ICT companies were carefully reviewed and excluded from the study. Finally, the remaining 25 websites of inbound tour operators were included in the study.

The first variable used in the study is the focus of the website. Tourism websites can be classified into information-focused, e-commerce focused, and information & e-commerce focused websites (Luna-Nevarez et al., 2012; Huang, 2020). Since this study already excluded the travel aggregators and e-commerce websites, two sub-variables (1.a) informative and (1.b) informative and e-commerce, were chosen. Further, for accessibility, we used the cultural factor of language as a metric. Because the Chinese tourism market is different from other inbound markets for Thailand in terms of language, So we used multi-linguality with the hosting country's local language (Thai) along with ASEAN's official language (English) as one metric and Thai, English & Chinese (Trilingual) websites as the second metric. The third most important metric is social media connectivity. The role and influence of social media in tourism are widely studied (Cheng et al., 2017; Alghizzawi et al., 2018; Leung et al., 2013). However, the differences in regional social media market share and the necessity of adopting and integrating

country-specific social media platforms in websites are understudied. So, we classified the social media platforms into two, the social media platforms popular in the host country (Facebook, Google, Instagram, Twitter, Line, Youtube, and Whatsapp), which are popular in Thailand & ASEAN countries; and China's country-specific social media platforms (WeChat, Weibo, Youku, QQ, Toilet MT, Vkontakte, xing, TripAdvisor) and other content marketing tools such as blogs and email subscriptions.

Table 1. The scale for assessing the Inbound tour Operating SMEs Websites.

	Variable selected	Sub-variable	Code	References
(1)	**Primary focus**	(1.a) Informative (1.b) Informative & e-commerce	1 2	Cai et al, 2004, Li et al, (2010); Chaiprasit et al. (2011); Cao et al. (2016); Stokes (2013); Huang (2020); Tanina, et al., (2020); Amalia et al., (2019)
(2)	**Accessibility (Linguistic)**	(2.a) Multi-linguality (Local Language & English) (2.b) Multi-linguality (Local Language, English & Target market language)	1 2	
(3)	**Marketing & Communication**	(3.a) Social Media connectivity (General) (3.b) Social Media connectivity (Target Market specific) (3.c) Other content marketing tools (Blogs, Target Market specific Blogs, email subscriptions)	0-1 (Each) 0-1 (Each) 0-1 (Each)	
(4)	**Real-time Website intractability, Functionality and usability**	(4.a) Chat-bots (4.b) Booking Engine (4.c) Individual Login (4.d) Agent Login (4.e) Payment Gateway	0-1 0-1 0-1 0-1 0-1	

Furthermore, the real-time website intractability, functionality, and usability-related variables were chosen from previous studies based on literature. Recent studies proved that Chatbots enhance user interaction by providing support and local information (Amalia et al.,2019; Calvaresi et al., 2021). Hence, along with the booking engine, individual login, agent login, and the payment gateway, Chat-bots was included as a sub-variable. The nature of the business websites and variables selected for the study was clearly explained and discussed with three academic experts in the domain. Various other variables in previous studies, such as the website's content, price attractiveness, technical scalability, user interaction, were carefully reviewed and excluded from the study with due consideration for the current pandemic situation and the SME nature of the businesses and their websites.

Website	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Primary Focus	Score																									
Informative	1																									
Informative & e-commerce	2																									
Accessibility																										
Multi-linguality (Thai & English)	1																									
Multi-linguality (Chinese)	2																									
Marketing & Communication																										
Social Media Connectivity (Host Country)																										
Facebook	0-1																									
Instagram	0-1																									
Twitter	0-1																									
Line	0-1																									
Youtube	0-1																									
Pinterest	0-1																									
WhatsApp	0-1																									
Vimeo	0-1																									
Social Media Connectivity (Origin Country - China)																										
Wechat	0-1																									
weibo	0-1																									
QQ	0-1																									
Toilet MT	0-1																									
vkontakte	0-1																									
xing	0-1																									
Tripadvisor	0-1																									
Other Content Marketing Tools																										
Blogs	0-1																									
Blogs (In Chinese)	0-1																									
email (Newsletter subscriptions)	0-1																									
Real-time Website Interactivity & Functionality																										
ChatBot	0-1																									
Booking Engine	0-1																									
Agent Login	0-1																									
Payment Gateways	0-1																									

Figure 1. Coding Sheet for assessing the digital competitiveness of Inbound Tourism SMEs

Hence, we adopted (1) primary focus, (2) Linguistic accessibility, (3) Marketing & Communication, (4) Real-time Website Interactivity, Functionality, and usability, as variables to assess the digital competitiveness of Inbound Tourism SME websites. A detailed coding sheet was developed using the metrics selected. The list of variables selected, and the code values are provided in table 1. A sample coding sheet is also provided in Figure 1. The researchers manually verified each website and used the coding sheet to assign each website's metric value. The analysis and results are provided in the next section.

5. Analysis and Results

5.1. Primary Focus & Linguistics Accessibility

The study inferred that only nine websites (36%) were both informative and e-commerce in nature, and the remaining sixteen out of the twenty-five websites (64%) were only informative. Only eight websites (32%) provide their websites in at least three languages (Thai, English, and Chinese), whereas the remaining seventeen websites (68%) have their content only in Thai and English languages. Low linguistic accessibility can be the first significant barrier in reaching the target market through websites.

5.2. Marketing Communication Channels & Website Integration

The research revealed that Facebook is the most popular social media platform linked to the websites. Out of twenty-five websites, twenty-three websites (92%) had Facebook integrated into them. Instagram (44%) and Line (36%) were the next two most integrated social media platforms, followed by Twitter (20%), Youtube (20%), Pinterest (12%), WhatsApp (4%), and Vimeo (4%). Only two websites did not have any social media platforms linked with them. However, social media platforms specific to the Chinese market were not found integrated with most of the websites. The study revealed that only Four websites had TripAdvisor (16%) integration and two websites (8%) had Wechat addresses for communication. Other social media and communication platforms such as Weibo, YouKu, QQ, Toilet MT, Vkontakte, and xing were not found on any websites. Such non-integration of social media and communication platforms can be the second significant barrier in reaching the target market through websites.

Table 2. Website Characteristics

	N	*%*
Primary Focus		
Informative	16	64
Informative & commercial	9	36
Accessibility		
Multi-linguality (Thai & English)	17	68
Multi-linguality (Chinese)	8	32
Marketing & Communication		
Social Media Connectivity (Host Country)		
Facebook	23	92
Instagram	11	44
Twitter	5	20
Line	9	36
Youtube	5	20
Pinterest	3	12
WhatsApp	1	4
Vimeo	1	4
Social Media Connectivity (Origin Country - China)		
WeChat	2	8
Weibo		0
QQ		0
Toilet MT		0
vkontakte		0
xing		0
Tripadvisor	4	16
Other Content Marketing Tools		
Blogs	10	40
Blogs (In Chinese)	1	4
email (Newsletter subscriptions)	5	20

Real-time Website Interactivity & Functionality		
ChatBot	6	24
Booking Engine	8	32
Agent Login	3	12
Payment Gateway	8	32

5.3. Other Content Marketing Tools

Content marketing is one of the most successful inbound marketing approaches (Stokes, 2013). The study also revealed that only ten out of the twenty-five websites (40%) had content such as blogs and news. Moreover, only one website (4%) had blog content supported in the Chinese language. Such low content in websites is the third significant barrier in reaching the target market through websites. Emails are the oldest and the most proven digital marketing tool. From transactional emails to seasonal greetings and special offers, emails can help the tourism companies to keep in touch with their customers and potential customers visiting websites (Kaur, 2017). This case found that only five websites (20%) offer email subscription options to first-time visitors, and the other twenty websites did not have the email subscription option. Not offering email subscriptions is the fourth significant barrier in reaching the target market through websites.

5.4. Real-time Website intractability, Functionality, and usability

Among the real-time website intractability, Functionality, and usability, 32% of the websites had a real-time booking engine and payment gateway. At the same time, the majority (68%) of the websites have a "book through email" option through a static form or "email-us" option with the email address. Chat-bots, which were part of marketing communication automation, are less utilized in websites. Only six websites (24%) integrated chat-bots in their websites. Agent login feature, which is also one of the most critical channel management tools, is integrated only in three websites (12%).

6. Findings & Discussion

This study found that most inbound tourism companies hosting Chinese markets declared they do not have websites. Only a very few companies have their official websites in Thailand. Even among those websites, integration of China-specific social media platforms and communication tools are not implemented. Nevertheless, the social media integration is high with only Facebook, Instagram, Line & Twitter. However, these social media platforms' practicality in reaching the mass Chinese inbound markets is debatable. While coding the website metrics, the researchers also found that social media icons were part of the standard website templates. Hence, some websites look like they have multiple social media links integrated from the design aspect. However, the links did not work. In other words, there may be a Twitter icon on the website, but there will not be an actual Twitter handle linked to the icon. Such unworkable links reflect the website design - marketing mismatch. Earlier studies have found that the websites of East Asian Destination Management organizations use inferior marketing strategies (Feng et al., 2004; Luna-Nevarez et al., 2012). This study finds that most Inbound tourism companies do not use websites as a marketing tool. Thus, the majority of the business models are either B2B2C or even B2B2B2C. Only a very few companies use websites as a marketing tool and adopt the B2C concept of reaching the Inbound Chinese markets. Even among those the social media funneling for Chinese Inbound tourism markets is low.

7. Conclusion, Limitation, and Recommendation for Further Studies

Consumer behavior has changed dramatically since the Covid 19 pandemic. Digital consumption and e-commerce are growing more than ever before (Bhatti et al., 2020; Sheth, 2020). The Chinese population using e-commerce is relatively high, and the mass population is scurrying towards mobile e-commerce since the Pandemic (Yuan et al., 2020). Though the tourism industry is moving towards B2C business models using websites as a tool for marketing communication, many improvements need to be addressed in terms of inbound tour operators' website competencies. As a tool, this instrument excluded a wide range of website characteristics due to the SME nature of the inbound tour operators and the current pandemic situation.

Furthermore, this study considered linguistic accessibility and country-specific social media integration in websites for funneling the potential customers as the most critical criteria to be focused on for reaching the

International market. Such an approach will also help the website to be optimized for search engine crawling and visibility. Hence, the language limitations of the websites need to be addressed as the primary concern. The tool used in this study can be further developed with more variables such as user experience and tested in different countries and regions. Comparative studies of inbound tour operators' websites hosting different market segments such as China, South Asia, the Middle East, Europe, and other Western countries can also identify any occurring difference. The websites selected for this study were based on the inbound tour operator's index in their association. Such exclusions, considerations, and selections are the significant limitations of the study. Also, some of the inbound tour operators websites might have been left out unintentionally. Further studies including the above said exclusions and selecting websites of inbound tour operators from different countries targeting multiple markets can be tested with this framework.

References

1. Alghizzawi, M., Salloum, S. A., & Habes, M. (2018). The role of social media in tourism marketing in Jordan. International Journal of Information Technology and Language Studies, 2(3), 59-70.
2. Amalia, A., & Suprayogi, M. (2019, October). Engaging millennials on using chatbot messenger for eco-tourism. In Third International Conference on Sustainable Innovation 2019–Humanity, Education and Social Sciences (IcoSIHESS 2019) (pp. 484-487). Atlantis Press.
3. Bhatti, A., Akram, H., Basit, H. M., Khan, A. U., Raza, S. M., & Naqvi, M. B. (2020). E-commerce trends during COVID-19 Pandemic. International Journal of Future Generation Communication and Networking, 13(2), 1449-1452.
4. Cai, L. A., Boger, C., & O'Leary, J. (1999). The Chinese travelers to Singapore, Malaysia, and Thailand: A unique Chinese outbound market. Asia Pacific Journal of Tourism Research, 3(2), 2-13. DOI: 10.1080/10941669908722014
5. Cai, L., Card, J. A., & Cole, S. T. (2004). Content delivery performance of world wide web sites of US tour operators focusing on destinations in China. Tourism Management, 25(2), 219-227
6. Calvaresi, D., Ibrahim, A., Calbimonte, J. P., Schegg, R., Fragniere, E., & Schumacher, M. (2021). The Evolution of Chatbots in Tourism: A Systematic Literature Review. Information and Communication Technologies in Tourism 2021, 3-16.
7. Cao, K., & Yang, Z. (2016). A study of e-commerce adoption by tourism websites in China. Journal of Destination Marketing & Management, 5(3), 283-289.
8. Chaiprasit, K., Jariangprasert, N., Chomphunut, A., Naparat, D., & Jaturapataraporn, J. (2011). Tourist expectations toward travel and tourism websites in Thailand. International Business & Economics Research Journal (IBER), 10(3), 41-50.
9. Cheng, M., Wong, I. A., Wearing, S., & McDonald, M. (2017). Ecotourism social media initiatives in China. Journal of Sustainable Tourism, 25(3), 416-432.
10. China Internet Network Information Center (2014). Retrieved from:
11. Feng, R., Morrison, A. M., & Ismail, J. A. (2004). East versus West: A comparison of online destination marketing in China and the USA. Journal of Vacation Marketing, 10(1), 43-56.
12. Fereidouni, M. A., & Alizadeh, H. N. (2020). An Integrated E-commerce Platform for the ASEAN Tourism Industry: A Smart Tourism Model Approach. E-commerce Connectivity in ASEAN, 252.
13. Han, J. H., & Mills, J. E. (2006). Zero acquaintance benchmarking at travel destination websites: What is the first impression that national tourism organizations try to make. International Journal of Tourism Research, 8(6), 405-430. http://www.cnnic.net.cn/hlwfzyj/hlwxzbg/201507/P020150715651604925304.pdf
14. Huang, Z. (2020). Usability of tourism websites: a case study of heuristic evaluation. New Review of Hypermedia and Multimedia, 26(1-2), 55-91.
15. Kaur, G. (2017). The importance of digital marketing in the tourism industry. International Journal of Research-Granthaalayah, 5(6), 72-77.
16. Kim, H., & Fesenmaier, D. R. (2008). Persuasive design of destination websites: An analysis of first impression. Journal of Travel research, 47(1), 3-13.
17. Krippendorff, K. (2018). Content analysis: An introduction to its methodology. Sage publications.
18. Leung, D., Law, R., Van Hoof, H., & Buhalis, D. (2013). Social media in tourism and hospitality: A literature review. Journal of travel & tourism marketing, 30(1-2), 3-22.
19. Li, X., & Wang, Y. (2010). Evaluating the effectiveness of destination marketing organisations' websites: Evidence from China. International journal of tourism research, 12(5), 536-549.
20. Lu, J., & Lu, Z. (2004). Development, distribution and evaluation of online tourism services in China. Electronic Commerce Research, 4(3), 221-239.

21. Luna-Nevarez, C., & Hyman, M. R. (2012). Common practices in destination website design. Journal of destination marketing & management, 1(1-2), 94-106.
22. Ministry of Tourism and Sports, Thailand Retrieved from: https://www.mots.go.th/more_news_new.php?cid=615
23. Phomsiri, S. (2015). Film tourism and destination marketing: Case studies of in-bound and out-bound in Thailand. Review of Integrative Business and Economics Research, 4(3), 241.
24. Rachman, Z. M., & Richins, H. (1997). The status of New Zealand tour operator web sites. Journal of Tourism Studies, 8(2), 62.
25. Sharafuddin, M. A. (2017). China's Outbound Tourism and Thailand. Journal of Asia Pacifc Studies, 4(3), 386-394.
26. Sheth, J. (2020). Impact of Covid-19 on consumer behavior: Will the old habits return or die. Journal of Business Research, 117, 280-283
27. Stokes, R. (2013). eMarketing: The Essential Guide to Marketing in a Digital World 5th ed. Red & Yellow.
28. Tanina, A., Kalmykova, S., & Zaborovskaia, O. (2020, September). Online Tourist Portals of St. Petersburg and Leningrad Region: Current Status and Prospects. In IOP Conference Series: Materials Science and Engineering (Vol. 940, No. 1, p. 012047). IOP Publishing.
29. Werthner, H., Koo, C., Gretzel, U., & Lamsfus, C. (2015). Special issue on Smart Tourism Systems. Computers in Human Behavior, 50(C), 556-557.
30. Xie, Y., & Li, M. (2009). Development of China's Outbound Tourism and the Characteristics of Its Tourist Flow: 中国出境旅游的发展及旅游流特征. Journal of China Tourism Research, 5(3), 226-242.
31. Yuan, Y., Guan, M., Zhou, Z., Kim, S., Cha, M., & Li, Y. (2020). Disruption in the Chinese E-Commerce During COVID-19: A Case Study of the Beidian Platform. arXiv preprint arXiv:2009.14605.
32. Zhong, L., Leung, D., Law, R., Wu, B., & Shao, J. (2014). An application of the capability maturity model for evaluating attraction websites in mainland China. International Journal of Tourism Research, 16(5), 429-440.