

Global Distribution System for ancillary services in tourism industry: with reference to travel agents in Sri Lanka

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Background

Most countries in the world have gained economic advantages through tourism. They have implemented various strategies systematically for both inbound and outbound tourism sectors. Tourism industry in Sri Lanka is giving special attention to inbound tourism. Local tourism sector in Sri Lanka has low attention to integrate with global technologies (Wickramasinghe and Takano, 2009). Travel agents in Sri Lanka are doing a very important task by providing all the combined services that a traveler needs from one travel destination. Travel agents are supplying tourism related ancillary services for their customers and these services are very attractive and have an enormous demand from foreigners. However, availability and supplying these ancillary services such as elephant ride, whale watching, trekking and hiking, diving, deep sea fishing, rock climbing, hot air ballooning and camping sites also do not fulfill the current requirements from foreign entities. All the travel agents in Sri Lanka are using websites and online applications to promote their travel services. But there is no inter connectivity with each and every information source. To make connectivity technology has been introduced to the Global Distribution System (GDS) (Schulz, 1996).

Research problem

The ancillary services are currently isolated and function in their own entities and no proper selling platform has been established for this component in the local context. Although, the travel agents in Sri Lanka are utilizing the hotel accommodation module form the GDS, reservation of ancillary services or activities are always a manual process and consumed more time on it. Mostly the ancillary services are trade and promoted through telephone and traditional methods. There are no online portals available for travel agents to accelerate the reservation of ancillary services. In the competitive business environment this will not be able to attract international travelers. Due to the non-availability of the particular ancillary service, the traveler or the travel corporate will be demotivated and totally drop the relevant

market. This will directly impact the Sri Lanka tourism market. This is a real way problem that needs to be addressed and find a proper solution to give more economical benefit.

Objectives

The primary aim of the present study was to identify the requirement of a GDS for ancillary services in tourism industry. Moreover the research attempts to identify the ability of incorporating ancillary services to GDS for tourism industry in Sri Lanka.

Research Methodology

The population for the study was the travel agents in the tourism industry in Sri Lanka. Congruent to the research conducted by Athukorala (2008), among the 150 ancillary service providers registered at the Sri Lanka Association of Inbound Tour Operators (SLAITO), 50% were randomly selected as the sample. A survey was conducted as the main method of data collection. Further in-depth interviews were conducted with six SLAITO executive members. Descriptive statistics were used to analyze the data obtained from the structured questionnaire.

Key Findings

The study revealed that 75% of the travel agents used telephone as the main method of reservation of ancillary services although they were in operation for more than 10 years in the travel industry. Furthermore, all the respondents use GDS for airline ticketing and the hypothesis testing revealed a significant relationship ($p=0.0005$) between the travel agents and GDS.

Ninety five percent of the respondents agreed that GDS should be there for ancillary services in Sri Lanka and 79.5% agreed that after implementing a GDS for ancillary services, it will increase the industry standards. 81.8% respondents provide the insight that with the current competition, GDS implementation is possible. Moreover, 88.63% were emphasized that when GDS is implemented for the ancillary services that will help for the sales development of the

organization. The hypothesis testing further elucidated a significant requirement for a GDS for ancillary travel agents ($P=0.0007$).

Ninety seven percent of the respondents agreed that ancillary services should be linked to the existing GDS. Moreover, 88.63% ascertained the staff is skillful to use GDS and 76.19% have required infrastructure to maintain a GDS. 70% respondents are in a position to invest to implement a GDS for ancillary services and among them 59% can afford USD 1000 as the initial cost and USD 500 annually for maintenance. Furthermore t-test analysis emphasized that the travel agents are in a position to obtain a GDS for ancillary services ($P=0.0034$).

Conclusion

The present study concludes that there is a relationship between online distribution service and travel operations in Sri Lanka. Moreover, the study concludes that there is a requirement of GDS for ancillary services and should be linked with the existing GDS. Presently the travel agents use GDS for ticketing purposes and thus without monetary and infrastructure constrains GDS can be used to provide ancillary services. Therefore, it is recommended to introduce GDS for ancillary services for Sri Lankan Travel agents with more customer oriented manner.

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