

Use of ICT and Develepoment of Tourism Sector in Albania

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Abstract

Information and Communication Technology (ICT) is increasingly playing an important role in developing a competitive economy based on knowledge and innovation. Use of ICT enables the provision of a higher quality of citizen’s life; it helps ease and efficiency of business processes and increase the efficiency and transformation of management.

The use of ICT in different sectors of the Albanian economy has begun to be realized rapidly, improving economic and financial performance and expanding the range of services that are offered to users.

ICT has been used massively also a sector which in Albania brings an important impact on GDP it is the tourism sector, however, it is noted that the use of ICT in this sector is at levels lower than in other countries of Europe as well as the region.

The use of ICT and the Internet in the tourism sector in the world but also in Albania has enabled the creation of a new business environment, the global distribution of information as a very important element for the tourism sector and the creation of new channels of distribution, transforming the tourism sector globally.

The tourism sector in Albania, which is competing strongly from neighboring countries after the period of its establishment and strengthening, currently faces the challenge of the massive use of ICT in the provision of information and the enhancement of services for its clients.

The purpose of this paper is to evidence the level of use of ICT in the tourism sector in Albania, and based on analysis of data collected, presents recommendations on the use of ICT in the sector, aimed at increasing performance, expanding services and improving the quality of services provided to customers.

Keywords: ICT, tourism, internet, web site, services, information, economy, GDP

Introduction

The tourism sector plays an important role in achieving economic sustainability, affecting employment growth, job security, wage growth, and market creation for local products and services. Tourism is considered to be one of the largest industries in the world, which is expanding rapidly and in which information technology is used efficiently.

Although tourism plays an important role in the Albanian economy by contributing to the improvement of the quality of life and the creation of an attractive investment environment, its development has not responded to the demands and expectations of both domestic and foreign tourists.

ICT acts as an important element in the tourism industry. The use of ICT and the Internet has been an instrument that has given its impact on the activity of tourism entrepreneurships. The use of ICT and the Internet in this industry has been so extensive that the functioning of this industry at the current stage would be considered impossible without the support of ICT and the Internet.

The use of ICT has made it possible for consumers to be able to interact directly with touristic service providers, which allows them to identify and meet their needs and requirements for tourism products, which change constantly, precisely for increase the tourist demand. At the same time, service providers on the other hand are able to deal more efficiently with the increasing complexity and diversity of consumer demand.

The concept of eTourism can be used to link ICT with the tourism industry in order to achieve the complete digitalization of all components in the supply chain in the tourism sector, to obtain the necessary information and knowledge, as well as the realization of the required tranches.

Literature review

Tourism plays an important role in the EU because of its economic potential and employment as well as its social and environmental consequences. Tourism statistics are used not only to monitor EU tourism policy, but also the policies of sustainable regional development.

Scheidegger (2006) states that the tourism industry is one the least productive sectors in the economies of the most developed countries.

In 2012, one in ten enterprises in the European non-financial business economy belonged to the tourism industries. These 2.2 million enterprises employed an estimated 12.0 million persons. Enterprises in industries with tourism related activities accounted for 9.0 % of the persons employed in the whole non-financial business economy and 21.9 % of persons employed in

the services sector. The tourism industries' shares in total turnover and value added at factor cost were relatively lower, with the tourism industries accounting for 3.6 % of the turnover and 5.5 % of the value added of the non-financial business economy.

(http://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_statistics)

The UNWTO has defined tourism as "The activities of persons travelling to and staying in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited". (UNWTO: 2014)

Tourism has become a major industry (Brown Frances & Hall Derek: 2008), which has still been expanding rapidly during the last decade. Despite the current economic downturn, the WTTC (World Travel and Tourism Council : 2008) has prospected a steady growth of 4.4% a year between 2008 and 2018, rising to generating approximately US\$10,855 billion a year in 2018, supporting 297 million jobs and 10.5% of global GDP.

ICT is currently one of the main driving forces of the economy. A quarter of GDP growth in the EU comes from the ICT sector. ICT and innovation investment in 2020 is expected to contribute to increased productivity in the EU by 45%. In Albania, only electronic communications sector as part of ICT, contributes to 5-6% of GDP. (Ministry of Innovation and Public Administration: "Cross-Cutting Strategy: Albania's Digital Agenda 2015-2020").

According to Buhalis (1998), can be pursued two strategic directions: tourism enterprises or may provide value differentiated from competitors by developing programs of high quality and personalized, for which consumers will be willing to pay a price high, or they can provide cost value, offering less expensive products than those of competitors, through standardization and consolidation and quantity. Buhalis also demonstrates how ICT can contribute to the development of the strategy of tourism business, and all possible interactions between tourism enterprises and their clients, but must be updated to technological progress, the adapt to new services that may be offered .

Information is a very important element for the tourism sector and therefore, according to Poon (1993) "a whole system of ICT is spreading rapidly across the tourism industry, and no player will escape its effects".

Each tourism market player is affected by new information and communication technologies. ICT enables efficient co-operation within the industry and offers tools for globalization (Buhalis, 1998).

The benefits resulting from ICT application in the travel and tourism sector have been proven by an extensive number of studies. The most of

researches predominantly focused on the impact of information and communication technology in travel distribution (e.g. Marcussen, 1999; Werthner & Klein, 1999; Buhalis & Molinaroli, 2003; Law, Leung & Buhalis, 2009).

Technological progress and tourism have been going hand in hand for years. Since the 1980s, ICT have been transforming tourism globally. Developments in ICTs have undoubtedly changed business practices and strategies as well as industry structures. Increasingly, ICTs play a critical role for the competitiveness of tourism organizations and destinations (Poon: 1993, Sheldon: 1997, Buhalis: 1998, O'Connor: 1999, Porter: 2001, Buhalis: 2003, Buhalis, D. & Law, R.: 2008).

ICTs are becoming a key determinant of organizational competitiveness and productivity, allowing the tourism industry to increase its market share and boost its capacity to launch new innovations. (Aramendia-Muneta, M. Elena, & Ollo-Lopez, Andrea, 2015)

Successful ICT deployment requires innovative management to constantly review developments and adopt suitable technological solutions in order to maximize organizational competitiveness.

In general the expansion of the use of information and communication technologies (ICT) in the tourism industry has created a more competitive environment, and they have become an indispensable element of business development (Berné, 2015).

Technology-enabled tourism, commonly referred to as e-tourism, is now impacting every aspect of how hospitality and tourism organizations conduct business. Industry members are forced to keep up with new technologies to remain competitive, and hospitality and tourism graduates are increasingly challenged to bring forward current skills and competencies in the field of e-tourism. The need to constantly update educational curriculum is critical, as new technologies continue to span across hospitality organizations and the globe. (Elliot, S. and Joppe, M. 2009).

The situation of the tourism sector in albania

Albania is known as an attractive, authentic and hospitable tourist destination in Europe, based on the sustainable use of natural, cultural and historical potentials, easily accessible from international markets.

Over the years, there are many problems associated with tourism planning, lack of capacity, problems related to quality of services, deficiencies in infrastructure, lack of coordination between central and local government, not coordinated investments by private entrepreneurs and missing role of Ministry of Tourism and Urban Development. (Ministry of Tourism and Urban Development: "National Tourism Strategy 2014-2020")

According to the data for Albania, by the WTTC (World Travel & Tourism Council), the direct contribution of tourism sector in GDP for 2014 was 82.3 billion ALL, or 5.9% of it, while for 2015 was 80.6 billion ALL, with a decrease of 2.1%, which ranks Albania in 116-th position in the global classification of WTTC. The direct contribution of tourism sector in GDP is expected to grow by 4.1% per year or 120.4 billion ALL (6.2% of GDP) by 2025.

Tourism sector has generated 50.500 jobs in 2014 (5.3% of total employment), and 52 850 jobs in 2015 (5.75% of total employment), which ranks Albania in 111-th position in the global ranking of WTTC. This includes employment by hotels, travel agents, airlines and other passenger's transportation services. It also includes, for example, the restaurant industry activities and leisure, supported directly by tourists.

By 2025, the tourism sector will enable up to 62,000 direct jobs, with an increase of 2.2% per year over the next ten years. (WTTC 2015)

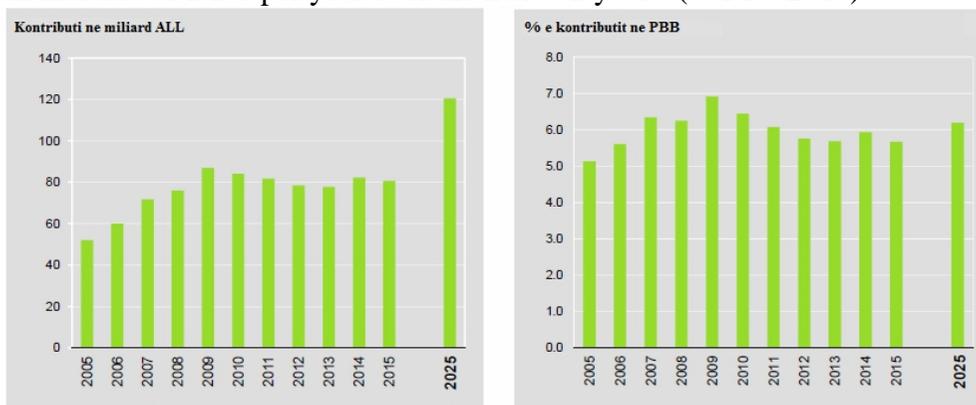


Fig. 1: The contribution of the tourism sector in Albania (source: WTTC "Travel and Tourism: Albania Economic Impact 2015")

Regarding the accommodation units in Albania, according to data obtained from the National Tourism Strategy, 2015-2020, for 2015 the number was 756 accommodation units, with a total of about 297,952 beds.

If we refer to the data released by WTTC global concerning the classification under the above elements of Tourism, concluded that Albania, despite quite appropriate geographical and climatic factors, is not in very favorable positions in the classification.

Tourism sector has not responded to the expectations of the Albanian people and foreign tourists associated with the use of the potentials of the country and, what is more important, there has been a steady development of this sector. Over the years are found many problems associated with tourism planning, lack of capacity, problems related to services, deficiencies in infrastructure, lack of coordination between central and local government,

not coordinated investments by private subjects, the absent role of the Ministry of Urban Development and Tourism, etc.

In 2015 it was observed a change in the geography of origin of tourist flows. If a few years ago, arrivals were mainly from the region (Macedonia, Kosovo), in the 2015 season, the flow of tourists were from Slovenia, Slovakia, Czech Republic, Poland, Norway, Sweden, Italy, Austria, Denmark, Germany, France.

A set of tourism factors is affecting in tourist flows, other factors allow increasing of the tourist traffic volume, while a group of other factors contribute to the formation of new types of tourist movement.

The action of these factors mediating in tourist demand and supply rather is in functional terms. In these sets of factors are included:

- Computer reservation systems
- Global Distribution Systems
- Tourist promotion
- Communication
- Travel agencies;
- Tourist transport;
- Tourism policy;
- Accommodation capacity etc

Computer reservation (booking) systems and communication are very important elements that are listed in the group of intermediary factors. Their main role is full information on the type, quality and price of the tourist offer, and implementation of necessary transactions to carry out the booking. Also, communication shall make out the values and features of the tourist offer in comparison with competing offer.

There are two important elements that influence the performance of the tourism sector:

- Dissemination of information on the Internet, E-mail, Web portals, websites, telephones, letters, etc.
- Facilitating the acquisition of tourism services electronically.

ICT is currently one of the main driving forces of the economy. A quarter of GDP growth in the EU comes from the ICT sector. ICT and innovation investment in 2020 is expected to contribute to increased productivity in the EU by 45%. In Albania, electronic communications sector, as a part of ICT has a contribution to GDP estimated at 5-6%. (Ministry of Innovation and Public Administration: "Cross-Cutting Strategy: Albania's Digital Agenda 2015-2020").

The development of the ICT sector is considered as a horizontal policy because the effects of its application extend to all social and economic sectors of the country.

The use of ICT in different sectors of the Albanian economy has begun to be realized rapidly bringing performance in improving economic, financial and to expand the range of services being offered to users.

This trend of the use of ICT has started to undergo even a sector which in Albania brings an important impact on GDP, it is the tourism sector, however, the use of ICT in this sector is at lower levels than the other European countries as well as the region.

Although Albania has a great tourist potential, but simultaneously also a growing trend in the number of visitors during the last 10 years, the level of tourism services is low, compared with countries in the region, generally from a lack of professionalism of staff engaged in this sector, non-professional level of managers or owners who are often themselves in the role of manager, the lack of a vision of what they must to do to be successful and competitive in the tourism market, etc.

Tourism sector in albania and the use of ict

Distribution of tourist enterprises, hotels and restaurants, occupies about 17% of the economy in Albania. The tourism sector, hotels, bars and restaurants are dominated by domestic enterprises with a slight shift in recent years towards international entrepreneurship, especially during the summer period due to the increase of tourism in the country. (Ministry of Economic Development, Trade and Entrepreneurship: "Business Strategy and Investment development 2014-2020").

A very important element in everyday operations in Albanian tourism enterprises is the use of ICT in order to marketing, sales, reservations, etc.

The object of this study is to assess the use of ICT as an important marketing tool in the tourism sector, highlighting the scale of the use of ICT in order to increase clientele and improve the quality of services offered to customers.

To achieve this goal is realized research literature on the use of ICT, the various Internet research and implementation of a questionnaire with 61 different tourist enterprises in some areas of the country.

In general, based on data collected from surveys of enterprises tourism as well as Internet search shows that there is a positive assessment on the use of ICT in the function of reservation, entertainment, travel, marketing, increase clientele and improving quality services provided.

At the same time, the survey data and research on the Internet shows that enterprising tourism in Albania, which are mainly investment entrepreneurs and foreign, have been regular users of ICT and systems to reservation, the status of space accommodating, the entrance / exit customer, electronic payment systems, etc..

Not all tourist ventures have their own website. The survey was developed with tourism ventures, resulting in the picture below about having a website by them.

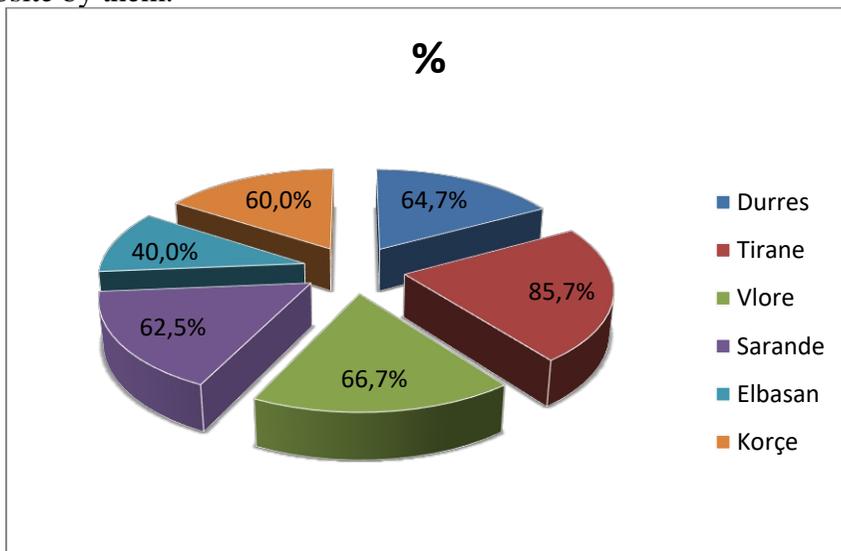


Fig. 2: Percentage of tourist enterprises that have their website

The conducted survey shows that only a small part of the enterprises have implemented a computational system for reservations and their internal management and distribution.

The following graph shows the percentage of enterprises that have implemented computational systems.

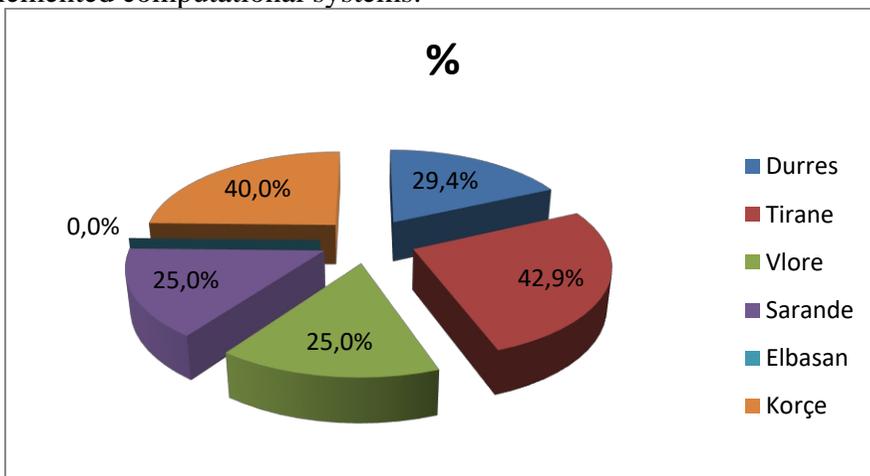


Fig. 3: Percentage of enterprises that have implemented computational systems

Data collected from the survey and from Internet searches show that all tourist enterprises are users of Internet and social networking sites like Facebook, Twitter, etc.

From the responses of the developed survey, it turns out that there was not a correct perception in the fact that the use of ICT had led to an increase of clientele, although the replies received had a positive assessment on the impact of the use of ICT in increasing clientele. This level of assessment is also linked to the quality of investments done in the field of ICT by tourist enterprises.

From the evidences of the responses received, it results that all the enterprises that had their web site and used the information systems for bookkeeping and performing managerial auxiliary tasks, identified the positive impact on the increase of clients after the start of the use of these systems. Likewise, even a part of touristic enterprises that used social networks positively assessed the impact on their clientele's growth

The table below reflects the situation ascertained in relation to the positive effect.

Region	Yes	No	Don't know	% of positive assessment
Durres	11	3	3	64.7 %
Tirana	10	1	3	71.4 %
Vlore	8	2	2	66.7 %
Sarande	6	1	1	75 %
Korçe	3	1	1	60 %
Elbasan	3	1	1	60 %

Conclusion and recommendations

From the processing of collected data as well as from the research done on the Internet, it results that in the tourism sector in Albania the use of ICT is a new reality. But can it be estimated that the level of use is in the right degree?

Information technology is included and used by most hotels. Most of the hotels include a reservation platform.

The Internet is installed and is a service available to customers in most hotels.

Collected responses lead to the conclusion that the use of ICT is not at the right level to give its influence in tourism marketing, customer service, and service management and administration of these tourism entrepreneurship.

In general, it is concluded that the tourism sector's entrepreneurship is positively assessed by the impact of ICT use, but are the high costs they have to make to enable them to implant the right technology that slow down the massive use of ICT. Innovation is very important in increasing competition in the tourism sector as well. Innovation deficiencies that are found in this sector, despite the rapid growth in the IT sector, are the result of insufficient investments in this regard by enterprises.

Knowing that the Albanian market is part of the demand from domestic and foreign clients, investment in digital technology is an alternative with a positive effect, whereby any tourism sector in the tourism sector can become competitive.

On the other hand, this is considered for the tourism sector as an opportunity and at the same time a challenge, as small businesses are less equipped and need time for financial capital to apply these new business models.

A better use of ICT will be in the service of the development of the Tourism Sector in Albania, starting from the fact that ICT is one of the main tools for economic growth and in particular for a faster growth of enterprises in the tourism sector.

Tourism sector enterprises should focus on maximizing the potential of ICT, both in the field of supply, for competitive products and services, as well as in the demand for a smart use of these technologies in the tourism sector.

Encouraging new methods to promote these products of the tourism sector through the use of social networks should be considered as a good marketing opportunity and a growing clientele.

In order to achieve efficient management of the tourism sector, massive use of computer systems for booking, accommodation, tourist guides, the management of the enterprises themselves is recommended, in order to improve the quality and services provided, the accounting and financial management, improve the efficiency of the work .

Any delay in the use of ICT for the marketing of Albania as a tourist destination also raises important problems in the competitiveness of the tourism sector with the regional and wider markets in the field of tourism, which are more advanced in terms of the exploitation of the benefits that comes from the use of ICT.

To optimize economic benefits and management of the tourism sector, more attention should be paid to the use of ICT in the development of strategies and the use of ICT in tourism, with the aim of expanding capacities, empowering, training and disseminating knowledge.

The promotion of virtual enterprises in the tourism sector, which will make reservations, accommodate, attract and transport passengers, is a good alternative that should be further advanced to make it possible not only to increase the number of tourists but also to attract of different categories of tourists.

The Albanian government should play a greater role in electronic commerce and electronic markets, as they have done for previous infrastructure developments (such as highways and aviation). In its various roles as a regulator, educator and promoter, the government and public

administrations can and should use ICT to establish the rules and incentive structure that will help to determine the choices of the tourism sector as well.

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