

# A Comparative Study of Tourism Business Models in the Internet Era

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**ABSTRACT:** *with the advent of the internet era, traditional tourism enterprises have combined the internet to operate slightly. as a new form of tourism, online tourism has been more and more widely used, and even has become the dominant part of the whole tourism economy. this paper mainly focuses on the analysis of eight typical tourism business models in the internet era, with a view to inspiring the development of china's tourism e-commerce enterprises[1].*

**KEYWORDS:** *internet, tourism business, tourism e-commerce*

## 1 Introduction

The development of science and technology has accelerated the development of Internet technology, which has prompted the traditional tourism industry to attach importance to e-commerce and actively approach it, and fundamentally shaken the competitive pattern of the tourism market. The marketing channels of tourism enterprises have broken through the geographical restrictions. The traditional tourism enterprises rely on direct sales of personnel and entity networks, which has created numerous possibilities based on the Internet. More and more diversified sales channels have changed the dominant phenomenon of travel agencies in the past, while new B2B platforms, B2C platforms and B2B2C platforms have become the main distribution channels. This series of changes have a great impact on all aspects of the current tourism industry, mainly reflected in the service and operation mode. Traditional tourism enterprises and tourism industry chain enterprises are under great pressure to construct their own e-commerce framework from all aspects. At the same time, many Internet companies have begun to actively explore new tourism business models and achieved success[2, 3].

## 2 Eight Typical Tourism Business Models in the Internet Age

### 2.1 Business Model of B2C Large Platform

The business model of B2C platform is that tourism products and services are sold directly through the platform. It mainly provides services such as inquiry of tourism information and booking of tourism products for consumers. Ctrip, Yilong and TuiNiu are typical representatives of B2C platform model. The business model of these three websites is shown in Table 1.

Table 1: Representation Websites of Business Model of B2C Large Platform

representative	Location	product	characteristic
Ctrip Travel Network	Integrated Tourism Platform, Attention to Business and Tourist Customers	Air ticket+ Hotel + Tourism Route+Ticket+Strategy	Low unit price and high standardization Pay attention to products, service requirements are low Online self-service tour
Yilong Travel Network	Sensitive to price and pursuing low-cost travel	Air ticket + Hotel + Tourism Group buying products	Product advantage is obvious Main Hotel and Airfare
Touniu Travel Network	Leisure and vacation tourism, focusing on mass tourism The group with better economic ability, rich and leisure	Tourist Route Reservation Road Map+ Collage	High unit price, non-standardization Light Products, Emphasize Services In the early stage, the main players were online and group tours, and self-service tours were developed in accordance with the trend.

At present, tourism enterprises with B2C platform business model have formed a certain capacity of resource scheduling, and begin to participate in upstream and downstream competition. Ctrip Group's Starway Hotel, located in the middle of the hotel service, currently has nearly 100 scales in more than 20 cities such as Shanghai, Guangzhou, Zhuhai and so on. Moreover, Ctrip has begun to hold shares in such hotels as Home Inn and Hanting Hotel, extending to the field of tourism and vacation.

## ***2.2 Portal business model***

The main representatives of portal business model are Ledu, 51766 (I want to take a walk) and so on. Happy Way Travel Network, rooted in tourism enthusiasts and consumers, has covered information systems in 198 countries, 901 overseas regions, 34 domestic administrative regions and 392 domestic cities, similar to a large tourism information supermarket. 51766 is a service shop. Its model is similar to the familiar Tianmao. It is composed of well-known domestic tourism suppliers. Each tourism supplier provides its own products on this website. This portal business model mainly attracts users' attention by providing more abundant and comprehensive routes and information, and gains revenue by advertising, which is similar to many Internet revenue models.

## ***2.3 Integrated Internet Business Model***

Referring to the integrated Internet business model, the most representative is the peer-to-peer network. Tongcheng Network Co., Ltd., founded in 2004, is headquartered in Suzhou Industrial Park, Jiangsu Province. It is a large tourism website with two platforms of B2B and B2C in China. Its business covers hotel, air ticket, scenic spot ticket, self-service travel reservation, city car rental reservation, domestic and foreign quality travel holiday reservation, etc. At present, in the highly competitive tourism industry, Tongcheng Network can stand out and benefit from its unique positioning. The main products of Tongcheng Network and tourism websites such as Ctrip, Yilong and Touniu differ greatly, mainly focusing on scenic tickets and peripheral tours. This kind of integrated Internet business model can not only gain revenue through transactions, but also through the media.

## ***2.4 Internet Vertical Search Business Model***

Qunar network and Kunxun are typical representatives of the vertical search business model of the Internet. Qunar, founded in February 2005, is the world's largest Chinese online travel website and the top ranking travel search engine in China. The products offered by Qunar are basically similar to those offered by Ctrip, including air tickets, hotels, trains, holidays, tickets and so on, but the ticket products of Qunar are more advantageous. As a deep vertical search engine, where to go network meets the needs of specific customer groups, thus greatly improving the loyalty of this part of users.

As one of the well-known online tourism search engines in China, Kunxun mainly provides users with more convenient information search services such as "tickets" and "hotels" by using its technological advantages, so that users can find more convenient hotels, cheaper tickets and more tourism products that meet their own requirements. The Internet vertical search business model adopted by Qunar and Kuxun mainly relies on the technological capability of enterprises to obtain the content of the website, and form a high segment of user visits. Like the portal business model, Qunar and Kuxin are also typical media revenue models.

### ***2.5 Platform B2B2C Business Model***

Baozhong Tourism and Easy Travel are the main representatives of platform-based B2B2C business model. The mode of Baozhong tourism and Yiyou world tourism enterprises is to integrate resources on B2B platform, centralize operation on B2C platform, and then carry services offline through franchise stores. The profit model of this kind of tourism enterprises mainly depends on a large number of transactions, in addition to other related value-added earnings. Ultimately, the platform-based B2B2C business model embodies the concept of a combination of online and offline promotion, that is, the recently popular mode of O2O service.

### ***2.6 Integrated Business Model***

China Travel Service (CTS) is the first travel agency in China. Its main business is inbound travel, outbound travel and domestic travel. China Travel Star Network has been established. China International Travel Service Corporation Limited (CTS) is the largest and strongest travel agency group in China, and it has established the "National Travel Online" website. The integrated business model represented by China Travel and China Travel has both traditional physical network and virtual network. It has both products and abundant tourism resources. It can adjust in time in the Internet era, integrate its advantages and new business model effectively, and develop its tourism industry comprehensively.

### ***2.7 Wholesale business model***

Zhongxin Tourism, Baicheng, Caesar are the main representatives of wholesale business model. Zhongxin Tourism mainly deals in outbound tourism wholesale, retail and business award business. It manufactures and provides various services and products including air tickets, hotels, cruise ships, overseas transportation and so on in the outbound tourism industry chain. Baicheng Travel Network's main business is to provide outbound travel services, including the processing of visas for overseas countries, acting as Hong Kong driver's license, ordering international air tickets, and can carry out information and strategy inquiries on overseas tourist destinations. Caesar Travel Network is a platform for users to understand tourism information, online transactions and information communication. The exclusive "London Olympics Tourist Series" launched in 2012 is a classic case of tourism industry. Enterprises adopting wholesale business model can usually design their own products and services, purchase resources, and distribute through a wide range of channels. The revenue comes from the distribution of channels.

### ***2.8 GDS Business Model***

GDS (global distribution system) is mainly applicable to the large-scale computer service system of Civil Aerospace transportation and the whole tourism

industry. Through GDS, tourism sales companies all over the world can obtain a large amount of tourism-related information from airlines, hotels, car rental companies and tourism companies in time, so as to provide users with more convenient and reliable services.

### 3 Analysis of Advantages and Disadvantages of Tourism Business Model

The perfect combination of the traditional tourism industry and the Internet has promoted the new development of tourism, and the above eight common business models have emerged. Whether these business models are perfect or not depends mainly on whether they do not conform to the characteristics of the enterprise, whether they can bring huge profits to the enterprise, whether they can open the gap with competitors, and so on. These eight types of tourism business models have their own characteristics. The following are mainly from the advantages and disadvantages of the above business models for analysis, as detailed in Table 2.

*Table 2: Analysis of Advantages and Disadvantages of Eight Types of Tourism Business Models*

Tourism Business Model	advantage	Disadvantage or challenge
Business Model of B2C Large Platform	1.Advanced Technology (Perfect Combination of Internet and Traditional Tourism) 2. Scale Advantage 3. Accurate positioning	1.Homogeneity of Airline Tickets, Hotels and Route Products 2.Information quality and service quality are mixed.
Portal business model	Put forward a new concept: online monopoly store of tourist commodities	The product or line is fixed and cannot be chosen flexibly according to the user's personal needs.
Integrated Internet Business Model	1. Unique website design 2.Distinctive positioning 3.Network Payment Security	1.Airfare, Hotel and route products converge with high similarity. 2.The products offered are rather rigid and cannot be customized according to the user's personality requirements.
Internet Vertical Search Business	1. Attract users at low prices such as air tickets, hotels,	1.The quality of service needs to be improved.

Model	attractions, etc. 2. Direct Sales Model 3. The reference information provided is reliable and useful.	2. Product homogeneity 3. Customer maintenance is simple (members send points, etc.)
Platform B2B2C Business Model	1. Combination of online and offline (online operation, offline franchise) 2. Advanced Information Technology	1. Limited scope of services (offline encounters geographical constraints) 2. The information provided is not comprehensive enough (mainly about tourist routes)
Integrated Business Model	1. Ownership of Traditional Resources - Travel Agencies 2. Customized travel routes can be tailored to the needs of consumers	Tourism products include air tickets, hotels, visas, free travel, peripheral travel and so on. They are similar to other business models and lack price advantages.
Wholesale business model	1. Extended services before and after sales 2. Obvious scale benefit 3. Customization services	1. Limited tourism products 2. Tourist Information is Easy to Reproduce
GDS Business Model	1. Comprehensive information of aviation, hotel, car rental and tourism companies 2. Providing Convenient Services	Unable to meet diversified needs

#### 4 Inspiration

Tourism presents new characteristics such as intelligence, wireless and networking in the contemporary era. Internet or mobile client and tourists have reached a win-win relationship. Internet or mobile clients provide a better platform and services, reducing unnecessary losses and troubles in unknown areas. For tourists, marketing is reflected in all aspects of tourism. Before traveling, make a good budget in advance and inspect the destination, including accommodation, planning route, scenic spots and monuments, etc., while the existence of the Internet provides travelers with an important reference guide; while traveling, this is the core link of travel, experience the recreational activities of travel, landscape games,

accommodation, customs and so on, but also with the information provided by the Internet. After traveling, we also have some considerations in mind. At the same time, we share and feedback the travel experience, and timely give information and evaluation of these important data and comments, which also become important reference opinions for other travelers. Therefore, the preparation before travel should be the main starting point of marketing, while during and after travel, the travel marketing mode and system have been improved [4]. Comparing the advantages and disadvantages of the eight tourism business modes under the background of the Internet comprehensively, drawing lessons from their successful experience and shortcomings, it has certain enlightenment for the long-term development of other tourism e-commerce enterprises.

#### ***4.1 Enriching products and improving information content of search***

Now tourism enterprises, whether B2B or B2C, the content provided by the website is hotel, air ticket, scenic spots and other plate content. But consumers are also more concerned about eating (such as local snacks), shopping (affordable comprehensive stores) and entertainment (such as local unique entertainment). The B2C platform model represented by Ctrip and the Internet vertical search model represented by Qunar provide tourism strategies, which include “eating, shopping and entertainment”, which is the tourism experience shared by tourists on the website after the end of their journey and is more one-sided and subjective [5]. Tourist enterprises can consider including specialty supermarkets and local snacks in the search content on the homepage of the website. Consumers can understand all the information about tourism in an all-round way. Only in the fierce competition can tourism enterprises which can provide comprehensive information about “eating, living, entertainment and shopping” attract consumers' attention. [5]

#### ***4.2 Highlighting Humanization and Improving Service Quality***

Most young tourists prefer to travel freely when they choose their travel routes, and they are dissatisfied with the traditional group tour. But if you choose to travel freely, you will have to prepare maps, language translation and other tools with you when you go out to play, and do your homework in advance. When you travel abroad, you may encounter various emergencies. This kind of problem is worth pondering. As a tourism enterprise, how to provide differentiated services can be started from this point of view. At present, some large domestic tourism enterprises have provided new tourism products in response to this situation, offering private housekeeping services to some consumers who do not like to follow the group, from pre-consultation to final tracking services, so as to achieve one-to-one personalized service. Consumers have guidance throughout the process from formulating tourism plans to traveling, and will not prepare for traveling as they did before from strategy, map and so on. When you get there, you have to worry about getting lost. With a private housekeeper, you can save your mind. Under the background of Internet technology, tourism enterprises can provide the whole housekeeping service, so that

consumers can travel more conveniently and quickly. However, private housekeeping services are currently limited to overseas tourism, domestic tourism is rarely involved, and the services provided are relatively limited, the price is high, can only cover a small number of high-end customers. In the future, tourism enterprises can proceed from this idea, enhance the service of private housekeepers in tourism, and make it more popular and comprehensive[6].

#### ***4.3 Constructing the Tourism Network Supermarket to Realize Customized Tourism***

Consumers buy travel products and real life products very different. The tourist routes they buy are packaged product combinations. For example, when consumers prepare to travel, they buy air tickets + hotels + scenic spots. They want to go to Sanya, Hainan. The product routes provided by travel agencies are basically “Yalong Bay, Wuzhizhou Island, Xinglong Tropical Botanical Garden, Tianya Haijiao” and other scenic spots. Consumers do not want to go to places, but consumers must accept all when buying, not free combination. Tourist enterprises can consider building a tourist supermarket, dividing the whole tour route into several products, and then classifying it into four big sections: traffic, scenic spots, hotels and shopping. Consumers can choose and put it in shopping carts. Some people go out to travel and want to play more scenic spots. It doesn't matter whether they eat or live, they can choose more scenic spots. Hotels can match standards or shopping carts. Samsung can reorganize its travel routes according to its own choices, which is the highest performance of Personalization - customized tourism (let consumers eat the food they want, live in the hotel they want, play the scenic spots they want to play). If a tourism enterprise constructs a tourism network supermarket, it can improve the enthusiasm of consumers to participate, retain customers, and be different from other similar enterprises, truly unique, give consumers different feelings[7].

#### ***4.4 Highlighting Differentiation and Promoting Individualized Tourism Experience***

If consumers choose to travel freely, they prepare travel strategies in detail before departure, but in the actual tourism process, it is impossible to work in a step-by-step manner. Maybe due to various emergencies, the carefully prepared strategy will lose its effect. If consumers follow group tours, if the time after the tour guide arranges their stay is early, many people will consider the Hotel vicinity. Shopping, but not familiar with the surrounding environment. Tourists will be confused when they encounter the above situation. For tourists, they are eager to know where the nearby scenic spots are, how to charge, how to go, when to close and how to evaluate them [8]. The advent of the Internet era provides a new channel for tourism marketing. Faced with the contradiction of “individuation, strong demand for customized products and insufficient supply”, different marketing methods are adopted for different groups of tourists to carry out accurate marketing.



[9] In the analysis of the eight tourism business models, we find that there is no deeper information search and query involved. We can start from this point to pay attention to differentiation and enhance the tourist experience of consumers.

## 5 Conclusion

In recent years, the consumption concept of Chinese residents has changed greatly, and tourism has become the preferred way of leisure and vacation. Compared with other industries, tourism has the characteristics of decentralized consumer demand, high degree of individualization and non-standardization of products, which leads to the special business model of tourism. Competition in tourism industry is becoming increasingly fierce, complex, and the replacement is faster. You can sing me out and catch up with each other. Each enterprise is pursuing a more effective business model in order to stand out in the competition[10]. At present, there are many tourism enterprises with different situations. We should choose the business model suitable for our own development according to our own enterprise characteristics. Under the impetus of Internet technology, China's tourism industry has developed vigorously and entered an era dominated by marketing. In the above discussion, eight kinds of tourism business models are introduced in detail and corresponding enlightenment is obtained, hoping to provide some reference and reference for the development of e-commerce of domestic tourism enterprises which are still in the primary stage.

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