

THE ROLE OF SMART TOURISTS IN SHAPING THE FUTURE OF AIR TRAVEL SECTOR

Camelia M. Gheorghe, PhD
Romanian-American University
gheorghe.camelia.monica@profesor.rau.ro

Abstract

Nowadays, terms like “innovation“ and “change” became part of the global tourism vocabulary, since both are central to improving business and destination competitiveness and as such, to improving the tourist’s experience. Creating unique and memorable experiences for consumers represents a dominant concept in the tourism industry. In recent years, it has become critical for the tourism providers to find innovative ways to differentiate their services and products and to create memorable and valuable experiences for the tourists.

In that context, the impact of technology is remarkable in the air travel sector. The recent research shows the way technology is designing the air travel business. The airlines priorities focus on enhancing the passenger experiences, and they are also very interested in improving business intelligence to better understand their operations and customers. Being an industry that is fast adopting the digital world, the aviation sector is making efforts to involve customers in their innovation processes. In order to improve the experiences, a lot of airports and airlines responded to the large number of passengers carrying smartphones, notebooks, tablets and e-readers by equipping seats with power and USB ports, or are looking at ways to integrate passengers’ own devices with the design of the seat.

The paper aims to identify the role of the passenger in the equation of air travel business – passengers – technology. Is he responsible for the change of business in air travel sector? Or, on the contrary, the air travel sector does influence the behaviour and the habits of the customer?

Key words: air travel sector, smart tourists, technology, business, airport, experience, innovation

Introduction

Tourism and hospitality are social phenomena and the industries associated with them are largely application oriented. Information & Communication Technologies (ICTs) thus play a critical role in the competitiveness of tourism and air travel companies, as well as in the entire industry as a whole.

Today, there has been a growing interest in the development of technology-based mediators including the Internet, mobile phones, and digital cameras (Tussyadiah & Fesenmaier, 2009).

But why do people travel? People travel for a multitude of reasons: to escape, to search, to connect, to change, to be involved. The main elements that contribute to a pleasant escape are various: the means of transport, the accommodation, the food, the destination, the services, the local traditions and the local people etc. But, at the core of travelling, is the experience.

In that respect, the experiences are transforming as consumers now are more experienced, sophisticated and play an active part in co-creating their own experiences. As a consequence, the technology of information and communication is increasingly mediating experiences (Neuhofer et al., 2013). As customers gradually prefer to go their own way, the relationship between customers and companies is changing in favour of customers who are increasingly gaining power and control.

But, what is the role of passenger in the equation of air travel business – passengers – technology? Is he responsible for the change of business in air travel sector? Or, on the contrary, the air travel sector does influence the behaviour and the habits of the customer?

This paper provides a theoretical framework regarding the impact of ICTs on airlines and airports business, and presents findings in terms of relation between the needs of smart tourists (passengers) and airlines and airports offer.

Literature review

The Information & Communication Technologies (ICTs) have radically changed the world. In the transport sector, the impact of technology is tremendous. Airlines were early adopters of ICTs and have a long history of technological innovation, in comparison to many other travel and tourism businesses (Buhalis, 2004).

30 years ago, the technology - the computer reservation system, CRS - was used to store and provide information and enable transactions related to air travel. Travel agents used then the Global Distribution System (GDS) for their bookings to sold approximately one billion airline tickets per year. The GDS model is focused on finding the lowest fare and not on the attributes of the product being sold, it contributed to the commoditization of air travel. In these days, the personal customization has become very important. Travel agents are obviously more customer focused on a personal level than an airline. This New Distribution Capability (NDC) enables airlines to fill a capability gap between their direct (Web) and indirect (Travel Agents) channels, providing identical retail capabilities across all channels. The process utilizes a Dynamic Airline Shopping engine API based on IATA XML messages (Schonland, 2012).

Nowadays, the technology acts like a bridge between airlines, airports or other flight services providers and customers. In today's digital world, airlines typically distribute tickets both via their own websites and through online travel agency (OTA) platforms (Koo, Mantin & O'Connor, 2009). The consumer websites such as Expedia, Smarter Travel, Travelocity, Orbitz, Kayak, have fully integrated the reservation systems, allowing users to manage the travel arrangements easily and rapidly. Although associated with higher distribution costs, selling tickets through the platforms offers airlines exposure to a broader consumer base, and potentially higher sales than selling tickets solely through their own websites (Koo, Mantin & O'Connor, 2009). From the passenger angle, time and cost

savings is use of technology biggest benefit; it reduces waiting time, is more efficient, flexible and convenient. Thus, the passengers became more involved in the purchase process, and they are able now to find the most appropriate airlines and the best routes for their specific needs, to compare offers and prices, to create their own customized flight package (including pre-flight, in-flight and post-flight services).

In order to improve the quality of services and to offer a larger variety of options, airports and airlines are adopting self-service technologies (SSTs). Therefore, technological interfaces enable companies to delight their customers instantly by allowing them to solve their problems using technology (Bitner et al., 2002). In that context, the adoption of self-service is gaining importance in air transport industry for two main reasons: increased efficiency and reduced costs and labor (Abdelaziz et al., 2010). The airport interactive kiosk, a standalone desk or an interactive computer terminal, puts control into hands of the customers (Rowley and Slack, 2003). It provides information, goods, or services, can be used by individuals to purchase tickets, check baggage, and monitor the status of arriving and departing flights at a specific airline's computerized kiosks, contributes to ease congestion and prevent long lines at check-in counters, and it can be a booth where people can purchase food, magazines, or souvenirs from a salesperson before or after a flight (Abdelaziz et al., 2010).

But using the latest developments in technology provide high value and high quality traveling experiences to visitors. This is one of the most important reason airports and airlines try to design and implement new, intelligent tools for tourists who use smartphones, Google calendars, and web browsers. These tools enables tourists to quickly find responses to their questions, identify activities by type and proximity and fit those activities into personalized itineraries - all without the need for a translator, tour guide, or travel agent.

The mobile applications connected with social network services as well as with traditional websites allow such exchanges to be informed by social information and for feedback to be instantaneous. Smartphones and their applications provide comprehensive mobile information services that facilitate travellers across the travel process (Gretzel, Fesenmaier & O'Leary, 2006). Recent findings reveals that 75% of frequent travellers use mobile devices. As a consequence, the mobile presence of the airports and airlines is absolutely necessary for providing best customer service and corporate branding. The mobile applications and websites benefit airports and airlines internally, but they also help satisfy travellers' expectation of having instant access to travel related information: flight status, gates, boarding, terminal maps, parking rates and available shopping, dining options etc.

The recent research published by SITA¹ shows the way technology is shaping the future of air travel. They consider that airline IT investment priorities continue to focus on mobilizing the passenger journey, as they have done for the past years, but airlines are also showing a strong interest in improving business intelligence to better understand their operations and customers. More than that, the airline industry is an industry that is fast adopting the digital world. In order to improve the formalities and procedures, some

¹ The Airline IT Trends Survey, SITA 2013, <http://www.sita.aero/surveys-reports/industry-surveys-reports/airline-it-trends-survey-2013>.

airports adopted new trends and installed smart gates for customer, which are secure, automated self-service alternatives to the conventional face-to-face border control process. The devices identify users through their passports, ID cards or e-Gate cards, and also use facial and eye recognition technology to verify the user.

As technology and the people interests evolve, so does social media. More articles and discussion will take place regarding Google Glass as the future of technology. Since its public unveiling in April 2012, the tiny head-mounted Android computer has been collecting controversy and sociological analysis. It is currently available in limited beta to eminent members of the tech community and to a selection of "Glass Explorers", but is evolving with a rapid pace and the air travel sector would be one of the first large industry that implement it.

Approach

The paper provides an exploration of the new concepts and of relation between the smart tourists (passenger), the ICTs and the air travel sector.

To analyse new concepts with regard to a development process of the changing air travel business and consumers marks at the same time 1) a new perspective on the travel industry itself, as an occasion of many debates on concepts; 2) an actualisation of past conceptual elements as contributions to the understanding of the actual theories; 3) an extension of conceptual approaches to new questions and sources which require innovative revisions in methodology and research practices.

Two points of departure for the research issue from the analysis of the existing concepts on consumers experiences and air travel business: 1) The discussion centres around interpretations of the key conceptual clusters which are subject to the research paper: ICTs - smart tourists - air travel sector; 2) The debate on air travel industry development has rarely led to asking how these key conceptual clusters should be re-interpreted with regard to their influence on global air travel industry performance, but often the second step was made before the first and it was discussed which concepts were satisfactorily realized and which were missing.

Findings

The notion of creating experiences has become ultimate for successful business operations, structures and strategies. Considering that the performance of businesses heavily relies on minimising the imitation of tourism products and services and on maximising the creation of valuable experiences, it is crucial for business suppliers to gain an in-depth understanding of the paradigm shifts changing the conditions they are operating in. To that end, the paper set out to conceptualise technology as a tool for the next generation air travellers.

The meaning of the concepts in these contributions was neither discussed nor made explicit. This hints at a decisive lack: in the dominant contributions from co-creating experiences studies, the criteria as according to which the ICTs influence is obvious are often explicitly or implicitly taken from the example of airports. Moreover, in several contributions on ICTs impact on air travel business, a static and a-temporal use of key conceptual clusters is apparent.

We are only at the beginning of exploring the nature of relation between the smart tourists and new (digital) business research in air travel sector. This project contributes by providing an initial conceptualisation of technology as a tool for the smart tourists and for the next generation business as well.

This paper undoubtedly leaves open many questions that are to be addressed in the future.

What is required therefore is a re-reading of the conceptual sources and a re-description of key conceptual clusters in the new digital context. Building on the conceptual propositions of this paper, an agenda for future research on technology changed passenger behaviour needs to be set out to both strengthen the theoretical basis and extend the implications for business operations, structures and strategies. To develop this new concept, many studies are needed to find out how to use different types of technologies to facilitate experience co-creation of the digital tourists, and how to exploit the link between the air travel suppliers (business), ITCs and smart consumers to re-design the air travel experiences in the future.

As a conclusion, the use of smart technologies changes the way passengers act and all these have tremendous implications on the air travel business. In this respect, it is important to outline a few trends in the air travel sector:

- Developing mobile applications allows airports to build and maintain a mobile platform in one development environment while providing access to users with multiple devices and operating systems;
- Mobile applications provide more functionality than websites and enable airlines to drive revenue by selling ancillary services and flight upgrades, among other things;
- When price allows, travellers tend to stick with the airlines have provided positive past experiences, so providing a mobile application will allow them to store and quickly access personal information, book flights, and check flight information all in one place;
- Google glass can be the future of technology in air travel sector as well, providing customers revolutionary tools for air travel.

Conclusions

However, the new, smart technologies are subject to social transformation, since they are used in airlines, airports, hotels, travel agencies, tour operators and destination management organizations, as an important support of interplay with digital travellers. Therefore, the link between the passengers and airlines / airports is based not only on the interaction between the tourists and the suppliers, but on the new network formed because of the interaction between the tourists and facilitated by the technology.

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