

Adoption and impact of E-commerce on Sri Lankan tourist sector

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Tourism is one of the main contributors to Sri Lanka's economy. The whole industry of tourism has taken a new shape during past few decades with people seeks to travel more often than earlier expecting different experiences and destinations due to the advances in technology. In this context the adoption of new technological approaches such as E-commerce has resulted in positive impact on the tourist sector of many countries. This study is aimed at evaluating the use of E-commerce on tourist sector of Sri Lanka and compares its situation with some other popular tourist destinations in the world. The electronic hotel reservation process, the main component which can be useful in tourist sector is the main concern in this study. A survey method is used to gather information and four other countries namely USA, Italy, Malaysia and Thailand are compared with the status of Sri Lanka. These countries are selected to analyze the situation in the region and in developed world. Both star rated and economy hotels are considered. The E-Commerce penetration is identified in terms of attractiveness, consistency, performance, E-commerce usage and effectiveness of the electronic reservation systems. The impact is identified in terms of tourist arrival, the contribution of tourism industry to total GDP of the country and the technology achievement. The survey results shows that E-commerce penetration is the lowest in Sri Lanka compared to other countries considered in the study, with 37% in star class hotels and around 10% in economy class hotel sector, while regional competitors such as Thailand and Malaysia are well above Sri Lanka's situation. A detailed study is conducted to identify main weaknesses and issues related to adoption of E-commerce in tourist sector of Sri Lanka. The non professional, incomplete nature of the systems is identified as highlights of the drawbacks of Sri Lankan E-Commerce sites. Recommendations are given for the improvement of the situation. The study is mainly based on data from year 2005 to 2007

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