Tours and Travel Companies in Uganda in the face of Information Technology. A case study of Global Consults Tours and Travel Ltd

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Abstract:- Current businesses have faced undeniable challenges due to changes in technology and its capability of being a creative destroyer cannot be ignored especially in the tourism industry. The project analyzed Global Consults Tours and Travel Ltd, one of the first thrilling travel companies in Uganda before technology disruption by the internet. The study aim was to find out how the traditional tour company responded in the technology era and how its business was changed as a result of new technologies. The researcher collected data by carrying out online researches using three databases i.e. Google Scholar, EBSCO and Web of Science. In addition, a telephone interview was done with the Reservation Manager of Global Consults Tours and Travel. From the findings, it is clearly spelt out that Global Consults Tours and Travel business has declined throughout the years mainly due to its inability to adapt to the current technology systems.

Keywords:- Information Technology, Tourism, Tours and Travel Agencies and Disruptive Technologies.

I. INTRODUCTION

It is undeniable that the tourism industry is ever growing and has provided job opportunities to millions of people worldwide (IATA, (2014); Amalu et al., (2020). Different scholars such as Dowsell (1997); Moscardo & Benckendorff, (2010); Olsson et al., (2020) findings revealed that people travel more in this era than the previous generations. Moreover the entry and accereleted use of internet in commerce has not left the businesses the same especially the tourism industry (Susarla et al., 2012). However, what should be noted the survival of traditional travel agencies especially in developing countries have been threatened by the ever growing online businesses (Eastman, (1995); Aguiar-Quintana et al., (2016).

The study therefore analyzed traditional travel agencies in developing countries by using the case study of Global Consults Tours and Travel Ltd a decade aged travel company in Kampala, Uganda. This particular company was established in 1990 and was among the leading tour companies in Uganda before the digital disruption of the tourism market. Most Ugandans used to buy their tickets from the company (because it used to give ticket loans, since it was an IATA credited and the owner had large sums of capital), and had reliable connections with airlines and travel operators abroad. The company used to leap billion dollars every year

however the interview done by Agaba (2013) revealed that the company was not able to adapt to the digital business strategy and as a result the business was not doing well moreover the managing director (a digital immigrant) was opting to selling it to the digital capable investors or to completely close it.

The company has been reduced to being active in the business of TUGATA (The Uganda Association of Travel Agents) selling few air tickets and Israel tours (group church trips) but has completely lost out in accommodation sector. However not all companies are in the same dilemma in Uganda , for instance the Great Safaris Tours and Travel (owned by a digital native) has adapted to digitalization and is progressing well in that all bookings are online and has even gone in a synergy cooperation with other complementary industries in order to provide a full package to the customers hence competing favorably at the international market (Agaba, 2013). The company which registered in 2001 embraced technology to reach the heights in which it is in as of now.

The company has an operational website (www.safari-uganda.com) and enablement for online bookings and has over thirty employees that are well versed with tourism and technology. Great Lakes Safaris is a one stop shop center for all tourism products in that they have partnerships with hotels, national parks, car hire companies and this has accelerated their business in that a customer does not have to search different databases to have a complete itinerary, it can all be done at Great Lakes Safaris website. The company is also active on Face book, Twitter and has an automated inquiry form and free email updates for previous customers and future potential customers. Great Safaris has been swift in the use of technology which in turn has accelerated its customer base and profit margins and as a result has worn several awards such as; i)Revenue growth champion Uganda 2011-2012 , ii)Number 1 in Tourism category of Uganda's top 50 brands awards 2012 , iii)Nomination for Tourism of Tomorrow Conservation Award 2011, iv)Chimp Award for Investment in Eco-tourism 2008, v)Number 27 of the fastest growing top 100 midsized companies in Uganda 2013.

II. THEORETICAL UNDERPINNING

There are many theories in digitalization such as IT Strategy Alignment Theory, Dominant Logic Theory, Diffusion of Innovations Theory, Technology Acceptance Theory and Disruptive Innovation Theory etc. The writer

used two theories i.e. Technology Acceptance Theory and Disruptive Innovation Theory in the case study of Global Consults Tours and Travel Ltd located in Kampala, Uganda. Internet has grown exponteneously since its introduction in the 1990s. By 1998 the total products traded online in the US alone were equivalent to US 327 totaling to an average growth rate of 110% (Yang & Mason, 1998). Most corporations or companies have invested heavily in digitalization by building intranets and extranets in order to achieve their goals and also to assist their workers to do their jobs better with minimal mistakes (Lederer et al., 2000).

According to Davis (1989) technology acceptance model is one crucial model which can help scholars to understand why some companies use technology and others don't. According to this model the perceived ease of use and perceived usefulness usually predict the people's attitude towards technology and eventual usage of that technology. Davis (1989) clearly revealed that Technology Acceptance Model (TAM) could explain the usage of IT. He based on the theory of planned behavior by Ajzen and Fishbein to show that indeed beliefs greatly influence attitudes which in turn lead to intentions and in the long run generate lasting behaviours. Davis (1989) went further to elaborate that the perceived usefulness and ease represent beliefs that eventually leads to acceptance. He also elaborated that perceived usefulness refers to the level to which a person believes that IT would improve their work or job performance while in perceived ease refers to the level in which a person believes that using a particular IT would be free of effort or hassle.

Other two notions in the TAM are attitudes towards usage and intentional behaviours to use. In the former the person's evaluates desirability by using a particular IT while in behavior intention to use refers to the level of the likelihood a person is likely to use the application (Lederer et al., 2000). Several researchers have researched the TAM for instance the Graphic Visualization and Usability (GVO) center in the USA which spent six months doing the investigation and the indentified ease of use problems that discourage people from using the internet; such as slow speed in downloading or accessing some websites, frequent changes in pages that users knew existed, arrangement of information gathered and the high costs of IT (Krantz & Dalal, 2000). Also the study by Lightner, Bose, & Salvendy (1996) revealed that the internet slowness especially when downloading pictures was an issue which users disliked more about IT as well as unreliable sites.

Griffin (1990) in his study pointed the usefulness measures related to the working environment in that managers could easily relate environment factors of their interest to their companies more easily than dimensions of general information. He indentified seven task related uses of IT i.e. information about customers, suppliers, competitors, government regulations, labor markets, company owners and their relationships. Not only that but other functions such as marketing, finance, employees ,production chain and research and development (Griffin, 1990). Moreover Anthony (1965) pointed out three typologies of managerial decision making i.e. operations, management and

strategically decision making of which information to enhance those decision typologies makes the website very useful in the running of businesses in the current era.

Another theory reviewed is the disruptive innovation theory. Disruptive innovation is undoubtly a powerful force of developing new market that can potentially destroy the existing markets in the long run (Adner, 2002;Adner, 2006;Danneels, 2004;Christensen & Raynor, 2003). Disruptive innovation theory was advanced by Christensen in his PHD thesis and was based on a variety of previous studies in technological innovation. According to Christensen (1997) disruptive technologies are technologies that provide services different from the mainstream technologies and are taken as inferior in the beginning by the main stream customers. Therefore, in their beginning disruptive technologies serve niche markets but subsequently disruptive technologies pick up and are able to penetrate the focal mainstream because of their improved value which usually is lacking in the beginning.

In order to solve the innovator's dilemma of how main stream firms can avoid being overthrown by disruptive technologies, Christensen & Raynor (2003) replaced disruptive technology with disruptive innovation because the theory was widened not only to include technology products but also include services such those of airlines, online businesses ,departmental stores etc. Further Christensen & Raynor (2003) emphasized that disruptive theory could be classified into low end and new market disruptive innovations in that in the former disruptions are those that attack the least profitable and the over served customers at the real low end while in the latter new market disruptions create a new market network that has a potential of overthrowing the mainstream market.

Paap & Katz (2004) pointed out crucial guidance measures to avoid future disruption that companies should not ignore current and potential customers and also should endeavor to make them loyal customers. Also Danneels (2004) pointed out that technology forecasting methods to forecast the possibility of potential disruptive technologies that firms can use to analyze whether their technology will disrupted in future so that they can make necessary preparations to curb such predicted scenario. Several scholars such as Anderson & Tushman (1990) and Christensen & Bower (1996) have found out that innovations are usually developed by new entrants in the market and that with persistence those entrants eventually establish themselves because of their size compared to the main stream firms.

Study by Yu & Hang (2010) was set to find why well managed firms would fail in technological innovator and why an inferior technology could grab the market and even replace the dominant technology. They found out in research that well managed firms at times fail in their human resources, organizational culture, resource allocation and organizational structure due to internal constraints (e.g. manager's reluctance and over confidence in their market share and loyal customers) and secondarily inferior technology eventually

takes the market because of continuous innovation in order to attain a certain value that can attract customers.

Henderson (2006) revealed that senior managers may be reluctant to adapt to new technologies because of their dependency on their experience and know it all attitude and therefore may not understand the power of disruptive innovation products as Christensen & Raynor, (2003) pointed out that an additional team is necessary at the corporate level to collect disruptive innovation ideas and implementation if companies are to remain competitive while Govindarajan & Kopalle (2006) also gave a different perspective that long term oriented goals should be done away with instead companies should adopt subjective based incentives plans, therefore senior managers would not be yoked to rigid incentives and risks of disruptive innovation.

Christensen & Raynor (2003) pointed out culture as a strong weapon which results in the failure of an innovation and that it is also a great reason why some managers fail in the first stance to introduce an innovation even when they know that is needed at such time. According to Christensen (2006) failure in disruptive innovation can also be attributed to resource allocation process in that firms tend to concentrate into businesses where they have enough or accumulated resources and therefore respond to emergent new technologies by intensifying their investments to improve their conventional technologies and they end up losing at the end of the day. Organizational structure is another attribute pointed out by Lee & Chen (2009) as limiting firms to engage in new technologies in that research and development investments are more productive in small firms than in larger firms where there is a lot of protocol to be followed.

III. METHODOLOGY

In undertaking the project, the researcher used desk research approach to collect related literature in connection to the topic of study and also did a telephone interview with the Reservation Manager of Global Consults Tours and Travel Ltd. It through the interview that the researcher got valuable information that pertains Global Consults Tours and Travel Ltd concerning their past, present and probably the future. Desk research approach was also chosen because of the need to find other scholars findings related to the topic (Kombo & Tromp, 2006). The researcher used three databases i.e. Web of Science, EBSCO, Google Scholar and these were chosen because they were relevant to the topic with most peer-reviewed articles in business and technology. In all databases, the researcher used the key words of Information Technology and Tourism in the first search as a helicopter perspective in order to get a real picture of the topic. In Google scholar 2,230,000 results were got, 816 in EBSCO and 958 in Web of Science. Since the researcher was interested in both old and new articles were included in the above searches the researcher didn't limit the search basing on years and but instead combined the three keywords i.e. Information Technology and Tourism and Disruptive technologies and got 39,200 in Google Scholar,700 results in Web of Science and 989 results in EBSCO. After the researcher chose 10 articles from each database by reading the title and abstracts of

selected journals to make judgments on whether to include or exclude the article from literature review. The chosen articles fulfilled the following criteria i.e. peer reviewed articles, English articles and the articles which focused on Information technology and disruptive innovations while the ones which were excluded were articles from conferences, dissertations, non-peer reviewed articles and articles on Information technology in hospitals and industries. At the end, the researcher choose seven articles to finally read through them. To exhaust the search the researcher also retrieved the articles in the reference pages of chosen articles until saturation point since according to Randolph, (2009), pg 9

....electronic searches lead to only ten percent of the articles that will comprise an exhaustive review and there are several approaches to locate the remaining review but the most effective method may be to search the references of the articles that were retrieved....

Then seven relevant articles plus other relevant articles from the reference pages were gotten and the researcher begun on data evaluation. The researcher read all the articles pressing more emphasis on research outcomes and was able to make syntheses, evaluations and discussions.

IV. FINDINGS

Global Consults Tours and Travel Ltd has not digitalized in anyway according to the interview with the Reservation Manager. To begin with, the company doesn't have a website like an digitalized company (e.g. Great Safaris Tours and Travel).The company has continued operating the way it used to do decades ago as it still sells tickets (to a small percentage of people) but doesn't earn much from this venture because according to the Reservation Manager of the company, airlines no longer give discounts to travel agents (like they used to do before) instead the agents who sell manual tickets have to add some percentage on the ticket in order to earn some profits.

According to the Reservation Manager, travelers have in the recent years discovered that it is cheaper to buy tickets from an airline (for the case of digital immigrants) while most digital natives tend to buy tickets online. As if that is not enough IATA changed the policies in that tour companies need to file returns every two weeks and therefore this has affected the company grossly in that it no longer has capacity to give ticket loans like it used to do before when IATA used to give them three months to file returns. Therefore, all these factors in the long run have affected the profitability of the travel agency and their Managing Director was opting to leave the business.

As if that is not enough the gratifying business of Israel tours has been affected in some way in that many other business have mushroomed the market with managers from Israel and this in the long run has made some churches to make bookings with these businesses, pushing away the traditional Global Consults Tours and Travel Ltd. The Reservation Manager also informed the researcher that these new companies offer cheap and unrealistic accommodation

prices, in that the company has registered a sharp decline in Israel revenues whereby for the last 15 years ago the company which used to take 1200-800 religious tourists every year had reduced numbers to 200-250 people per year because most urban churches were buying the tours online and the company only sold packages to mostly rural based churches who are not technologically active.

When the Reservation Manager was interviewed concerning accommodation sales she informed the researcher that as far as that area is concerned they have been pushed out of the market since abroad customers no longer make phone calls to make bookings like they used to do before and that according to her peers, a giant company called Airbnb has taken over the accommodation sector in that some established hotels are also threatened by this company.

From the above findings it is beyond doubt that information technology has drowned Global Consults Tours and Travel Ltd and it is just a matter of time before the company completely closes and this clearly confirms that a disruptive innovation has the potential to "drown" a company especially if the latter doesn't take any measures to adapt to the new technology in order to remain competitive in the market.

V. DISCUSSION

From the above findings, Global Consults Tours and Travel didn't embrace the use of technology. According to the Technology Acceptance Model, perceived ease of use and usefulness usually influences the adaptation of technology. Global Consults Tours and Travel didn't find it necessary to invest in technology since they had a steady business and assumed that things would always remain like that.

While conducting the telephone interview with the Reservation Manager she asserted that in the beginning of the technology era their top management were convinced that they should venture in the technology but were limited by unreliable internet database at that time in Africa which was very slow and unreliable at that time a notion that aligns with Lightner et al., (1996) research that revealed that slowness and unreliable sites of the networks was limiting technology use.

Also lack of capability to use the technology was another limiting factor for Global Consults Tours and Travel in that most of their workers who were experienced in tourism didn't have technology knowledge (most of them were technology immigrants, the managing director inclusive) and therefore undermined the young graduates who had the technology knowledge and hence the company ended up losing up on this advancement and over the years it slowly lost out on business an issue pointed out by Davis (1989) that perceived ease of use of technology influences perceived usefulness and people's attitude towards technology.

From the findings it is clearly that the internet became a disruptive innovation in Global Consults Tours and Travel as Christensen (1997) puts forward that disruptive technologies

in the beginning are taken as inferior by the mainstream companies but when given time they establish themselves, In other wards the company in question didn't take the internet technology as something that would swallow the entire globe and therefore was reluctant to invest in the technology and related databases.

Study by Yu & Hang (2010) revealed that well managed firms at times fail in technology innovativeness because of managers reluctance and over confidence in the market share which is exactly the case that happened to Dove Tours in that they were a pioneer company in Uganda and therefore felt their market was big enough and could not be threatened and therefore didn't see or perceive a need to invest in the new technology since at that time business was progressing well.

Henderson (2006) analysis that senior managers at times are reluctant to new technologies because of their reluctant to new technologies because of their dependency on experience is true when it comes to the analysis of Global Consults Tours and Travel in that the management trusted in their experience and ignored all the innovations that were taking place in the 1990s, but the technology innovations have taken root, and new companies like Great Safaris which exploited and embraced the innovation have taken ground and it may be hard for Global Consults Tours and Travel Ltd to surpass them even if now it decides to follow what other tour companies are doing now.

Moreover culture as pointed out by Christensen & Raynor (2003) cannot be ignored because most Africans rarely use internet and databases are very slow, and since most staff members of Global Consults Tours and Travel are typical Africans it could be the issue that limited them to enroll their services on the internet, what should be noted Great Safaris has staff (both paid and interns) from developed countries and to some extent has influenced the company to be on the lead in Uganda in terms of technology adaptiveness.

VI. CONCLUSION

Basing on the above findings and discussion it is clear that Global Consults Tours and Travel has not adapted to the technology era and as a result, it has gradually registered little profits. It is very clear from literature that it is no longer possible for a company to thrive without technology adaptation especially in the tourism industry.

For any business to remain competitive there is need to use updated technology for example Great Safari Tours and Travel has remained competitive because of embracing technology. For instance, they have a functional website and email, automatic updates, online bookings and Skype communication network. The company also managed to enter into a synergy relationship with other complementary firms and as a result has eased customers' bookings in that the full travel package can be entirely booked on their website. This should be a good lesson for Global Consults Tours and Travel to follow the lead, and what should be noted it's not yet late for the company to adapt new technology systems. It is true that it may take the company a few years to re-establish its

self in the market but with updated technology, it will be able to reach the interested heights.

One of the crucial issues that Global Consults Tours and Travel should do is to change their employees especially the digital immigrants and replace them with digital natives that have flesh digital ideas on how the company can be progress (what should be noted most of the company employees are above 40 years and have worked with the company for more than 20 years).In conclusion therefore it is clear from the above discussions that for a tourism company to survive in the current era there is need for it to be digitally updated in order to remain competitive both at the local and international level.

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