E-tourism at a glance….Tunisia

Tunisia

Introduction

Information and communication technologies (ICTs) are an important lever for economic development, especially for developing countries such as Tunisia. Access to new technologies and the Internet in particular, is considered a prerequisite for companies and consumers participating in the digital economy and especially in the development of e-commerce.

Tunisia's approach concerning e-commerce focuses on the following directions:

- the institution in the country of a suitable legal and regulatory framework for developing e-commerce;
- the importance of raising awareness and spreading digital culture;the need for a reliable infrastructure at a reasonable price and which is easily accessible for users;
- a sector-based policy, which is based on well thought-out choices of priority sectors with great potential, which must be sustained with support and encouragement;
- sound achievements initiated by the government within the framework of the on-line public administration (e-government), setting the example for the private and manufacturing sectors.
- the putting in place of electronic payment platform with the involvement of the banking sector to keep electronic transactions secure.

ICTs as a development vector for Tunisia's tourism industry

<u>Distribution of Tunisia's tourism product</u>

Tourism in Tunisia is essentially marketed by foreign tour operators as an 'all-inclusive' package including accommodation and airfare. Only business customers avoid this distribution network.

The majority of tour operators which offer Tunisia in their brochures are European. The main ones are Neckerman, with a 13% share of the market in terms of overnight stays; then with decreasing shares of the market there is TUI with 10.2%; ITS with 6%; and Étapes Nouvelles with 5%.

The consolidation witnessed by some European travel wholesalers has made them major actors against which Tunisian hoteliers cannot hold their own, particularly as they have shown themselves incapable of uniting or at the very least coordinating their business positions in order not to be subjected to conditions imposed by tour operators.

The imbalance of power in favour of tour operators explains the low sale prices of Tunisian hoteliers. The occupancy rate takes priority to detriment of profitability for hotels. This lead the sector to the following problematic situation: the Tunisian hotel industry in pursuit of an improvement in the occupancy rates has been marketing itself at very low prices and very low levels of profitability.

Faced with this unfavourable situation, some actors in the Tunisian hotel sector started to use the Internet as an additional distribution channel to those of tour operators. At the end of 2004, of the 800 hotels in the country, about a hundred had a web site, but of these only 8 were transactional.
Therefore it is necessary to quicken the pace of development of on-line booking so that this channel can represent a true counterweight to the traditional distribution system. It is even more important to speed up progress in this field since some competing countries, such as Morocco and Egypt, are rapidly gaining ground on Tunisia regarding the adoption of ICTs in tourism.

Reducing dependence on big foreign tour operators

A study published in July 2003 by the World Bank on the development strategy for the Tunisian tourism sector recommends some future directions for the sector. Among the recommendations, there is the necessity of improving the balance of power with the dominant actors of global tourism, to take the situation in hand and to target the promotion of the destination better.

It is a necessity to resort to new information technologies, especially the Internet. ICTs can help to rationalize production and distribution networks, and to analyse the value creation chain.

ICTs further the development of holiday options other than the packages and deals offered by tour operators. One option, among others, would be customized trips designed on-line which could interest an upmarket clientele.

The use of the Internet in the main tourism markets for Tunisia

Tunisia’s tourism market is mainly sustained by flows from Western Europe and the Maghreb.

Table 4 shows the arrivals between 1999 and 2003 from the main tourism markets for Tunisia, namely the French, German, Italian, British and Maghreb markets.

Table 4: Arrivals of non-residents by nationality (thousand)

Origin	1999		2000		2001		2002		2003	
	No.	%	No.	%	No.	%	No.	%	No.	%
Algeria	616.4	12.76	611.6	12.09	623.1	11.57	728.3	14.38	811.5	15.87
Germany	1036	21.44	1011	19.99	934.7	17.35	613.7	12.12	488.5	9.55
Austria	138.3	2.86	110.2	2.18	114.8	2.13	77.2	1.52	70	1.37
Belgium	132.4	2.74	139.8	2.76	150.7	2.80	122.1	2.41	132.6	2.59
UK	261.9	5.42	299.4	5.92	314.7	5.84	257.8	5.09	223.2	4.36
Denmark	20.6	0.43	19.6	0.39	16.5	0.31	9.5	0.19	10.5	0.21
France	893.7	18.50	997.9	19.73	1047	19.44	885.2	17.48	834	16.31
Netherlands	69.1	1.43	67.6	1.34	62.4	1.16	48.9	0.97	44.5	0.87
Italy	354.6	7.34	393.9	7.79	398.3	7.39	375.2	7.41	379.8	7.43
Libya	603.1	12.48	685.2	13.55	1017	18.88	1281	25.30	1326	25.93
Morocco	37.8	0.78	37.7	0.75	35.5	0.66	38.9	0.77	35	0.68
Middle-east	32.3	0.67	27.7	0.55	30	0.56	30.5	0.60	30.9	0.60
Sweden	16.2	0.34	24.5	0.48	28.4	0.53	20.7	0.41	23.3	0.46
Switzerland	110.2	2.28	118.4	2.34	114.2	2.12	93.9	1.85	85.8	1.68
USA	13.6	0.28	16.4	0.32	14.1	0.26	11.6	0.23	10.3	0.20
Others	495.2	10.25	540.1	10.68	485.9	9.02	469.3	9.27	608.7	11.90
Total	4832	100	5057	100	5387	100	5064	100	5114	100

Source: http://www.ins.nat.tn/_private/idc/page011331.idc (referred to on 9th December 2004)

The analysis of the main markets' Internet use shows the importance of this tool in tourism distribution.

The German market

Germans are increasingly using the Internet. In September 2004, the number of Internet users was estimated at 47,182,628 (the rate of connectivity is 51.7%) i.e. an increase of 96.6% on 2000. This trend has influence the behaviour of the German tourist at the booking stage and when gathering information to plan holidays. In 2001, the percentage of German travellers who had made their bookings (or part of them) via the Internet was 7% compared with 48% who had use the services of a travel agent.

The main sources of information to which the Germans had recourse when planning their travels were (in order of importance):

- family and friends (42%);
- travel agencies (35%);
- **Internet (20%).**

In 2002, roughly 34% of German tourists looked for information for planning their holidays on the Internet compared with 43% from travel agencies. (Source: DZT = Deutsche Zentrale für Tourismus).

According to ‘Reiseanalyse 2004’, 62% of Internet users have already used this tool for gathering tourist information before their travels, while 23% have already used it to book holidays (or part of their holiday) on-line.

For this reason, the Internet seems to be a tool which cannot be overlooked in this market segment for planning, gathering information and booking holidays.

<u>The French market</u>

Although France has shown a delay compared with other European countries concerning the Internet, which is essentially due to the predominance of Minitel as a primary information system, the number of French Internet users has shown a remarkable increase of 186.5% on 2000 with 23,352,522 Internet users in September 2004, so the connectivity rate of the population to the Internet was 40.6%.

Concerning the habits of the French regarding planning holidays, it should be borne in mind that:

- most French travellers gather information before going abroad;
- 25% use the Internet for planning their trips;
- 14% of Internet users buy their holiday on-line.

The trend towards using the Internet for planning holidays should continue over the next few years, especially as several tour operators and travel agencies marketing Tunisia as a destination have started to promote Internet sites for selling their package deals.

This trend of convergence in the travel industry towards on-line marketing once more confirms the impact of new information technologies on the main generating market for Tunisia.

<u>The Italian market</u>

The Italians are increasingly going on-line, the number of Internet users (up to September 2004) rose to 28,610,000 (i.e. an increase of 96.6% on 2000) which is equivalent to a connectivity rate of 49.3% of the population.

Increasingly, young Italians are using the Internet to book their holidays directly or are calling call centres after having researched their holiday using the Internet.

It is estimated that 54% of Italian holidaymakers have used the Internet at least once to book a component of their holidays abroad.

As for the marketing of tourist destinations in this segment of the market, the emergence of travel agencies which sell their products on-line should be noted, for example: Buon viaggio, Sestante, Blu Vacanze, Le Marmotte, Cisalpina, Frigerio, Pinguino and Travelshop.

The British market

The connectivity rate in the United Kingdom reached 58.5% of the population in September 2004 with 34,874,469 Internet users, i.e. an increase of 126.5% on 2000.

A recent study by the management consultancy ABTA revealed that 68% of adult Internet users use the Internet to get information about travel and accommodation while 50% are prepared to book on-line in the next two years.

The Internet is an important distribution network for the travel industry in the United Kingdom. According the most recent Mintel report, the on-line travel market is expected to reach €7.3 billion (£4.8 billion) by 2007 compared with €2.2 billion (£1.4 billion) in 2002. This growth is attributed to the growing penetration of the Internet as well the increased confidence of Internet users.

The Maghreb market

The Internet connectivity of the population is very low, i.e. 1.6% in Algeria, 2.1% in Libya and 2.6% in Morocco.

Using the Internet for marketing Tunisia to target these markets is not a priority.

The North American Market

North America is the region the most connected to the Internet; it accounts for roughly 27.3% of users in the world i.e. 201,661,159 in the United States and 20,450,000 in Canada. The connectivity rates in these countries are 68.8% and 64.2% respectively.

Seventy-three percent (73%) of consumers planning to spend their holidays in Europe have used the Internet and 48% have bought at least one component of their trip to Europe on the Internet.

New markets on the horizon

Tunisia is increasingly broadening its sphere of promotional activity to target new markets, potentially large tourist generators, and to adapt itself to a volatile situation in the global tourism sector. Acting in conjunction with professionals in the sector, the Office de Tourisme Tunisien (Tunisian Tourism Office) is redoubling its efforts to reach new customers in countries like Malaysia, China, South Africa, Turkey, Serbia and even countries in Latin America. For example, Tunisia signed a tourism cooperation agreement with China in June 2004 and since then has had the status of an approved destination.

Despite China's low connectivity rate of 6.8% in September 2004, the growth rate for the same period is phenomenal – 286.7% on 2000. The number of Chinese connected to the Internet has reached 87,000,000.

The European Travel Commission estimates that the number of Chinese connected to the Internet should reach 180 million by 2007.

The importance of partnerships in drawing up and implementing a national e-tourism strategy

The Tunisian government has put in place several consultation structures with tourism sector actors to bring them together and involve them in implementing the national strategy in this sector. In addition to seminars and workshops organised by the Office National du Tourisme Tunisien and bringing together professionals from the sector and the public administration, there are the following structures:

National Commission for Electronic Commerce

In November 1997 a National Commission for Electronic Commerce (CNCE) was set up. "This commission is responsible for implementing the strategy and developing e-commerce infrastructure in Tunisia.
This plan, which aims to kick-start a new national economy, based on new technologies, is supported by an appropriate legal, business, financial and tax system".

National Tourism Watchdog (L'Observatoire National du Tourisme)

This is an informal consultative structure which brings together the tourism administration and representatives of the profession. Set up in 1995, the tourism watchdog meets regularly under the chairmanship of the Tourism Minister.

National Tourism Council

Established by decree n° 97-1215 of 23 June 1997, this council is a consultative body responsible in particular for "examining and suggesting any measures which aim to implement the choices and orientations of the government's tourism policy and to define the priorities and coordinate the development and promotion of tourism in Tunisia". It is chaired by the Tourism Minister and is made up of 27 fully-fledged members representing various government ministries, agencies and offices as well as the Tunisian Central Bank, the national carrier TUNISAIR, the Tunisian Hoteliers Federation and the Federation of Tunisian Travel Agents.

The management committee for competitiveness funds (Le comité de gestion du fonds de compétitivité)

Established by article 58 of Act n°95-109 of 25th December 1995, the Competitiveness Development Fund in the tourism sector has as its aim "to finance promotional campaigns decided on in agreement with the professional organizations and to finance sectoral and strategic studies suggested by the consultative management board". Supported by professionals, this fund is governed by the rules for special public treasury funds.

Le Comité de Gestion du Fonds is chaired by the Minister for Tourism and comprises seven full members who represent the Tunisian Hoteliers Federation, the Tunisian Travel Agents Federation and national airlines. In particular it is responsible for:

- proposals for using funds and draft budgets;
- ensuring the monitoring and evaluation of programmes already underway;
- giving its opinion on all the issues which are put forward by the Minister for Tourism and Arts and Crafts and which fall within its jurisdiction.

The pursuit of a national consensus on the E-Tourism Initiative

Aware of the importance of new information and communication technologies for the tourism sector and the challenges which this sector faces, especially international competition and the trends in the generating markets in this information age, the Tunisian government launched a national tourism consultation involving the various actors, both public and private, working in the country's tourism industry.

The main aim of the consultation was to reach a consensus on the choices concerning policies and development strategies for the sector. The consultation also aimed to define the concerns of the relevant professionals, to encourage actors in the industry to take part in the process of designing strategies, and to strengthen public-private partnership by concluding contractual agreements, alliances and cooperation agreements.

This approach involving all the players is relevant because the more the actors in the sector cooperate and participate early on in creating and fixing goals, the more they will feel committed to implementing the strategies decided on.

From this consultation emerged the deep awareness of professionals in the sector of the importance of a well though-out use of ICTS and the existence of a solid public-private partnership to improve the competitive position of Tunisia's tourism product.

The measures adopted in response to this consultation were:

- the creation of a national portal with a view to promoting and marketing the national tourism product more dynamically by bringing together all the parties involved in the sector;

- the creation of regional committees responsible for ensuring the follow-up and the coordination of the activities of the various actors in the tourism sector at a regional level;
- the drawing up of a communication strategy adapted to the requirements of the tourism demand;
- the creation of a permanent committee to follow up the recommendations of the national consultation;
- the implementation of an integrated training plan;
- the transformation of the Sidi Dhrif Tourism college into a 'grande ecole' for tourism studies;
- the implementation of a pilot scheme for the modernisation of around 45 hotel units with a capacity of 20,000 beds.

On 11th May 2004, the Tunisian National Tourism Office (ONTT) organised a seminar on 'Tourism and New Information and Communication Technologies'. This seminar was part of the national consultation on tourism development strategy launched by the government and aims in effect to take a more thorough look at the sector's future, namely constructing e-commerce web sites for marketing Tunisian tourism products, and this due to the implications for the sector of new information technology and the new trends in tourist behaviour (increasing Internet use).

Three main workshops for considering the issues were part of the seminar:

1. The strategy for marketing Tunisian tourism services via Internet;
2. Tunisian regulations on home-shopping applied to tourism and how to deal with problems;
3. The institutional message transmitted by the portal.

Table 5 shows the main speakers and describes the substance of what was said.

Table 5: Summary of the 'Tourism and New Information and Communication Technologies' seminar

Speaker	Subject of speech
Minister for Tourism and Arts and Crafts	The strengthening of public-private partnerships in tourism, particularly through the creation of a national tourism portal which illustrates the complementary qualities of the Administration and the profession.
Liberty TV (a private company)	The stimulation of a spirit of partnership and coordination between the Administration and professionals in the sector, each in its field, is essential for the successful implementation of the future national tourism portal, a tool which combines public and private.
E-receptif.com (a company)	The private initiative of an on-line travel agency
Foreign consultant: Cabinet Raffour interactif	Autonomous and independent distribution on the Net. The importance of interactivity for the tourism sector.
BonjourQuébec.com	The Québécois model of the BonjourQuébec.com portal and the factors of success which make it an example to follow.
Microsoft North Africa	The opportunities offered by the Internet for developing tourism products.
Tunisian Internet Agency (ATI)	Payment security and confidentiality of customers' private data.
L'Office National du Tourisme Tunisien (ONTT) *(Tunisian National Tourism Office)*	- Ethical and deontological concerns. - Price wars on the Internet. - Aggressive Internet sale strategies which could lead to

	reduced margins for producers. - Absence of choice in the use of credit cards means that the development of e-commerce in Tunisia may be hindered (the e-Dinar – Tunisia's virtual currency is not the solution).

Conclusion

The pursuit of greater autonomy in the destination's distribution has become a priority for Tunisia. ICTs are considered as a development vector for the Tunisian tourism industry. The different actors in the industry recognize the importance of a public-private partnership in drawing up and implementing a national e-tourism strategy. Practical initiatives aimed at finding a national consensus on e-tourism were successfully implemented in 2004. The process of setting up a DMS is now well under way.