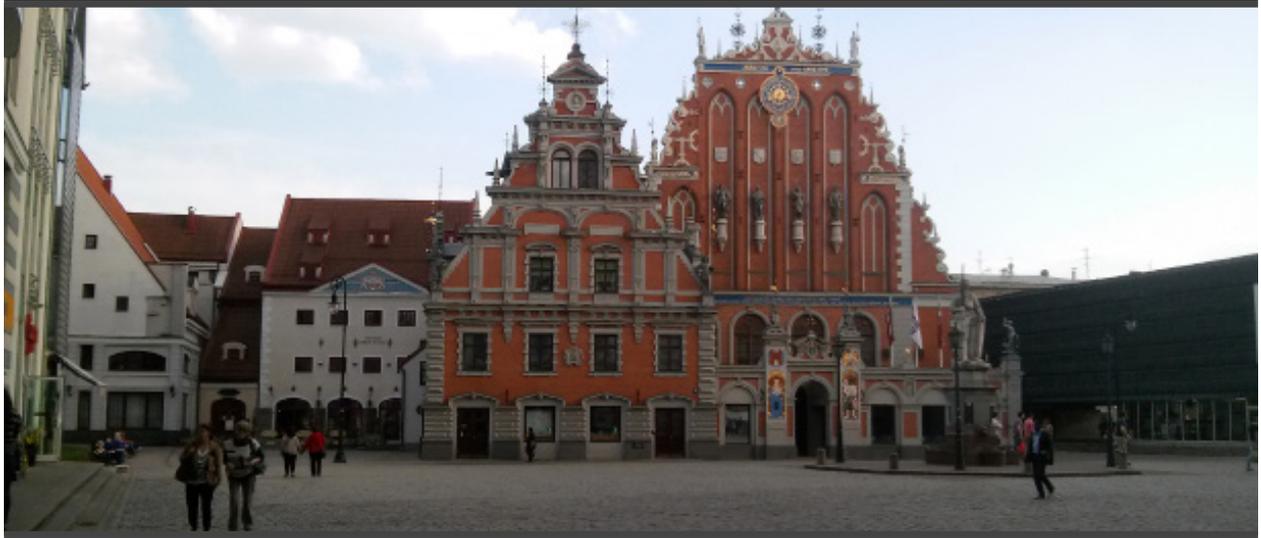


EVOLUTION OF INFORMATION CHANNELS

WITHIN THE TOURIST SECTOR



A CASE STUDY ABOUT RIGA



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PREFACE

This thesis is written as part of my master study Economic Geography. Over the years I have travelled quite a lot. In 2009 I have done the Trans Mongolia Express together with some of my friends. In 2013, I travelled through Cambodia and Thailand and have done Interrail in Europe. During these travels I realized that information is a necessary tool to make a trip go well. Therefore I decided to choose information provision in the tourist industry as topic for my master thesis.

Economic Geography is engaged to the economic development of regions and cities. The tourist sector has an important influence on the economy of a city or a region as you can read later in this thesis. Therefore the information provision by the tourist sector seems to be worth investigating.

From the end of April until the end of July I have studied in Riga which was the European Capital of Culture for the year 2014. In these months I have examined the information provision by the supply and demand side of the tourist sector in Riga in order to gather relevant information about how the supply side (accommodations) provide information and how the demand side (tourists) collect and process information. In my three months in Riga I asked international tourists to fill in surveys. This was way harder than expected. Tourists don't want to be bothered during their holidays I suspect. Over all I'm pretty satisfied with the results of my thesis.

I want to thank the following people which helped me to realize my thesis. First of all my supervisor Paul van Steen who visited me in Riga and provided me with relevant information and know how on how to proceed with my thesis. I want to thank Thales Kolsteren and Matijn Hoekstra for keeping me company during the three months in Riga. I want to thank my parents for the financial support and I want to thank all the tourists and companies who participated in the surveys. Without them it would be impossible to finish my thesis.

Dalfsen, 4 - May - 2015

Hermannes Jannes Visscher



ABSTRACT

The tourist sector has become one of the largest economic sectors in the world with more than 1087 million international arrivals a year (UNWTO, 2014). Countries, regions and cities compete with each other in order to attract tourists. This has led to differentiation of tourism products and services in order to attract tourists to their destination, or accommodation in the most effective way. The image that a destination transmits to the market becomes one of the elements which influences tourists the most when choosing a travel destination. In order to transmit this image to the market information provision has become an important element for the supply side in order to reach the tourists.

One way to transmit a city's image to the market is by organizing an event like European Capital of Culture (ECOC) which has been organized by the city of Riga in 2014. This made Riga the perfect location for a research about information channels. This research examines the question: "Are the current information channels between tourists and the tourist sector in Riga sufficient enough to fulfill the tourist's need for information or should alternatives be proposed?" First the evolution of information channels has been researched. Afterwards 151 accommodations in Riga have been examined on the use of information channels. At the same time 30 tourists have been asked to fill in a survey about the way in which they collect information in order to plan their trip before and during their stay in Riga. With SPSS this data has been transformed into a database. With the information from previous studies and the information from the database the research question has been answered.

There are five factors; regulation, technology, prosperity, competition and consumer behaviour that influenced the tourist sector and are responsible for the evolution of information channels. As a result multiple information channels have occurred such as global distribution systems, Internet, online reservation sites and social platforms. The results for the demand side shows that the average tourist who comes to Riga travels by airplane, is middle aged, travels together with a partner and stays for a couple of days before heading back to their country of residence. To plan their trip they use travel guidebook sites, face-to-face contact with friends and family and company sites. Most of these tourists declared to be satisfied with the information channels and the provided information offered by the supply side. This complies with the image that is projected of the supply side based on the results in this research. The results showed that most of the accommodations offered a wide range of information channels. Compared to results from other studies one might say that the information provision in Riga is quite good. The information channels that are used to set the tourists and the supply side in contact with each other appear to meet the requirements to fulfill the tourist's needs. New information channels do not seem necessary yet, but customer behaviour is changing and even older aged tourist segments are adapting the new channels offered by the tourist industry. Therefore the conclusion can be made that provision of new information channels may help to fulfill the tourist's needs in the future.



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1.1 Motive

1.1.1 Significance of the tourist sector

The tourist sector has become one of the largest and fastest growing economic sectors in the world. International tourist arrivals have increased from 25 million in 1950 to 1087 million in 2013 (UNWTO, 2014). In addition the increase of international tourist arrivals is expected to grow with 3.3% a year from 2010 to 2030 to reach 1.8 billion international tourist arrivals by 2030. Since 1950, international tourism has experienced continued expansion and diversification which has led to the emergence of new destinations besides the traditional destinations in Europe and North America. The creation of jobs and enterprises, development in infrastructure and export revenues caused by tourism, makes tourism a key driver of socio-economic progress. Despite an economy in 'low gear' tourism receipts in destinations around the world grew by 5% to reach 873 billion euro in 2013 (UNWTO, 2014). According to EUROSTAT, (2013) more than one in seven enterprises in the European non-financial business economy belonged to the tourism industry in 2010 and employed about 15.2 million persons. These numbers show the importance of tourism on the global economy.

1.1.2 Battle for tourists

As mentioned before, tourism may have an impact on the socio-economic development of a particular destination and therefore its importance should not be underestimated. This leads to the fact that countries, regions and cities compete with each other in order to attract tourists. This competition has led to differentiation of tourism products and services and also effective positioning of travel destinations in the tourism market. Internet and other electronic media have become significant information and sales channels in tourism. As a result these channels have caused a situation where tourists have become more critical and demanding due to increased information availability (LTDA, 2010). The image that a destination transmits to the market becomes one of the elements which influence tourists the most when choosing a travel destination. Therefore marketing management requires a careful analysis of the destination image transmitted to the market, since it is precisely this image that will affect consumer choice. The concept of destination image can be defined as the expression of all objective knowledge, prejudices, imagination and emotional thoughts of an individual or group about a particular location (Lawson & Baud-Bovy, 1977). This destination image will be based on historical, political, economic and social information obtained by different sources such as forums, guides, newspapers or television and will shape the image that the person already held (Echtner & Brent Ritchie, 1993; Lopes, 2011). When the tourist has no experience there are three factors that affect this image of a destination: tourism motivations, demographic variables and information about the destination (Echtner & Brent Ritchie, 1993; Beerli & Martin, 2004).

1.1.3 European Capital of culture

One way to transmit a city's image to the market is by organizing an event like European Capital of Culture (ECOC). This initiative was originally designed to highlight the richness and diversity of cultures, increase European citizens' sense of belonging to a common cultural area and foster the contribution of culture to the development of cities. Besides these objectives the concept of ECOC is open to a number of interpretations which offer cities the possibilities to choose their own objectives. Most cities had multiple objectives during their nomination of ECOC. The most important ones are the need to raise the international profile of the city, boost tourism in the city and its region, enhance the image of the city in the eyes of its inhabitants and breathing new life into a city's culture (Palmer, 2004).

1.1.4 Glasgow 1990, the perfect example

In 1990 Glasgow was nominated to be the European Capital of Culture. The city is a perfect example of a city that held a successful ECOC. Through organizing the ECOC event in 1990 Glasgow has been able to change its image from being perceived as a violent post-industrial city into a creative cultural and leisure centre and even one of the most vibrant cities in the United Kingdom. The effect of the ECOC event held in 1990 which led to an increase in the number of tourists visiting the city, also had an impact on the increase of hotel provision and other amenities, like the development of shopping and leisure centres throughout the city. The event also contributed to increasing Glasgow's attractiveness as business centre and accelerated office relocation (Palmer, 2004).

1.1.5 Riga, European Capital of Culture 2014

Riga has been elected to be one of the two European Capitals of Culture for the year 2014. Riga is the capital of Latvia, a country located in Eastern Europe and part of the Baltic states. The country has approximately 1.995.600 inhabitants and about 643.600 of them are living in Riga (CSB, 2014). In 1991 Latvia re-established its independence following the breakdown of the Soviet Union. In 2004 Latvia became a member state and joined the European Union (EU) (CIA, 2009).

1.1.6 Latvia one of the least common destinations in Europe

Most popular holiday destinations in Europe are still well known destinations around the Mediterranean Sea such as Spain, France and Italy. According to EUROSTAT (2013) Spain was the most common tourism destination in the EU for non-residents, with 243.4 million nights spent at tourist accommodation establishments followed by Italy with 180.5 million nights and France with 125.0 million nights. Together these countries counted for nearly half (48.7%) of the total nights spent by non-residents in the EU-28. The least common destinations in the EU for non-residents were Luxembourg, Latvia and Lithuania although the effect of the size of these Member States should be considered when interpreting these values (EUROSTAT, 2013).

1.1.7 RIGA2014 aims and objectives

The organization of RIGA 2014 presented the program under the motto 'Force majeure'. According to the staff members the program aims at presenting culture as a major positive force in order to "change the city and the people for the better and to help us out of a difficult situation". The program is divided in six thematic chapters comprising more than two hundred projects, such as concerts, exhibitions, festivals and conferences. Some of the projects initiated for the RIGA 2014 program will also be continued in 2015, this includes the further development of "Creative Districts" all across the city as well as some major infrastructure projects such as some brownfield regeneration projects. According to Marques and Richards (2014) creative districts are often linked to alternative lifestyles and subcultures and increasingly they are becoming the place where creative networks are shaped. As mentioned by Riga's mayor, culture was the corner stone of the city's strategy to develop tourism in Riga and reinforce its branding at international level. According to the observer from the Ministry of Latvia the cultural and creative industries aim to generate about 7% of GDP in the future and the Creative Districts are a key step towards that target (RIGA2014, 2014).

1.1.8 Information is important

As mentioned above Riga wants to reinforce its branding at an international level. Information plays an important role in the development and/or reinforcement of a destination image. Information about the destination can be submitted to the market through magazines, opinion leaders like celebrities, television and the internet, and will eventually influence the image that potential tourists will have of a tourist destination (Gartner, 1989; Vasudavan & Standing, 1999; Wang & Fesenmaier, 2005; Govers et al., 2007). This information can be provided by the tourist sector itself or through a municipal institution as part of citymarketing. The way in which information is distributed to tourists has changed over time. This is caused by innovation of the information channels within the tourist sector and citymarketing (Buhalis & Law, 2008). Until 1993, the traditional tourism distribution system consisted of consumers, traditional retail travel agents, traditional corporate travel agents, traditional tour operators, global distribution systems (GDS's), incoming travel agents, switches, destination marketing organizations (DMO's), and suppliers, but the public debut of the Web has significantly changed and transformed the structure of tourism distribution (Buhalis & Laws, 2001; Wang & Qualls, 2007). Suppliers started to develop their own websites to connect directly with customers, which caused the disintermediation of traditional retail travel agents. The evolution and transformation of the tourist sector caused by the introduction of Internet, which facilitated easy access to information and simplified communication, resulted in greater choice for the consumer, increased competition for distribution participants, and a more complex industry structure (Buhalis & O'Connor, 2005; Granados et al., 2008; O'Connor & Frew, 2002).

1.1.9 Influence of IT on supply and demand

The tourist sector as stated before is one of the most important sectors of the global economy. It generates a large amount of jobs and has a great contribution to a country's GDP. Due to innovation in the tourist sector, like the appearance of information technology (IT), the sector has become a complicated, complex network of suppliers (hotels, airlines, tour operators, etc.) and demanders (national and international tourists). On the demand side travelling for pleasure has become a complex matter as well since each tourist has different expectations and needs that have to be fulfilled. Through IT it has become easier to collect information about a destination or attributes they like to use in these destinations. On the supply side, IT has resulted in more competition where only dynamic organizations will be able to outperform their competitors through efficiently and effectively fulfilling the needs of the demand side (Buhalis & Law, 2008).

1.2 Problem statement

In order to keep up with the competition, which are other destinations in this case, the city of Riga wants to change its image for the better. Therefore it needs to reinforce its branding at a national level. An important aspect in this matter is the way in which the supply side in Riga is providing international tourists with information. This information can be provided through different sources and different channels. Because the tourist sector is constantly changing through the influence of factors such as consumer behaviour and competition the way in which the supply side is able to provide customers with information is changing as well. This has its impact on the way tourists collect and process information and probably influence their decision making as well. Research into information provision in Riga by the supply side and the collection and processing of this information by the demand side can provide valuable insights about the provision of information and may help to show possible shortcomings in the provision of information in Riga.

1.3 Research objective

The aim of this research is to investigate what kind of information channels are offered by the tourist sector in Riga and what kind of information channels tourists in Riga are using. Also this research seeks to find out if tourists in Riga are satisfied with the current information channels they have been using to fulfil their needs and expectations or if alternatives should be proposed. As mentioned in previous literature there is a demand towards more information in the area of information provision by the tourist sector. The aim of this research is to contribute to this literature in the area of information provision by the tourist sector. The results of this research may contribute to the improvement of citymarketing and branding of cities. Improved and/or new information channels may ensure a better provision of information to tourists.

1.4 Research questions

The main question of this research is: “Are the current information channels between tourists and the tourist sector in Riga sufficient enough to fulfill the tourist’s need for information or should alternatives be proposed?”

The sub-questions are:

1. *How have information channels between the tourist sector and its customers evolved over time?*
- 2.a. *How does the tourist sector in Riga inform tourists of the tourist supply in the city?*
- 2.b. *How do tourists in Riga collect and process information on tourist supply in Riga?*
- 3.a. *How do tourists in Riga evaluate the presently used information ?*
- 3.b. *Is there a latent need for new information channels in Riga?*

1.5 Structure

The structure of this research is as follows. The next chapter contains the theoretical framework. Here theories of previous literature related to information provision within the tourist industry will be used to explain the different ways of information provision and the ways in which tourists collect and process this information. The third chapter gives more insights in Latvia and Riga in special. It will give a small introduction to Latvia and Riga. It also discusses how the tourist industry in Latvia/ Riga has evolved over time. Finally, it will discuss Latvia’ s/ Riga’ s target markets and information channels used within the countries tourism market strategy. In the fourth chapter the methodology of this research will be described. Chapter five shows the findings of this research while chapter six gives a conclusion about this research.



2.1 Introduction of the theoretical framework

In the 20th century there were a handful of factors which were influential for the development of tourism and the structure of the tourist sector as we know it today. First of all development in technology in general and development in information technology (IT) in special, which has led to the development of a global, well organized network of organizations within the tourist industry. Second, the trend of deregulation by governments which had influence on several industries such as telecommunication and transportation that are related to the tourism industry. As a result, markets have become more accessible and competitive (Dicken, 2006). Third, competition could be seen as a factor on its own, since it has influence on the structure of the tourist sector (Porter, 1979). Fourth, rising prosperity worldwide. As a result, more people are able to enjoy leisure, which increases the tourist market (Crouch & Ritchie, 1999). Finally, a changing society has led to different needs and behaviour of tourists (ETC, 2014).

In the following part the expression ‘information channels’ will be discussed to get a better understanding about this phenomenon. After this part the tourist sector will be described by means of the five factors mentioned above. Besides it will explain how information channels evolved within the tourist sector. Within the theoretical framework the tourist sector is separated in two parts. These parts divide the supply side and the demand side. With the use of the factors technology, deregulation and competition the supply side will be described. The factors deregulation and development of information impact the level of competition within the market. Deregulations made it easier for new entrants to enter the tourist sector. While development of information channels gave suppliers within the tourist industry the possibility to achieve competitive advantages and create more value for its customers (Dicken, 2006). In turn the competition among the suppliers resulted in the arrival of new suppliers but also the disappearance of traditional suppliers within the tourist sector (Porter, 1979). Therefore the second part will describe how the three factors changed the way in which suppliers and tourists are able to communicate, or to answer sub-question 1: how the information channels between the tourist sector and its customers evolved over time. The third part explains the tourist sector from the tourist’s perspective, or in other words the demand side. The factor prosperity will describe how the tourist market managed to grow and therefore become increasingly important, while the factor tourist’s needs and behaviour will be used to describe why and how tourists collect and process information. First the five factors will be described in more detail.

2.2 The 5 factors

2.2.1 Factor 1: Development of technology

Technology plays an important factor in globalization of economic activity. Technology can be seen as a socially and institutionally embedded process in which the creation of technology depends on its social and economic context. The choice and use of a technology is influenced by the drive for profit, increased market share and many other things. In the last three decades information technology has become an important commodity and source of productivity and power. This is the result of the convergence of two technologies (communication technologies and computer technologies) which are key for the transition from analogue to digital systems. Communication technologies are involved with the transmission of information, while computer technologies are concerned with the processing of information (Dicken, 2006).

The development of communication systems (by which information is transmitted from place to place in the form of ideas, instructions or images) and transportation systems (by which materials, products and other tangible entities are transferred from place to place) had a huge influence on the process of globalization, since they were able to overcome the friction between space and time. For a long time in history both communications and transportation were practically one and the same, since information had to move at the same speed and same distance as the prevailing transportation system allowed. This changed with the introduction of electronic technology which separated communications and transportations. Development in transportation and communication technologies has reduced the time in which persons, products and information could move from one part of the world to another. One could say that the world has shrunk due to these technologies (Dicken, 2006).

2.2.2 Factor 2: (De)regulation

After the second world war the role of the state expanded considerably. Sectors such as telecommunication, railways, energy and steel became state-owned or controlled. This started to change in the mid-1980s. The states started to withdraw from many areas of involvement. This happened not only in the older industrialized countries, but in many developing countries as well. Market liberalization like this consists of two processes which are deregulation and privatization. Privatization is the event where the state pulls out of a whole range of activities in which it was formerly centrally involved and transferring them to the private sector. Deregulation is the event where competition policies which discourage the entry to particular sectors are made undone or become less strictly so entrance to a certain sector becomes easier (Dicken, 2006).

Regulation and deregulation of (air) transport and communication systems:

Regulation of both transportation and communication has a very long history and consists of a mix of national and international systems. Regulations of air transportation are related to safety and security, while regulations to communications are introduced to create harmonization of standards to enable communication systems in one place to be understood in another place. Telecommunication was one of the first sectors that became internationally regulated with the creation of the International Telegraphic Union (ITgU) in 1865. Nevertheless most of the regulatory developments happened within state boundaries and in most cases was state controlled. The same situation happened within the air transport sector where the state controlled landing rights. In the early 1980s a wave of deregulation with telecommunication appeared starting with the breakup of AT&T which had a private monopoly on telecommunication in the United States. This was the start of deregulation of telecommunication in the United States and Europe. The same thing happened within the air transportation industry after the US domestic airline industry was deregulated in 1978 (Dicken, 2006).

2.2.3 Factor 3: Competition

In the current tourism industry new entrants and existing players use information technologies and innovative management to compete in the tourism market. Only innovative and creative organizations are able to survive this competition (Buhalis, 1998). In order to survive companies must find and use creative techniques as a source of competitive advantage. One of the keys to business success is to develop a unique competitive advantage which creates value for customers and is difficult for competitors to duplicate. In order to create this competitive advantage a tourism enterprise has to choose a powerful strategy (Yilmaz, 2008). According to Porter (1979) the essence of a good strategy is coping with competition.

2.2.4 Factor 4: Rising prosperity

Since the 1950s the tourism sector has played a significant role in the rise of prosperity worldwide. The service sector has grown dramatically in terms of economic significance. The tourist sector has grown to one of the largest sectors in the world and has a big impact on Gross Domestic Product (GDP) and employment of developing economies (Crouch & Brent Ritchie, 1999). In return increasing prosperity in developing countries leads to a growth of tourism since more people are able to enjoy leisure (UNWTO, 2014).

2.2.5 Factor 5: Changing tourist needs and behaviour

In recent years a lot has changed when looking to consumer behaviour in the tourism and travel industry. One of these changes is related to modern technology. Tourists rely more and more on modern technology for buying travel products and services. Personal information and recommendations on social networks and commercial websites have impact on the tourist's decision-making process. Information will be increasingly accessed through mobile devices and products and services will be increasingly booked through mobile devices before and during their trip (ETC, 2014). Besides modern technology there are other things that influence tourist's behaviour such as changing economic situations, increasing environmental consciousness, aging societies and other demographic changes.

2.3 Part I: Information Sources and Information Channels

2.3.1 Introduction

The purpose of this first part is to explain the difference between information sources and information channels.

2.3.2 Difference between information sources and channels

As mentioned by Grønflaten (2009) most researchers used the term information source for both referring to the provider of the information and the communication method. According to Grønflaten (2009) this may be seen as a weakness in the current literature. Therefore this research addresses a clear distinction between information sources and information channels based on the communication model of Shannon (1963). Shannon defines an information source as a person or organization from whom the information originates. This could be travel agents, service providers or suppliers, information centers, travel journalists, other travelers, locals, friends or family, or others sources of information. An information channel is the method by which the information is communicated to the receiver. This could be face-to-face, by telephone, TV, printed media or sources like the internet. In studies related to tourist's information search, it occurs that travelers have been asked to indicate whether the internet or travel agents were most important in their trip planning. While it could actually be a combination between the two of them (information source and channel), since respondents accessed a travel agent's website. Therefore the measurement of the traveler's behavior may not be valid because the categories that have been used are not mutually exclusive (Grønflaten, 2009).

To make a clear differentiation between sources and channels in the assessment of travelers' information search, Grønflaten (2009) developed the tourist information matrix (see figure 2.2). On the vertical axis of the matrix the most important information channels available to tourists are listed. On the horizontal axis the main types of information sources can be found. In the matrix four types of information sources are displayed. The first category 'commercial' includes service providers, travel agents, tour operators, and specialty channelers such as corporate travel departments, incentive travel firms, meeting and convention planners. The second category 'organizational' includes destination marketing organizations, public tourism offices,

welcome centers, visitor centers, chambers of commerce, as well as private non-commercial travel clubs. Embassies and consulates differ somewhat from the organizations already mentioned in terms of their role as a tourist information provider, but they are also listed in this group. The third category, ‘editorial’, includes journalists and travel writers. The last category, ‘social’, includes family, relatives, friends and other travelers. Within the matrix every cell represents a specific information search strategy where one particular source is communicating through one channel. By visualizing the various available channels and sources in a matrix it is possible for both researchers and respondents to avoid unnecessary assumptions about which source is communicating through which channel. When talking of both the source and the channel this research is speaking of information source channel combinations (ISC).

		Information source			
		commercial	organizational	editorial	SOCIAL
Information channel	face to face				
	telephone				
	television				
	printed media				
	internet				

figure 2.1: The tourist information matrix / source: GrØnflaten 2009

2.3.3 Information and Communication Channels

There are multiple information and communication channels between the tourists and the tourist sector. These channels are also used as marketing channels in which organizations use them to promote their products to the market. This includes advertising, publicity, sales, merchandising and distribution. Since the introduction of the internet, two groups of marketing channels are available. The first group contains ‘traditional’ marketing channels, such as TV, radio, mail, printed advertising (magazines, guides, etc.) and printed promotional materials such as brochures. The second group contains ‘online’ marketing channels, such as websites, search engine optimization (SEO), banner ads, social media, pay-per-click advertising and email marketing and will be central in this research.

2.4 Part II: Supply Side

2.4.1 Introduction

In this part the supply side will be described. As mentioned before there are three factors in this theoretical framework that will help to describe the supply side: (de)regulation, technology and competition. On the basis of these three factors it will be explained which organizations are operating on the supply side of the tourist sector and how this supply side is organized. More important it describes which information channels are used by these organizations to provide tourists with information. Eventually this will give an answer to sub-question 1; *how information channels between the tourist sector and its customers have evolved over time and how these organizations provide tourists with information.*

2.4.2 How the factors are used within the theoretical framework

To show how these information channels have evolved over time a timeframe will be introduced. This timeframe starts in 1960 and covers all the events (see 2.4.3) caused by (de)regulation and development of information technology that occurred in the field of communication and/or transportation and have been important to the formation of the tourist sector and the evolution of information channels in the tourist sector. While in 2.4.4 the structure of the tourist sector will be explained based on the factor competition.

2.4.3 Events caused by (de)regulation and development of information technology

Event one: CRS

Event 1 is an example of the development of information channels. The Computer Reservation System (CRS) found its origin in the travel industry where it was used by airlines. Before the 1960's airlines consisted of a limited number of carriers and available flights and were easy to manage. Their scheduling and pricing information to consumers happened by distributing timetables and distributing and advertising in newspapers. During the next couple of years more carriers entered the market and existing airlines expanded their route structures. This forced the industry to create a comprehensive multicarrier guide to provide passengers with the necessary information to make a purchase decision. As the 1960's arrived the airline industry had grown to an extent that they were no longer manageable without the use of automated systems. To keep track of the inventory of available seats, computerized reservations and ticketing procedures were introduced which improved the productivity of the airlines (Truitt et al. 1991).

Event two: Airline deregulation of 1978

Event 2 is an example of deregulations. In the late 1970's there was widespread public support for the elimination of much of the airline economic regulation, which had been developed over the period of the last 40 years. These supporters of deregulation were of the opinion that the removal of the regulatory barriers to entry of the airline industry would allow carriers to initiate service and offer consumers lower rates (Truitt et al. 1991).

Event three: GDS

Event 3 is an example of the development of information channels. During the 1980's airline CRS's became more popular all around the world and global distribution systems (GDS) emerged. GDS are basically nothing more than CRS's expanding their geographical coverage, as well as by integrating horizontally, with other airlines and vertically by incorporating the entire range of tourism products and services. These products and services include accommodation, entertainment, car rentals, train and ferry ticketing and other provisions (Buhalis & Law, 2008).

Event four: The Internet

Event 4 is an example of the development of information channels. In 1961 Leonard Kleinrock came with an idea to make computer networking more efficient. In 1966 this had led to the plan to set up a computer network called the ARPANET. At the end of 1969 four computers were connected and the precursor of the internet was born (Kahn et al, 1997). Since 1969 the internet was mainly used for military and research purposes (Werthner & Klein, 1999). By 1985 the Internet was already well established as a technology which was used by a broad community of researchers and developers and was at the start to be used by other communities as well (Kahn et al., 1997). At the beginning of the 1990's the Internet became more commercial, since it was freely available to the public in 1991 (Kahn et al., 1997).

Event five: Internet Protocols

This is an example of regulations. As mentioned before regulations to communications are introduced to create harmonization of standards to enable communication systems in one place to be understood in another place. The internet uses open standards which allow every network to connect to other networks. The internet is managed by non-profit organizations that work together to meet the needs of everyone. Non-profit organizations work with a range of partners existing of non-profit agencies, local and global NGO's, academia, technologists, but also federal policy and decision makers. These organizations set the standards that define the infrastructure of the Internet; this includes protocols such as FTP, TCP/IP, and the formatting of email addresses (ISOC, 2014).

Event six: Schengen Agreement

This is an example of (de)regulation. The Schengen Agreement signed in the town of Schengen, Luxembourg, in 1985 can be considered as a very important development for tourism in Europe. This agreement was the basis for the Schengen Area which consist of 26 countries. The Schengen Area is operating like a single state for international travelling with border controls for those that travel in and out of the area. Within the area there are no border controls. The implementation of the Schengen Agreements started in 1995 (European commission, 2014).

Event seven: GSM

This is an example of the development of information channels. GSM (Global System for Mobile communication) was designed for voice telephony, but later also for data connections. GSM and its evolved technologies serving around 2.5 billion users worldwide. As a result of growing user demand of information and communication technologies, the mobile communication industry developed faster and more efficient mobile services which has resulted in 3rd Generation (3G) and 4th Generation (4G) technologies (ETSI, 2014). The development of mobile telephony over the Global System for Mobile Communication (GSM) allowed the communication of voice and data over mobile devices. Today with the introduction of 3G and even 4G smartphones with GPS, mobile phones have a great penetration to digitally excluded communities. These smartphones enable the tourists to receive travel related information without any time and geographic constraints. With these phones tourists are even able to book tickets, rooms and cars and search information about transportation schedules or destinations (Buhalis & Law, 2001). As a result of an increasing supply of mobile applications and services in the market, the use of Internet via wireless networks and devices will continue to grow. This has caused a shift from voice to data traffic. Between 2012 and 2017 a 13-fold of global mobile data traffic is expected. The growth in data traffic is also linked to the spread of 4G services. By 2017, 4G is predicted to account for 10 per cent of mobile connections transferring about 45 percent of the total mobile traffic (ITU,2013).

Event eight: Standardization of GSM

This is an example of (de)regulation. The European Commission (EC) cooperated with European Telecommunication Standards Institute (ETSI), and the Electronic Communications Committee of the European Conference of Postal and Telecommunications Administrations (ECC) on aspects of the regulatory environment for radio equipment and spectrum. This has resulted in the standardization of the GSM mobile communication technology and its successors. Although the GSM technology was originally developed for Europe, today these technologies have been deployed world-wide. This resulted in the fact that travellers can communicate and use familiar services all around the world (ETSI, 2014).

Event nine: Eurotariff

This is an example of (de)regulation. When a person travels through a foreign country with a mobile phone, the mobile phone company of this person and a phone company in this foreign country work together to keep this person connected in order to receive phone calls, texts messages or use the internet. This phenomenon is called roaming. Weak competition among national operators for roaming customers has allowed them to charge very high prices. In 2007 the European Commission implemented a rule (Eurotariff) which set a maximum price for phone calls made and received while a person is abroad. In time this rule has been reviewed and reformed. This has resulted in a retail price reduction across calls, SMS and data of over 80% since 2007. Data roaming is about 90% cheaper compared to 2007, causing a grow in the volume of data roaming market of 630% (European Commission, 2014 b). At the end of 2015 the roaming costs for phone calls and roaming within the European Union will be the same as the cost for phone calls and roaming within a tourist's country of residence (The Gardian, 2014).

Event ten: Wireless connections

This is an example of development of information channels. As alternatives to the relatively high roaming costs for data roaming a person can use WLAN and Bluetooth or WiMAX:

1. WLAN and Bluetooth: Besides GSM an WAP tourists are able to make use of Wireless Local Area Networks (WLAN's). These allow tourists to connect devices to the internet through a wireless radio connection (WiFi). WLAN's cover a range of about 100m from the stationary hotspot and is used in hotels, restaurants, airports, cafes and other public spaces. According to TNOOZ (2014) 67 per cent of the European hotels are giving WiFi as a complimentary service. Bluetooth connects mobile phones and PDA's over short distances (Buhalis & Law, 2001).
2. WiMAX: In addition to WLAN's which cover a limited range Worldwide Interoperability for Micro wave Access have been introduced (WiMAX). WiMAX provides wireless data over a long distance, which enables users to browse the internet practically everywhere within a destination, since it is expected to cover a 30 miles radius. Another advantage of this technology is the fact that tourists no longer have to pay expensive data-roaming cost, while they are abroad (Buhalis & Law, 2001). WiMAX services are now offered in almost 100 countries. For these countries WiMAX is most of the times the only alternative to fix wired internet access. In some countries for instance Nigeria and Bahrain about half of the wireless-broadband subscriptions are WiMAX subscriptions (ITU, 2013).

Event eleven: Online Platforms (travel review and guides and travel apps)

This is an example of the development of information channels. Since the introduction of the internet within the tourist sector much has changed. Both tourists and organizations using a range of different platforms offering diverse content. Although most of the platforms are as old as the introduction of the internet to the tourist sector the number of platforms has increased and so did the number of devices on which these platforms could be used. According to Ward & Shafaghi (2013) 1.11 % of the online hotel revenue is generated on smartphones, while 5.84 % on tablets, still the majority 93.06 % is generated on desktop and laptops. The degree to which tourists or organizations benefit depends on the type of platform but all have a significant impact on connecting the tourism industry with its customers. According to Tourism Economics (2013) online tourism content may be grouped by the following platforms:

- *Company website marketing*
- *Search*
- *Sales portals*
- *Travel reviews and guides (professional and consumer-generated)*
- *Travel apps and specialized content.*

Company websites: Company websites allow customers to make use of the information available about their property, attraction, services or destination. These websites provide descriptions, images, special offers and contact information and links to other sites or social platforms. Through these websites companies, like restaurants and hotels are able to have direct contact with their customers. Other organizations like government and tourism organizations use websites to generate attention to a destination and drive visitors and revenue (Tourism Economics, 2013). In a study Ward & Shafaghi (2013) stated that 94% of travelers were accessing hotel information online and 55% of all leisure and business travel bookings are completed online. Direct communication with tourists in order to increase sales has become one of the most important marketing methods used by hotels. Through the development in information technologies including the internet and web, the amount of channels which hotels can use to interact directly with tourists is still growing. Therefore being visible on all these channels and using these technologies has now become a requirement for effective marketing (Stavrakantonakis et al., 2013).

According to a research conducted by Stavrakantonakis et al. (2013) 53% of the hotels used the possibilities offered by Web 2.0 technology. This means that they added links on their websites to one or multiple social web profiles. Around 68% of the 1150 active Web 2.0 hotel websites has linked their website to Facebook. In 15% of the cases the hotel websites linked to Twitter or Google+, while 25% of the sites are linked to YouTube and RSS. There seems to be a proportional relationship between the number of stars of a hotel and the percentage of hotels per category that link their websites with their Web 2.0 channels such as Facebook. Not all hotels make use of these possibilities. Hotels with one and two stars are less likely to adapt new technologies as the development of the onsite quality of services has a higher priority and takes over online presence. Besides they are restricted to limited budget available in most of the cases (Stavrakantonakis et al., 2013).

Search: Search engines are an important entity in linking consumers and business with online content (Tourism Economics, 2013). For example results of a survey conducted among 91 hoteliers world wide showed that online marketing is growing. About 75 per cent of the surveyed hoteliers are spending on meta search. Tourism Economics (2013) categorized nine sources of value that arise from search. These benefits are estimated to directly benefit both businesses and consumers. Number one is better matching where tourists and tourism businesses are able to find information and identify options that are more relevant to their needs. The second source is saving time, since decision making and purchasing of trips are streamlined. The third source is raised awareness, which obviously benefits business, while source four, price transparency benefits the tourists. Source five is long-tail offerings which can be defined as niche offerings that have traditionally only been available in specialist outlets. Six is people matching which means that search content helps to connect travellers with similar interests. Number seven is problem solving. Source number eight is new business models, because companies are taking advantage of search including comparison sites and sales portals. The last one is entertainment. According to Ward & Shafaghi (2013), 55.6% of website booking revenue in 2012, was a result of direct referral from search engines.

Sales portals: The internet has transformed into an online tourism marketplace where online travel agents offer hotel rooms and other travel related services. A random hotelroom can be purchased on multiple sites, like Booking.com or Hotels.com. These sites are also called online reservation sites (ORS). There are benefits for both demand and supply side since average prices fall with greater transparency, while changing consumer behavior results in increased sales (Tourism Economics, 2013).

Travel reviews and guides: More and more review sites and travel sites are emerging on the internet. These websites, for example TripAdvisor, provide a lot of comparable information and opinions about various types of business within a particular destination. Businesses that perform well benefit from high rankings and positive recommendations, while tourists have an indication of which business they should visit and which they should avoid.

Other platforms like social platforms (SP) provide customers with trustworthy information of their friends provided at minimal costs. They are also a source of inspiration to visit the same places as their friends by watching their pictures (Tourism Economics, 2013). Reviews about travel destinations, hotels and tourism services have become extremely important sources of information for tourists (Ward & Shafaghi, 2013). Because of the intangible nature of tourism products, the evaluation before consumption is very difficult. Therefore the influence of online consumer reviews is particularly strong for experience products such as services related to hospitality (Ward & Shafaghi, 2013). According to TravelClick (2014) the social media channel that drives most bookings to the hotel's company site is TripAdvisor. This was reported by more than 78 per cent of the respondents. Facebook and Google+ are driving bookings with about 10 per cent. According to TravelClick (2014) over 65 per cent of the hoteliers are now spending on Facebook advertising. A study by Minazzi & Lagrosen (2013) confirms that in the hotel sector Facebook is the most used social media. It is considered as an instrument to promote the hotel brands and create sales.

Travel Applications: As a result of growing penetration of smartphones worldwide, the significance of smartphone applications in the tourism sector is strongly increasing. The development of applications for smartphones and other devices has led to the development of tools that both benefit travellers and tourism related businesses. These apps allow tourists to research tourism attractions and destinations interactively and virtually (Tourism Economics, 2013). According to Adukaite et al. (2013) hotels see the mobile application as an additional communication channel to enrich their client's experience at the place of destination. Nevertheless results indicated that hotels are not ready to design a smartphone application for direct communication with the tourists or to entertain them. However they mention interaction with their customers as one of the main goals of providing a smartphone application. The majority of responding hotels in the study did not provide a mobile application. The most important reasons they mentioned were; the lack of relevance for their business, lack of clear indicators for estimating the return on investment and lack of money to implement mobile applications (Adukaite et al., 2013).

2.4.4 Structure of the tourist sector

In the previous part all the events related to information technology and (de)regulation have been described. In this part the factor 'competition' will be treated. As mentioned before deregulations are able to lower the barrier of entrance to a certain market. The development of information technology can create competitive advance for organizations since it changes the way in which suppliers are able to communicate to their customers and thereby create extra value for their customers. The next paragraphs will answer how the events changed the structure of the market (since lower barriers have led to more competitors in the market). In addition it will explain how the development of information channels achieved competitive advantage tonsuppliers. (The creation of new information channels like internet led to direct communication with customers). Finally it will explain how the development of these information channels have led to extra value for then tourists. On the basis of this an answer to sub-question 1 (how the information channels between the tourist sector and its customers evolved over time) will be found. In order to describe the structure of the touristssector the timeframe mentioned earlier will be divided in four periods.

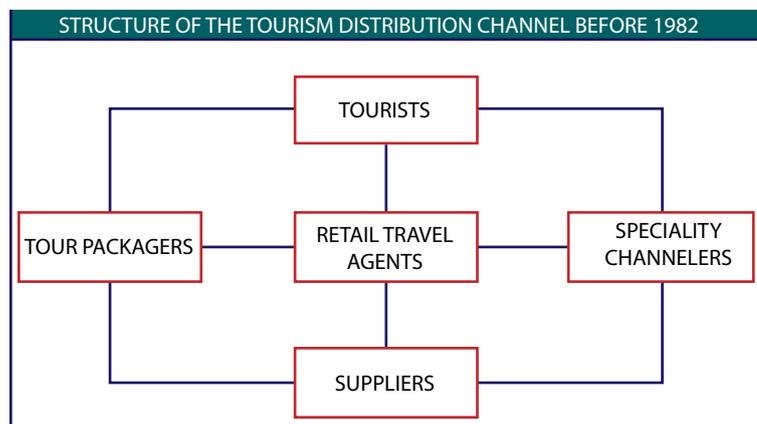


figure 2.2: structure of the tourism distribution channel before 1982. based on Kracht & Wang 2009

After every period the structure of the market will be described on the basis of the events that happened within this period. Although some events already occurred in previous periods, it will be placed in the period that it has influenced the most.

Period one

Before the introduction of computer reservation systems (CRS) and the deregulation act of 1978 there were three main categories of travel intermediaries which are tour operators (tour packagers), retail travel agents and specialty channelers (figure 2.2). By this time each intermediary had the power to influence when and where and how people were travelling, because they had some control over how much business an airline, hotels, cruise lines or car rental firms would get (Bitner and Booms, 1982). Still the Civil Aeronautics Board restricted airlines and travel agencies in the way they were able to sell their tickets. Travel agencies were only allowed to practice sales for compensation ticketing. Until the deregulation act of 1978 there was hardly no travel agent with access to a CRS. As soon as deregulation was implemented, new airlines entered the market offering a wide range of fares as had been predicted, because new entrants were allowed to enter the market the amount of travel agencies increased dramatically too.

Through the deregulation the fare structure available to airline passengers became rather complex and therefore the need for an efficient system for reservations and ticketing would be of great use. From now on travel agencies were also able to make use of the system. By 1982 almost 82% of the U.S.A. travel agencies were linked to one of the major CRS's in existence (Truitt et al. 1991). This changed the bargaining power of both intermediaries and buyers since intermediaries could offer a wider ranges of fares which gave the buyer more choice.

Period two

The introduction of global distribution systems (GDS) to the market led to an expansion of the market since GDS connected different CRS systems to one another which led to the expansion of the geographical coverage of many supplier in the market. To avoid overlapping of CRS's, GDS's interfaces were introduced by so called switch companies to facilitate interconnectivity.

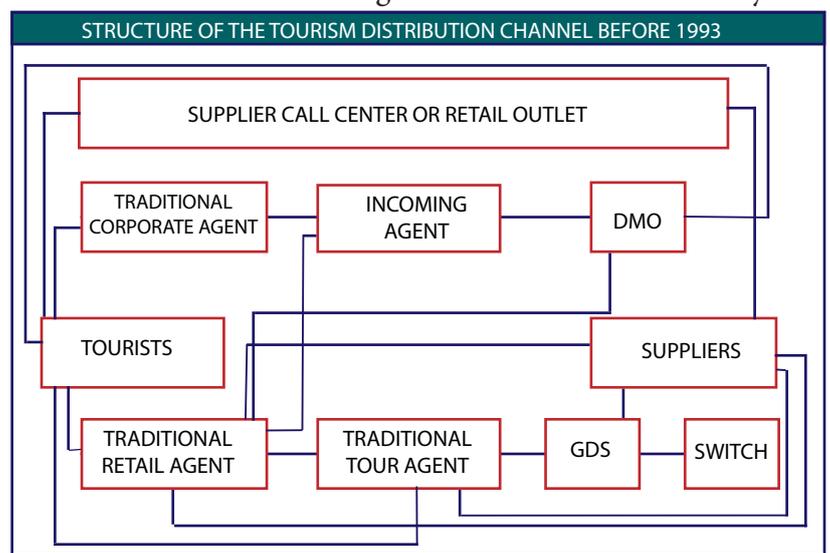


figure 2.3: structure of the tourism distribution channel before 1993. based on Kracht & Wang (2009)

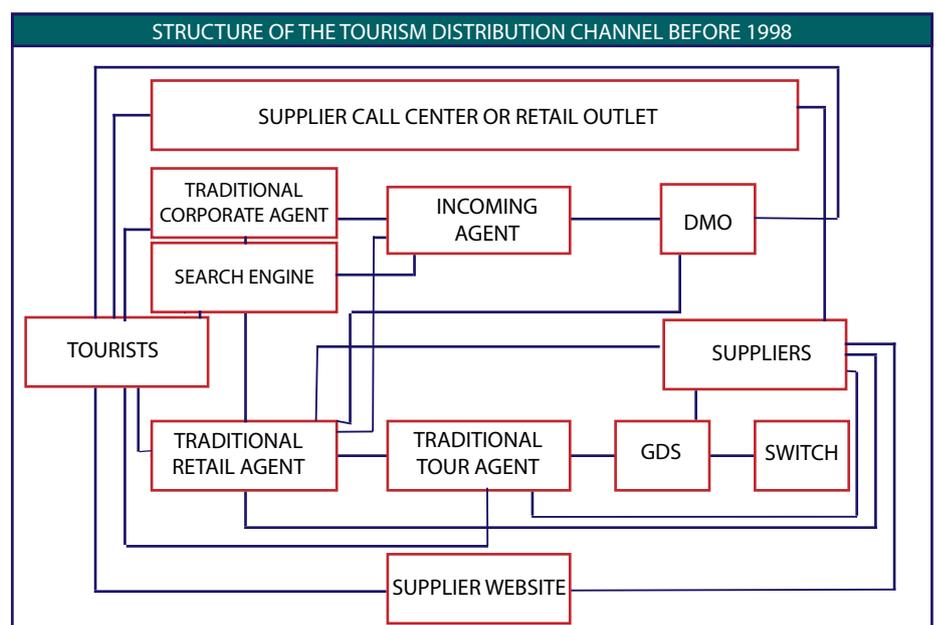


figure 2.4: structure of the tourism distribution channel before 1998. based on Kracht & Wang 2009

GDS's connected most of the tourism organizations with intermediaries all around the world and the system got more standardized. Due to fierce competition mergers and acquisitions in the GDS industry caused that only a few major players in the industry survived and were able to dominate the global market, namely Galileo, Amadeus, Sabre and Worldspan (Buhalis, 1998). So, until 1993 the traditional tourism distribution system consisted of consumers, traditional retail travel agents, traditional corporate travel agents which enjoyed the benefits of working with the airline sector by using the same GDS's, traditional tour operators, global distribution systems incoming travel agents, switches, destination marketing organizations (DMO's), and suppliers (figure 2.3) (Kracht & Wang, 2009).

Period three

The internet went public in 1991 and through its open standards every network was able to connect to other networks. Therefore suppliers began establishing websites to connect directly with customers which decreased distribution costs and created the opportunity for partnerships with countless affiliates and other distributors. Therefore bargaining power of buyers became stronger since the internet provided alternatives and reduced the need to buy from a few powerful suppliers. This resulted in the fact that tourism firms did not have to rely exclusively on powerful intermediaries like GDS's and tour operators. This led to the disintermediation of the traditional retail travel agents. From this time on airlines, hotels and other enterprises were able to practice disintermediation via multiple channels, including callcenters, retail outlets, and the internet (figure 2.4) (McCubbrey, 1999; Kracht & Wang, 2009). While suppliers started disintermediating travel agents, another layer of intermediation started to grow. In 1996 Pegasus systems and several hotel chains opened the Travelweb.com portal. Pegasus was a switch company since 1989 between CRS's and GDS's, but with the introduction of the website they disintermediated GDS's by avoiding the paying of GDS fees (Werthner & Klein, 1999; Kracht & Wang, 2009). Around the same time online travel agents joined the fray, when the Internet Travel Network (ITN) became the first online agent which started the disintermediation of traditional travel agents (Kracht & Wang, 2009). In 1993 the first search engines appeared and led to the birth of one of the biggest companies in the world; Google in 1998 (Werthner & Klein, 1999; Kracht, 2009). The search engines and website increased transparency which led to the ability to monitor and imitate competitors which resulted in reduced differences among rivals. At the same time a higher degree of transparency has created insights in market conditions. This in combination with the Schengen Agreement in Europe which allowed European citizens to travel without any border controls resulted in more choice in travel products and services, easier access to foreign destinations and cheaper prices of these products and services.

Period four

The internet has transformed into an online tourism marketplace where online travel agents offer hotel rooms and other travel related services. These services benefit both the demand and supply side since average prices fall with greater transparency, while changing consumer behaviour results in increased sales

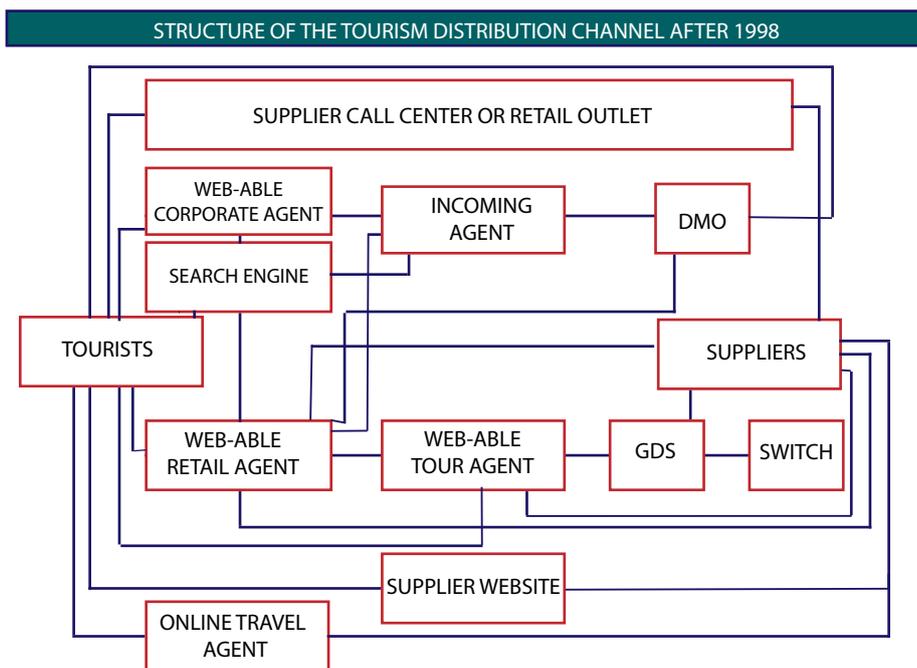


figure 2.5: structure of the tourism distribution channel after 1998. based on Kracht & Wang (2009)

(Tourism Economics, 2013). In order to stay competitive with the early adapters of internet the majority of the traditional travel agents, retail agents, tour operators, corporate agents and suppliers changed their strategy and became web-able companies. While other companies spotted a change to enter the market and offer services related to tourism. For example Skyscanner, or FareCompare which search on the online travel agency sites, as well as supplier sites, thereby adding the additional level of intermediary function (Granados et al., 2008). At the same time review and travels sites, like TripAdvisor have emerged on the internet. They provide a lot of comparable information and opinions about diverse types of business within a particular destination. Businesses that perform well benefit from high rankings and positive recommendations, while tourists have an indication of which business they should visit and which they should avoid. Thereby they can indirectly affect the sales of this organizations (Tourism Economics, 2013). Due to development and standardization of information and communication technologies like GSM, decreasing roaming costs and wireless connections, tourists and companies are able to exchange information to a range of devices from basically every location in the world. In addition this had resulted in the development of applications for smartphones and other devices that provide tourists with information about tourism attractions and destinations (Tourism Economics, 2013). According to Tourism Economics (2013) about 41% of the tourists use apps to search and choose restaurants, bars and beaches during a trip. It seems that in order to stay in competition, the use of, and the visibility on multiple online platforms is unavoidable. Until now the potential that these new platforms provide has only been exploited by big international brands. A lot of small and medium-sized enterprises (SME) in the hotel sector are struggling with the amount of variety and possibilities these platforms have to offer. Although most of the SME's see the potential the online platforms have to offer they still do not exploit their own website, which is the most traditional online channel as it comes to selling hotel rooms and gaining competitive advantage. The ones that exploit their own site often lack quality in terms of user friendliness, navigational structure, content quality, and up-to-datedness resulting in poor online distribution power (Schegg et al., 2013).

Schegg et al. (2013) have also investigated how the hospitality sector has embraced online (distribution) channels. It has analyzed the role of existing distribution channels, and methods to manage these channels for hotels in Switzerland. They have conducted a cluster analysis on multi-channel distribution strategies. They found that the hotels with the largest amount of rooms used the most distribution channels. They take equal advantage of traditional distribution channels (such as telephone and fax), electronic inquiries (e-mail) real-time online reservation (such as GDS, real-time booking via the hotel's website and social media), and tourism partners such as tour operators, travel agencies, and DMOs (Schegg et al. 2013).

2.4.5 Conclusion

In the last 55 years information channels have evolved due to (de)regulation, development of technology and competition. The introduction of new technologies such CRS, internet and GSM gave suppliers of tourism products and services multiple ways to communicate with their customers. Innovation of these technologies (CRS evolved into GDS and internet can be used on multiple devices thanks to GSM and wireless connections) resulted in a global network in which it is easy to communicate and distribute products and service to other parts of the world. Today it is possible to receive tourism related information without geographical constraints. In addition the quality and quantity of this information has increased because the market has become more transparent since tourists are able to gather information via multiple platforms. As a result prices for tourism products and services have dropped.

2.5 Part III: Demand Side

2.5.1 Introduction

In this part the tourist sector will be described from the demand side. As mentioned before there are two factors in this theoretical framework that will help to describe the demand side: prosperity and changing consumer behaviour. The factor prosperity will describe how the tourist market managed to grow and therefore became increasingly important. Thereby it will explain how prosperity changed the way in which tourists are able to access information technology. While the factor tourist's needs and behavior will be used to describe why and how tourists collect and process information.

2.5.2 Growth of the tourist market

Since the 1950s the tourist sector has played a significant role in the rise of prosperity worldwide. The service sector has grown dramatically in terms of economic significance (Crouch & Brent Ritchie, 1999). Tourism has become one of the largest sectors in the global economy. It counts for 9% of the total GDP (WTCC, 2014). In 1950 the amount of international tourist arrivals was just 25.3 million, but increased to 1087 million in 2013. Over the last 150 years, as travelling has become more affordable and less difficult the numbers of international arrivals started to grow. Before the 1960's tourism was an activity in which relatively few people participated and was primarily confined to Europe and North America. International travelling was something for the wealthy minority who had the time and the money to afford long distance travelling. A number of different factors contributed to the development of tourism during the nineteenth and early part of the twenties century. According to Mason (2011) there are five important factors which led to the growth in tourism.

- *The Industrial Revolution which had led to increased standard of living.*
- *The improved technology in transport, which resulted in cheaper and more accessible ways of transport.*
- *The introduction of annual holidays at the end of the nineteenth century.*
- *Change in perspective on locations that were seen as dangerous have become more attractive.*
- *The increased desire to travel due to improvement of education.*

Tourism demands seem to depend on the economic conditions in countries. When economic conditions in countries improve, the level of disposable income starts to rise as well. This offers people in emerging economies the possibility to travel as well, since they can spend a relatively larger part of their discretionary income on tourism, which increases the demand for tourism (UNWTO, 2014).

Rising prosperity changes the way in which tourists are able to access information technology. Recent studies have drawn correlations between GDP and internet adoption levels by regions. Which state that an increase in per capita GDS is associated with an increase in the number of internet users, although it has to be said that in this case internet penetration is the leading variable and GDP is the response variable. This seems to be true for other information technologies as well (Amiri & Reif, 2013). Amiri & Reif (2013) examined the internet penetration and its correlation to GDP in the Nordic Countries and found out that the phenomenon of countries with high GDP also having high internet penetration was not just restricted to the Nordic region, but occurred in other countries as well, while lower GDP in countries seems to correlate to lower internet penetration. While examining the growth of each of the variables however they found a pattern. When ICT growth occurred, the GDP level started to increase.

2.5.3 *The role of changing tourist needs and behavior in information collection and processing*

Information and communication technology (IT) is changing and influences the way tourists gain access to and use travel-related information. Tourists rely more and more on modern technology for buying travel products and services. Review pages and other commercial websites have emerged and information is increasingly accessed through mobile devices (ETC, 2014). These developments have direct affect on how travelers collect and process information. The internet contains a huge amount of information which essentially represents the “external memory” for many people. As a result a lot of people have become increasingly reliant upon it for everyday life. This has resulted in the fact that search engines have become a dominant force that influences travelers’ access to tourism products. Besides, the growth of social media has changed the dynamics of online communications (Xiang et al. 2013). The development of smartphones and applications, created new ways of information search and use whereby on-the-go travelers’ contextual and situational needs become increasingly prominent in guiding travel decisions (Xiang et al. 2013). Besides modern technology there are other things that influence tourist’s behavior such as changing economic situations, increasing environmental consciousness, aging societies and other demographic changes.

2.5.4 *Why tourists search for information*

According to Moutinho (1987) information search can be defined as an expressed need to consult various sources prior to making a purchase decision. As stated in Money and Crotts (2003) information theory is rooted in Stigler’s (1961) theory of economics of information. Stigler (1961) argues that consumers continue expending resources for search until the utility obtained from the search exceeds the costs. Fodness and Murray (1997) identify three major factors which influence tourism information search, motives, determinants and sources. A tourist’s main motive for information search is to enhance the quality of the trip (McIntosh and Goeldner 1990). Therefore there is a need for information on which opportunities are available, where they can be found, and how much they will cost (Raitz and Dakhil, 1989). Through information search tourists try to enhance the quality of their trip by decreasing the level of uncertainty.

According to Cho & Jang (2008) an information search is the act of fulfilling a variety of values that an individual pursues in seeking available alternatives of a given product or service. Information acceptance may be higher when the information leads to the desired value and may lead to an increased probability of purchasing the product or service (Cees 2000; Diehl and Zauberaman 2005; James and Van den Berg, 1990; Kristin and Zauberaman 2005).

2.5.5 *How tourists collect and process information*

The framework used by Fodness and Murray (1998) contains three different search strategies; spatial, temporal and operational. The spatial strategy assumes that there are two ways to gather information. Internal which refers to accessing the contents of memory versus external which refers to acquiring information from the environment. The temporal strategy assumes that a purchase decision can be either ongoing (building up a knowledge base for future purchase decisions), or pre-purchased which is the response to a current purchase problem. The operational strategy looks at the particular sources used and their relative effectiveness for problem solving decision making.

Spatial strategy

The strategy suggests that a consumer (or in this case a tourist) who is on an active search for product information, will first use memories of past consumption (Bettman 1975; Leigh & Rethans 1984; Lynch & Srull 1982).

If the internal search itself does not provide enough useful information about a product, or when a consumer lacks sufficient purchase expertise a consumer will turn to external search. External information search is the search of information outside personal experience or knowledge (Kotler & Armstrong 1994; Murray 1991). As mentioned earlier the internet with its huge amount of information has become an essentially part of the external “memory” for many people, and as a result, individuals have now become increasingly reliant upon it for the search of information (Xiang et al. 2013). In addition the introduction of mobile devices in combination with 3G and 4G network coverage, the reduction of roaming costs and the grow of Wi-Fi spots in destinations, allow tourists to consult this external memory at any time (ThinkDigital 2013).

Temporal strategy

Temporal strategy assumes that there are two kinds of information search. The first one is ongoing search. The motivation behind ongoing search is the desire to create a knowledge base for future decisions (Punj & Staelin 1983). This one is not directly responsive to an immediate purchase problem (Bloch, Sherrell, & Ridgway 1986). The second one is prepurchase search. This way of information search is used to make better consumption choices such as better buys and cost savings.

Ward & Shafaghi (2013) found that most respondents plan major aspects of their trip in advance (67%). According to Ward & Shafaghi (2103) the prepurchase process starts a long time before the actual purchase and has consequences long afterwards. They found that 44.2% of the respondents in their research started with the planning of their trip four or more months in advance, while 29.5% planned it 2 to 4 months in advance and 20.3% 3 to 8 weeks in advance. The introduction of mobile devices in combination with 3G and 4G network coverage, the reduction of roaming costs and the growth of WiFi spots in destinations has changed the way in which people search for information. The introduction of mobile devices (with applications) and the emergence of WiFi spots, has lowered the barrier to look for information during the trip. Therefore people are able to consult information from the internet or applications (which might be purchased before the trip) on their phone. ThinkDigital (2013) reported that over 55% of travel-related apps are purchased within the 3 days immediately preceding departure or while being at the destination. Besides 60% of smart phone users reported that they have downloaded travel-related apps and 45% of those intend to use the apps to help with their travel planning. A survey by Text100 (2012), reported that almost half of the respondents would be persuaded to be more involved with social media abroad if they had free Wi-Fi.

Operational strategy:

source categories

The operational strategy refers to product information sources that have been chosen by the customer out of a variety of other information sources also known as the information environment (Bettman 1975). These information sources can be categorized as following; (1) personal sources of information from family, friends, and other formal or informal social networks; (2) commercial or marketing-dominated sources, including salespeople and all forms of marketing communications; (3) public sources, such as information found in newspapers and magazines and (4) experiential sources accessed by direct observation and product trial (Kotler & Armstrong 1994). This is broadly in line with the sources mentioned by GrØnflaten (2009) (see 2.3.2) except for experiential sources which is not included as a separated source. Ward & Shafaghi (2013) stated that tourists mix internet based sources and other offline information sources such as commercial brochures and travel agents to plan their trips.

segments

Fodness and Murray (1998) stated that perceived effectiveness of any information source varies across different consumer segments.

There are a couple of examples. Xiang et al. (2013) stated that people who used the internet as a channel to search for travel-related information sources tended to be young and well educated, and that they were equipped with a computer. Xiang et al. (2013) found that those who searched for or purchased travel related products and services online were more likely to be 26–55 years of age, have higher incomes, perform white-collar occupations, and had more online experiences. The demographics of social media users show that frequent travelers make more use of the networks and that these users are most likely to be between 25 and 34 years old (Text100, 2012).

As it appears the effectiveness of information sources depends on situational, marketplace and individual characteristics.

use of online channels

Based on information from 1043 citizens of the U.S.A., Choe and Fesenmaier (2013) found that travelers tend to use a small number of online sources and that there is a strong hierarchical pattern in their use. They found that on average American online trip planners used 3.6 online channels for their trip planning. From the respondents that used only one source, 48% used online travel agency sites, while 31% used travel company sites and 21% used some other source for trip planning. Among the respondents that used two online sources approximately 64% used online travel agency sites, while 53% of the respondents used company sites. Other important sources among respondents that used two sources were search engines (3rd) and destination sites (4th) with 49% and 17%. From the respondents using three online channels, the use of online travel agency, general search engines, and travel company sites increased to about 70%.

contributory information sources and channels

It is suggested that an information source may be decisive as it has a major influence on the choice of a consumer. On the other hand an information source can be contributory. It means that the information source stimulates awareness or interest and may broaden the customer's knowledge base, but there is no impact on decision making. Fodness & Murray (1998) also propose a third alternative, ineffective, which means that exposure to ineffective information sources have no impact on decision outcomes. A good example of a contributory information channel is Facebook where users tend to look for new ideas and inspiration for their travel plans (ThinkDigital, 2014). Social media has strongly modified people's holiday related information retrieval behavior. The results indicated that Facebook delivered relevant information about attractions, but it provides insufficient information quality for the decision making process concerning transportation and accommodation (Bulencea & Egger, 2013).

All three strategies could co-exist at the same time, while a traveler is searching for information. In addition three forces drive individual tourists to develop unique information strategies. These forces are contingencies, tourist characteristics and result in different outcomes of source.

Contingencies

Fodness & Murray (1999) suggest that there are general contingencies which affect the choice of spatial, temporal and operational search strategies. In the model two factors are discussed; situational influence and product characteristics. Belk (1974) defined situational influences as those arising from factors that are particular to a specific time and place and that are relatively independent of consumer and product characteristics. This could be physical surroundings, social settings, time, task (type of decision to be made), and antecedent states such as moods and physical conditions (Belk 1975).

decision making based on routine

A traveler can make a product decision through routine, limited, or extended problem-solving behavior (Moutinho 1987).

Routine problem solving, travel decisions are made quickly and with little apparent effort like a visit to a nearby park. Limited problem solving, travel decisions take a little bit more effort and time. Limited decision making may appear when the traveler's plans differ from regular travel behavior such as taking a new route or engaging in a new activity at a familiar destination. While extensive problem solving such as planning a first-time cruise, or an abroad vacation, is considerable time and effort devoted to information search. While extensive problem solving heavily depends on external sources relying on decisive sources, such as travel agents or knowledgeable friends or relatives, as well as on a wide variety of contributory sources, such as commercial guidebooks, and brochures, routine and limited decision making rely more on internal resources (Fodness & Murray (1999).

composition of travel party

Another situational influence is the composition of the travelling party. Since leisure travel is a product that is often consumed by a group of people travelling together, decision making influences all those travelling together (Chadwick, 1987). There are different compositions of travelling parties. They could consist of single individuals, persons from different households travelling together, and persons from the same household travelling together. Persons from the same household can be divided into different categories: travelling with children and couples travelling without children, where the first one needs a lot of planning. Another distinction that can be made is the differentiation between younger, middle-aged, and retired couples. Retired couples seem to be more experienced travelers without schedule conflicts who tend to engage in less information search than do younger or middle-aged couples (Fodness & Murray, 1999).

Another aspect in contingencies is product characteristics. First of all there is the distinction between services and goods. Consumers rely more heavily on personal sources of information for decisions involving services according to Murray (1991). Leisure travels have a great difficulty in evaluating a service quality purchase and, therefore, this means that they perceive greater risk in buying intangible-dominant products such as touristic experiences. In order to reduce this perceived risk they adopt different search strategies (Engel et al., 1995). There are two factors within the framework that characterize the vacation product: purpose of trip and mode of travel.

purpose of trip

Purpose of the trip can be divided in four categories: business, visiting friends or relatives (VFR), other personal business, and pleasure (Chadwick 1987). According to McIntosh and Goeldner (1990) there is a difference in the needs, wants, and behaviors of business and pleasure/VFR travelers. Business travelers use less information channels than leisure and VRF travelers. This is also the case for VFR travelers where friends or relatives at the destination represent an important and accessible source of information to the traveler. This makes VFR travelers less likely to conduct extensive search prior to their trips (Gitelson & Crompton 1983).

mode of travel

Mode of travel refers to the way a traveler is moving between places. Mode of travel includes categories such as airplane, train, bus, boat, and automobile. Each type of transportation, involves unique traveler behaviors and associated information needs that are largely related to autonomy (Fodness & Murray, 1999).

Tourist characteristics

Within tourist characteristics there are two factors: family life cycle and socio-economic status. In a number of studies, researchers have suggested that the family life cycle by which is meant the series of relatively predictable stages through which the family unit evolves, is meaningfully related to consumer behavior (Wilkes 1995). The life stage of the family has also influence on leisure travel patterns (Fodness 1992; Moutinho 1987).

The second factor socio-economic status demonstrates distinct preferences for a variety of products including leisure activities among different social classes (Kotler & Armstrong 1995; Morrison 1996) Socio-economic status can be determined by things such as, sources of income, accumulated wealth, highest level of income achieved, place of residence, and family history (Boone & Kurtz 1995). Travelers with a lower income might be expected to engage in more information search to reduce the relatively higher risk of purchasing a product in comparison to higher incomes (Van Raaij 1986).

Both the family life cycle and socio-economic status are presented in the life-stage segmentation model. In each stage of a consumer's life he/she has different values and motivations. Besides his or her social status is changing during this life stages cycle. Although every customer is unique, generalized insights into the consumption and purchasing patterns of groups can be found. Therefore life stage segments make a distinction between groups in the sense of disposable income, expected service, price level, media used, and other variables that are highly relevant for marketing practitioners. Here a distinction of five segments will be made:



“Students & Youth” this segment is interested in cultural legacy objects, they like to meet new people and experience social and sport events. This segment is not really demanding therefore comfort and service is less of an issue. The disposable income of the segment is limited and the people within the segment are highly price conscious. They make use of all the travel supporting information/purchasing options available on internet (LTDA, 2011).



“Young professionals” this segment exists of people that recently joined the labour market. They have no children that depend on them. This segment has a high disposable income, therefore price is not really an issue. As a result they tend to make decisions about destinations and planning in an impulse mode (LTDA, 2011).



“Families with children” this segment needs to take care of their children. Therefore they tend to do a lot of information search before they decide where to go. They are looking for private pace and peace as a result to escape the hustle and bustle of every day life. They are tourists that look for nature / green / countryside tourism. The accommodations and attractions they will visit should be suitable for children as well. This group exists of value seekers and expecting adequate service, though they are not willing to over-pay for this (LTDA, 2011).



“Middle-aged” this segment has children but they are living on their own and if they travel with their children, the children do not influence the way of travelling. The people within this segment are still part of the labour market. As a result they cannot plan long trips. Instead they go on holidays with intensive active culture programs. The “Middle-aged” segment is looking for comfort and their disposable income allows them to pay for it (LTDA, 2011).



“Silver-aged” have grown up children and reached the retirement age. As a result they can enjoy experiences they had no time for during their professional careers. This segment exist of tourists that are not very active internet users (though this tends to change) and use travelling intermediaries more than average. They tend to enjoy culture and/or nature experiences (LTDA, 2011).

“Pensioners” this segment seeks for comfort and quality. Their holiday tends to last longer than holidays of other groups. Their ability to pay for expected quality they experience during their trip is rather high (LTDA, 2011).

Search outcomes

higher awareness leads to more consumptions and higher satisfaction

In most studies the decreased perceived risk is mentioned as a desired outcome of search (Murray 1991), but there are other search outcomes as a result of the information search strategies. The motivation behind the search of information is the desire to make better consumption choices. More information search can lead to better choice decisions, increased product or market expertise, and higher satisfaction (Bloch et al., 1986). The quality of these purchase decisions could be measured from the consumer's perspective in terms of service quality, satisfaction, positive recommendations to others, or repurchase intentions (Murray & Fodness, 1999). On the other hand ongoing search results in further purchasing and impulse buying. Chadwick (1987), McIntosh and Goeldner (1990) and Moutinho (1987) found that in the case of leisure travel, as a bundled product, the more activities and opportunities one is aware of at the intended destination, the more one consumes.

2.5.6 Conclusion

Before 1960 travelling was an activity for the wealthy minority. Today tourism has become one of the largest sectors in the global economy due to prosperity and changing consumer behavior. If economic conditions improve, incomes start to rise, therefore people are able to spend a relative larger part of their income on tourism. It also influences the way in which tourists are able to access information. Tourists rely more and more on modern technology to purchase tourism products and services. These developments have direct affect on how travelers collect information. The internet has become an external memory for people and as a result people have become increasingly reliant upon it. In addition the world has become more mobile as the number of mobile internet phone subscriptions is still growing. The increasing adoption of smartphones and tablets by tourists in combination with 3G and 4G network coverage, the reduction of roaming costs and the growth of WiFi spots in destinations have a major impact on the way tourists collect and process information. The search for information can be defined as an expressed need to consult various sources prior to making purchase decisions. There are different source categories which could help to make these decisions namely personal, commercial, public and experiential sources. The effectiveness of the sources used varies across different consumer segments. On average people tend to use just a small number of sources and channels to plan their trip or to purchase tourism products. Contingencies (composition of travel party) and product characteristics (mode of transportation and purpose of trip) are determinative for the amount of information channels used to plan or purchase a trip.



3.1 Introduction

As mentioned in the introduction (1.2 and 1.3) the aim of this research is to contribute to the literature on the area of information provision by the tourist sector. Riga has been chosen as the perfect spot for a research about this topic since it is host to the ECOC 2014 which can improve its destination image (see 1.1.5). In turn improvement of a destination image could be depending on the provision of information. In its turn the perceived effectiveness of any information source/channel varies across different consumer segments (Fodness and Murray, 1998) (see 2.4.5). The aim of this chapter is to examine what Riga/Latvia has to offer in terms of tourist supply (accommodations, transportation), what kind of tourists are most likely to visit Riga (or other places in Latvia), which new groups of tourists Riga/Latvia wants to attract and the most effective way to inform these (new) tourists (and which sources and channels should be used). This chapter will start with a short introduction to Latvia and its capital Riga (history, demography, economic situation). After the introduction the supply side and its target markets will be described on the basis of the five factors mentioned in the theory (see chapter 2): (de)regulation, development of technology, competition, prosperity and consumer needs and behavior. Finally the information channels and sources that meet the requirements to communicate with these target markets will be discussed.

3.2 About Riga and Latvia

3.2.1 History of Latvia and its capital Riga

Latvia is a country in Eastern Europe, bordering the Baltic Sea and positioned between Estonia and Lithuania. Latvia owes its name to the Latgaliers, which is one of the four eastern Baltic tribes that formed the ethnic core of the Latvian people between the 8th-12th centuries Anno Domini. Riga is the capital of Latvia and it contains about two thirds of the total population of Latvia. Riga is situated on both sides of the river Daugava and is located on 8 kilometers of the Gulf of Riga. The city is part of the heritage list of UNESCO. Riga is a typical monocentric city with a medieval layout of narrow streets. It also contains some Soviet-era skyscrapers which can be seen as a mixture of Soviet ideology and the provincial adaption of global trends (Insight Guide, 2013). Riga can be seen as a post-industrial city and contains a significant proportion of brownfields. These brownfields are the remains of former industrial territories which were formed mostly at the end of the 19th century and during the Soviet times. These sites are largely located in areas that have experienced deindustrialization or suburbanization. In Riga these territories can be found all around the city, but especially in the built up area of the historical city centre and its neighboring territories where old industrial areas are located. Between 2000 and 2007 Latvia experienced a rapid economic growth, as a result demand for new housing and commercial purposes increased rapidly as well. As a result a considerable part of the building activities for commercial purposes and new housing were carried out in brownfields (Solks & Nemeth, 2011). Riga's tourist district encompasses the entire Old Town, part of the city centre and an area on the left bank of the Daugava river (Rozite, 1999a; Rozite, 1999b). Almost all attractions are on walking distance. The history of Riga is more than 800 years old. It appeared for the first time in written sources in 1198 when the first leader Bishop Berthold got killed. The next leader Albert settled down in Riga in 1201 and this became the official date the city was founded. Albert started to build a fortification, a church and a wall around it. Latvia and its capital Riga have been ruled by the Germans, Poles, Swedes, and finally, Russians before the Latvian republic emerged in 1918 after World War I. In 1940 it was annexed by the USSR until Latvia re-established its independence in 1991 during the breakup of the Soviet Union. In 2004 Latvia joined both the European Union and the NATO. In 2014 Latvia changed its currency to the Euro (CIA, 2014).

3.2.2 Demographic facts

Due to the Russification of Latvia and the capital in particular, the city has a highly diverse ethnic structure. (Insight Guide, 2013; Municipal Portal of Riga, 2014). Besides Latvians who count for about 61,1% of the total population in 2013, it is home to several other ethnic groups. The largest group are the Russians who count for about 26,2% of the total population, followed by 3,5% Belarusians and 2,3% Ukrainians (figure 3.1). The official language is Latvian and is spoken by 56,3% of the total population in 2011, followed by Russian which is spoken by 33,8% of the total population. Latvia has a relatively low birth rate of 9,79 births/1000 population and death rate of 13,6 deaths/1000 population estimated for 2014. The population of Latvia is decreasing, and has a negative growth rate of 0,62% estimated for 2014. The life expectancy at birth is 73,44 years old estimated for 2014 (CIA, 2014).

ETHNIC GROUPS

Percentage of ethnic groups within the Latvian population (CIA, 2014)

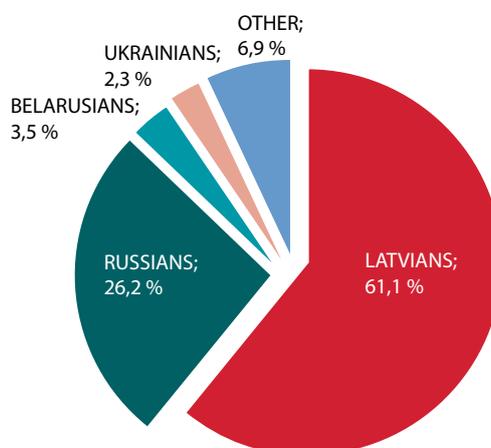


figure 3.1: Ethnic groups / source: CIA, 2014

3.2.3 Economic situation

Latvia has a small, open economy and exports count for nearly one third of its Gross Domestic Product (GDP). Latvia's GDP in 2013 reached 23.315 billion Euro (LIAA, 2014). After the crisis, export has become the main driver of recovery of Latvian economy. The level of exports and goods and services in actual prices have been exceeded by 8.3% in 2012. Half of the total increase in export in 2012 is related to the markets of EU countries which are less affected by the crisis like Poland. It's largest trade partners are Russia, Germany, Estonia, Sweden and Lithuania (Ministry of Economics Latvia, 2013). In 2006 and 2007 Latvia's economy experienced a GDP growth of more than 10%. Due to the recession of 2008 the economic growth decreased, but in 2011 and 2012 there was an annual GDP growth of 5,5 and 5,6% (CIA, 2014; Ministry of Economics Latvia, 2013). Services is the largest sector and contains 69,4% of Latvia's GDP, followed by Industry which contains 25,7% in 2013. Agriculture is the smallest sector and contains 4,9% of the GDP (CIA, 2014).

3.3 The tourist sector in Latvia and Riga: From regulation and state controle to deregulation and competition

3.3.1 Tourism in the Sovjet Era: regulation and state controle

In the Soviet Union there was a state monopoly on the infrastructure of tourism (Hall, 1991; Shaw, 1979), where tourism was used as an integral part of the propaganda machine (Wight & Lennon, 2007). Domestic tourism was administered by a number of groups, including state organizations, enterprises, ministries, local government bodies, and collective and state farms. While international tourism fell under the responsibility of the State Committee for Foreign Tourism. This committee had supervision over organizations such as Intourist (which had the leading position in size and services) and Sputnik an international youth tourist organization (Kreck, 1998). Intourist tasks were related to international sales of tours around the USSR and providing support for domestic tourism inside the country which included tourism services such as the provision of accommodations, sales of souvenirs, excursions and transportation.

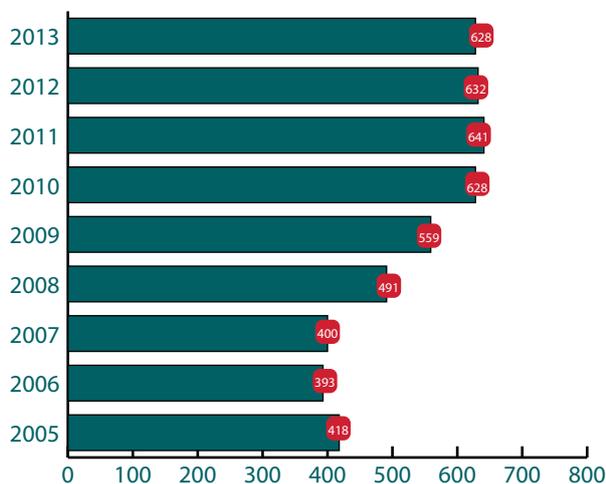
Between 1954 and 1973 about 100 Intourist offices and agencies were operating on the territory of the USSR. In addition Intourist had exclusive rights to operate in foreign tourist markets and to open offices abroad (Intourist, 2014). During the Soviet period development of tourism was done in collaboration with the secret services. Tourist guides and officials had to follow instructions like engagement in thoughtful political and informational operations that are aimed at unmasking the ‘lies’ that are disseminated about the USSR by the enemies of Socialism. International tours were used for the purposes of propaganda, although most of Latvia was closed to foreign tourists. They were only allowed to visit Riga, some of the wealthier collective farms, and some tourism objects along specially approved routes. Contact with local residents was not desirable but approved and strictly monitored. Tourist agencies that were organizing tours for foreigners received advice and practical assistance from the Agitation and Propaganda Division and the Foreign Policy Propaganda Sector of the Soviet Latvian Communist Party’s Central Committee (Foreign Tourism Department, 1967–1973). All the guidebooks published in Soviet Union had information about the revolution of 1905, battlegrounds of World Wars I and II (particularly those that could be used to stress the heroism of the Red Army), and the liberation of Riga (Tourism publications about Riga, 1966–1985) The only marketing during the soviet period was through traditional images and brochures. There was no coordinated concept of branding of the city. Besides there was no competition in the tourism brand since everything was state controlled (Rozite & Klepers, 2012). Around 1970 there were 10 hotels in Riga with an amount of 1833 beds. At the end of the 80’s more international tourists went to Riga and the number of hotels raised in 1989 to 35 with an amount of 3927 beds (Rozite, 1999a).

3.3.2 The tourist sector in Latvia after the Soviet era: deregulation and competition

In order to be part of a free market economy, Latvia approved a “Law on Entrepreneurial Activity”. This already happened in September 1990 just before its formal independence. The law stated the basic conditions for establishing private companies. In 1991 price liberalization started and was mostly completed by 1992. In the same year small-scale privatization started and in 1993 a mass privatization program for larger business was launched. Real estate nationalized after Soviet occupation in 1940 was given back to the previous owners or their legal heirs. In addition a law to eliminate barriers for foreign direct investment (FDI) had been enacted in order to attract new investors to its economy (Porter & Ketels, 2007). As a result of deregulation of the tourist sector the market was open to competitors which led to an increase in hotels owned by local hotel operators as well as international hotel operators. The foreign direct investment in accommodation and food service activities accounted for 64.9 million Euro in 2012 (CSB, 2014).

ACCOMMODATIONS IN LATVIA

Amount of accommodations in Latvia between 2005 and 2013
Data from CSB (2014)



ACCOMMODATIONS IN RIGA

Amount of accommodations in Riga between 2005 and 2013
Data from CSB (2014)

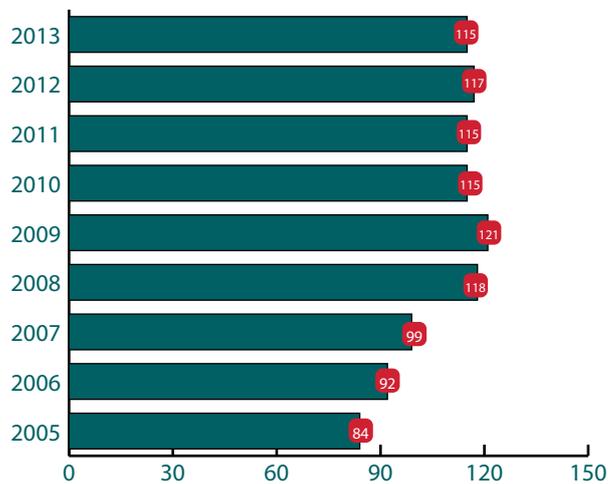


figure 3.2: Accommodation in Latvia and Riga

/ source CSB 2014

EXPENDITURE FOREIGN TOURISTS

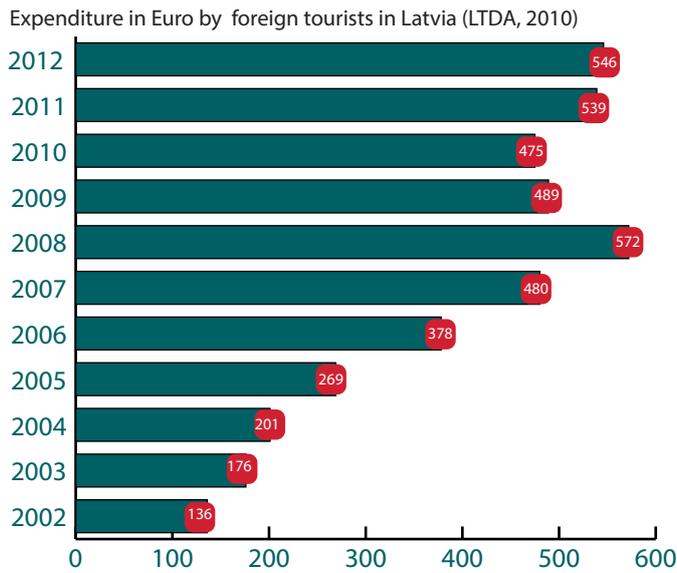


figure 3.3 expenditure foreign tourists / source: LTDA, 2010

The hotel market in Latvia contains mostly local hoteloperators. Besides these local operators there are four international hotel chains operating in Latvia; Rezidor, Wyndham, Choice Hotels and Best Western (Colliers International, 2014). In 2010 Rezidor Hotel Group, took over the management of the former Reval Hotels and became the biggest hotel chain in the Baltics (Rezidor 2014). In 2013 there were 214 hotels in Latvia among which 104 not certified. Half of these hotels are located in Riga and Jurmula and contain 70% of the hotel rooms (Colliers International, 2014). Between 2005 and 2013 the number of accommodations in Latvia has increased from 418 to 628 and the number of accommodations in Riga has increased from 84 to 115 (figure 3.2) (CSB, 2014). In 2013 the occupancy rate of hotels and other establishments continued to grow to an average 44.4% in Latvia and 54.7% in Riga

(Colliers International, 2014). The average size measured in beds among accommodations in Latvia is 61 (EUROSTAT, 2013).

Latvia's independence in 1991 and the Schengen membership in 2007 increased the amount of international tourists to the country and as a result the expenditures of international tourists. In 2012 there were about 5.57 million border crossings by international tourists. Up to and including 2008, the tourism industry in Latvia increased every year. As a result of the global financial and economic crisis, the year 2009 showed rapid decline of foreign expenditures in the Latvian tourist industry as can be seen in figure 3.3. In 2009 a total of 488,6 million Euro was spent by international tourists. In 2010 this number was 474.1 million Euro a decrease of 3% compared to the year before (LTDA, 2010). In 2011 there came an end to the decline in tourism. 2011 showed an expenditure of foreign tourists of 539.8 million Euro. In 2012 a total of 545.8 million Euro was spent by international tourists in Latvia, an increase of 1.1% compared to 2011 (CSB, 2014).

The neighboring countries Lithuania and Estonia are the main competitors of Latvia in the tourism industry due to their location and their similar supply of tourism resources, infrastructure and arrival possibilities. Tourists visiting all three Baltic States are attracted by the same authentic cultural heritage and untouched and unpolluted environment (LTDA, 2010).

3.4 Modernization and introduction of new technology.

3.4.1 Transportation

After its independence Latvia started with the improvement of its infrastructure which made it easier for international tourists to come to Riga/Latvia. The development of the Via Baltica highway, a project of 200 million Euro connected the Baltic states with Poland and Germany and passes Riga (Porter & Ketels, 2007). Riga Airport got modernized, in 1993 several large modernization and expansion projects were carried out including waiting rooms for business class passengers, a computerized information system and a computerized tickets and luggage registration system. Riga Airport also increased its number of connections. In 1995 the number of direct destinations reached 26 and the number of airlines grew to 23.

When Latvia joined the European Union in 2004, travelling became easier and the airport experienced an increase in the number of passengers up to one million. In 2013, 2.399.442 passengers departed from Riga and 2.393.603 passengers arrived in Riga. In 2013 Riga Airport cooperated with 21 airlines, and had a range of destinations on offer from 70 destinations in the winter to 81 destinations in the summer season (RIX, 2014). Also the number of visitors that came by ferry to Riga increased from 50.828 in 2004 to 448.897 in 2013 (Freeport of Riga, 2014).

3.4.2 Communication

In 1992 separation of the postal and telecommunication industries took place. As a result state owned Lattelekom became a private company in January 1994. Their mission became to keep up with people’s needs and demands which are the product of modern life. Nowadays about 484.000 households make use of the internet services of Lattelekom. In 2003 the first WiFi hotspots were introduced in one of Riga’s hotels. In 2003 Riga airport got its own WiFi zone and during 2006 payphones in parks and streets were replaced with WiFi hotspots. Since then the number of WiFi hotspots grew at a rapid pace to an amount of 3.500 hotspots all around the country (Lattelecom, 2014). This has caused that information has become more accessible to (international) tourists.

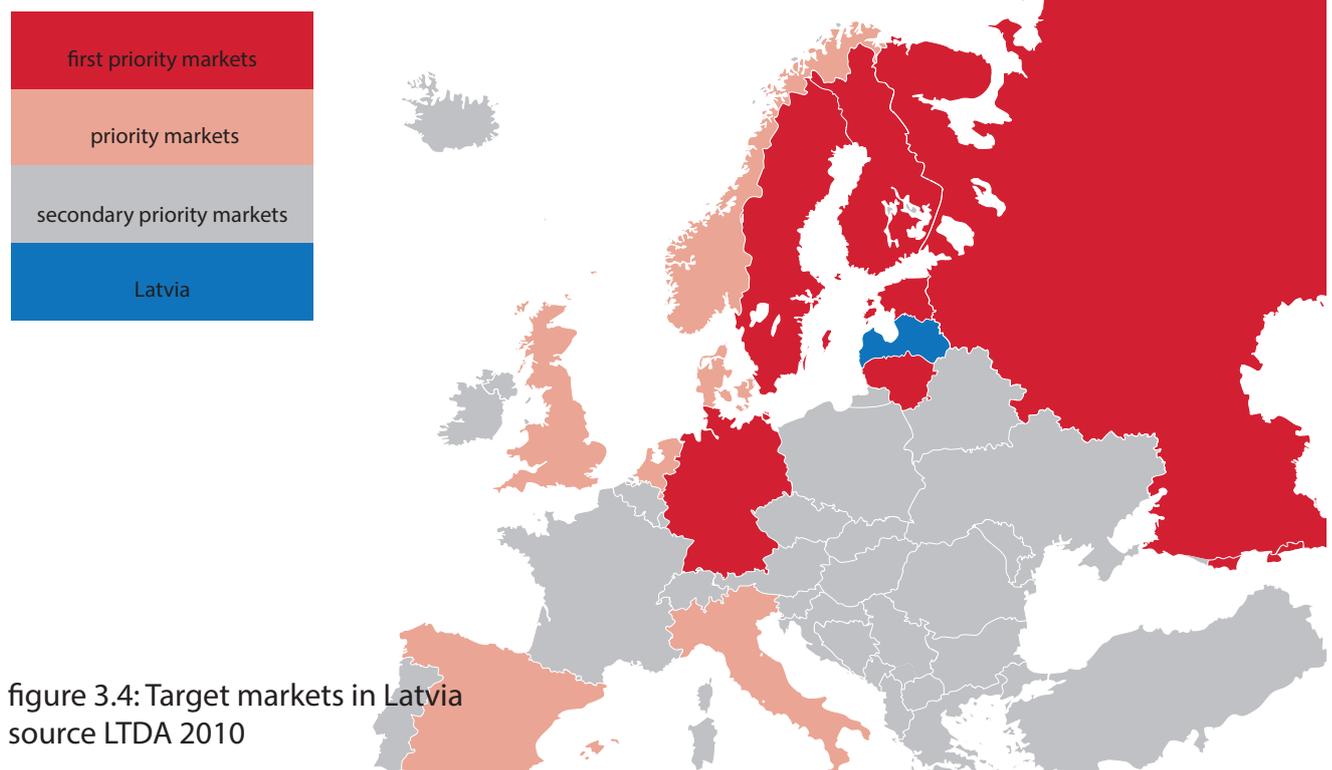
3.5 International Tourists: consumer behaviour and prosperity

Both prosperity and consumer behaviour are important factors in the tourist industry as mentioned in chapter 2. They influence the way in which tourists collect information and purchase products. As mentioned in chapter 2.5.5 behaviour and prosperity (disposable income) are different for different segments within the tourist industry. Therefore this part investigates which segment Riga/Latvia tries to target and via which information channels this is done.

3.5.1 Target markets

TARGET MARKETS LATVIA

Data from LTDA (2010): “The Latvian Tourism Market Strategy 2010-2015”



Based on criteria such as length of stay, amount of overnight visitors at tourist accommodations, amount of money spent, geographical distance and the variations in mode of travel, Latvia's target markets have been divided into four categories. The first category contains 'high priority' markets which are Germany, the Russian Federation, Finland, Sweden, Lithuania and Estonia. The second category contains priority markets. These are the United Kingdom, the Netherlands, Norway, Italy, Denmark and Spain. The third group contains secondary markets and includes all other European countries (see figure 3.4). Besides these groups the strategy identifies prospective markets with good growth potential, like the United States, Japan, China and India (LTDA, 2010).

Within these geographical target markets the high priority market for international tourist arrivals generated almost 70% of the total nights counted in 2012 (CSB, 2014). In addition most of these international tourists are from the so called 'silver aged' segment (LTDA, 2011). Target segments are "Families with dependents", "Middle-aged" and Silver aged groups since they are active in travelling and have significant disposable incomes to spend on travelling. The reason to target these segments is based on the assumption that its more useful to benefit from strengths already identified by market research studies of visitors to Latvia than focusing on some potential markets or potential products that may or may not materialize in some uncertain future. As mentioned in chapter 2.5.5 not all segments use the same information channels and sources and information. Because tourists from older aged segments have different motivations, are interested in different product benefits than younger aged segments, they expect different kinds of communication and can be reached through different communication channels (LTDA, 2011).

In different geographic target markets, the level of awareness about Latvia's tourism products is different. Tourists from Estonia and Lithuania are in general better informed about the attractions of the Latvia's tourism offering than those from countries further away. Besides they have wide possibilities to look for personal feedback about their experience in Latvia from their colleagues and peers (LTDA, 2011). For countries further away this would be more limited. Therefore different communication channels and messages are required. Based on previous studies (LTDA, 2010) and the communication considerations described above, the LTDA has developed a communication strategy and a communication plan for the high priority target markets. For each of the high priority target markets the primary and secondary target segments are defined. Also a set of communication channels has been recommended to reach these segments.

Most of the primary and secondary target audiences fall within the middle aged (see 2.5.5) and families with children (see 2.5.5) segments. The primary target audience is determined on the basis of distance (and mode of transportation (2.5.5)), economic status (income) and consumer characteristics among others. For some countries distance is more important to determine the target audience and for others economic status or consumer characteristics are more important (LTDA, 2011).

Influence of distance and income on choice segments

Germany

For Germany distance is more important to determine the target groups. Germany is located on quite some distance from Latvia. Therefore travellers are designated to air travelling, or should have a motivation impulse strong enough to experience longer land or sea transit to get to Latvia. Families with children (travel with campers) are not likely to make the long trip. On the other hand "Students & Youth" have a smaller disposable income than the other groups therefore their economic impact is limited. For that reason the "Middle-aged" aged 40 to 60 (primary audience) and "Silver-aged" (secondary audience) are targeted who live in cities and regions that have direct airline or ferry connections and members cities of the historic Hanseatic League (LTDA, 2011).

Russia

For Russia’s “Students & Youth” and the “Silver aged” group with a relatively low disposable income level, visa and traveling costs may be a barrier to come to Latvia. For that reason “Families with Children” and “Middle- aged professionals” (aged 30 to 50, travelling without children) are designated as target-segments. In this case the primary target audience is set to be “Families with Children” and secondary is “Middle-aged professionals” (LTDA, 2011).

Finland

The target audience in Finland is based on the characteristics of the different segments. Therefore “Families with Children” and “Middle aged” are selected as target groups. For Finland the “Middle aged” segment (the primary group) is described as active tourists, around the age of 45 with an active career. They are likely to travel by airplane, but also ready to travel by car or caravan. Finnish “Middle aged” tourists travel in couples or in small groups. Like the “Middle age” group, “Family with children” are likely to travel with caravans. They also like to explore nearby destinations. Good connectivity via ferries through Helsinki offers the possibility to travel by caravan to Latvia (LTDA, 2011).

Sweden

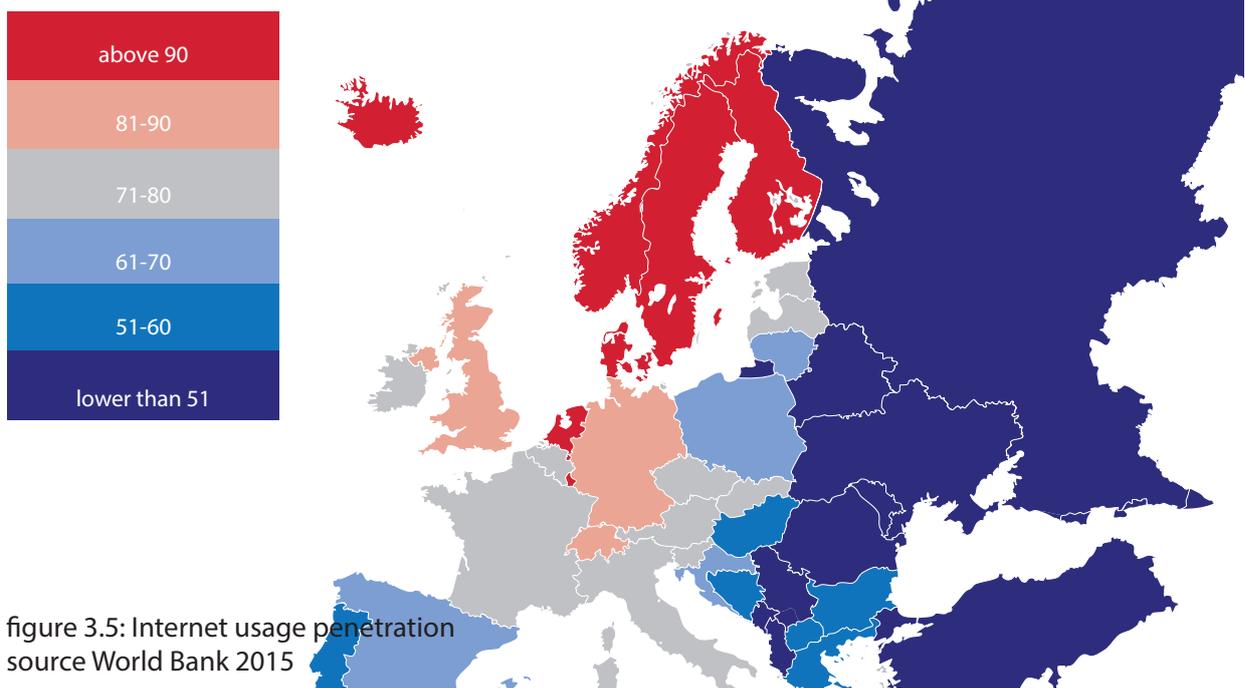
The target audience in Sweden is based on the characteristics of the different segments. Market purchasing power and the communication situation in Sweden suggests that “Middle aged” and “Silver-aged” groups seem to be easier to target and that their economic impact will be higher than that of other segments (LTDA, 2011).

Lithuania and Estonia

The countries Estonia and Lithuania are Latvia’s neighbouring countries. When looked at discretionary income of the Estonian and Lithuanian segment the “Families with children” and “Middle aged” (in age of 45 and up) segments are the most attractive. Due to the physical proximity it is also easy for them to come to Latvia with a car (LTDA, 2011).

INTERNET USAGE PENETRATION

Estimated internet usage penetration in % Europe for 2014.
Data from World Bank (2015)



3.6 Information channels and sources

In general the internet seems to be the most useful channel to reach the target audiences for Latvia. The top priority markets are countries with a high internet usage and smart phone usage penetration (except for Russia and Lithuania) (figure 3.5 and 3.6) (LTDA, 2011). Especially among the Scandinavian countries the usage of internet, smart phones, but also ICT rate is among the highest in the world (ITU, 2013).

Although the effectiveness of the channels varies among the segments. In general the “Middle-aged” segments and “Families with children” seem to be more suited to approach via the internet since the internet usage penetration is higher among these groups. German “Silver aged” seem to look for trusted information sources and consultation from German suppliers, while the “Middle aged” segment relies more on independent information searches and tend to book services and accommodation via the Internet. Russian travellers need visa to travel to Latvia. For that reason they are more dependent on travel agencies in order to visit Latvia. For Estonian and Lithuanian travellers contact with family and friends can be an important information source as well (LTDA, 2011).

SMARTPHONE USAGE PENETRATION

Estimated smartphone penetration above 50% among mobile phone users between 2013 and 2015. Data from eMarketer.com (june 2014)

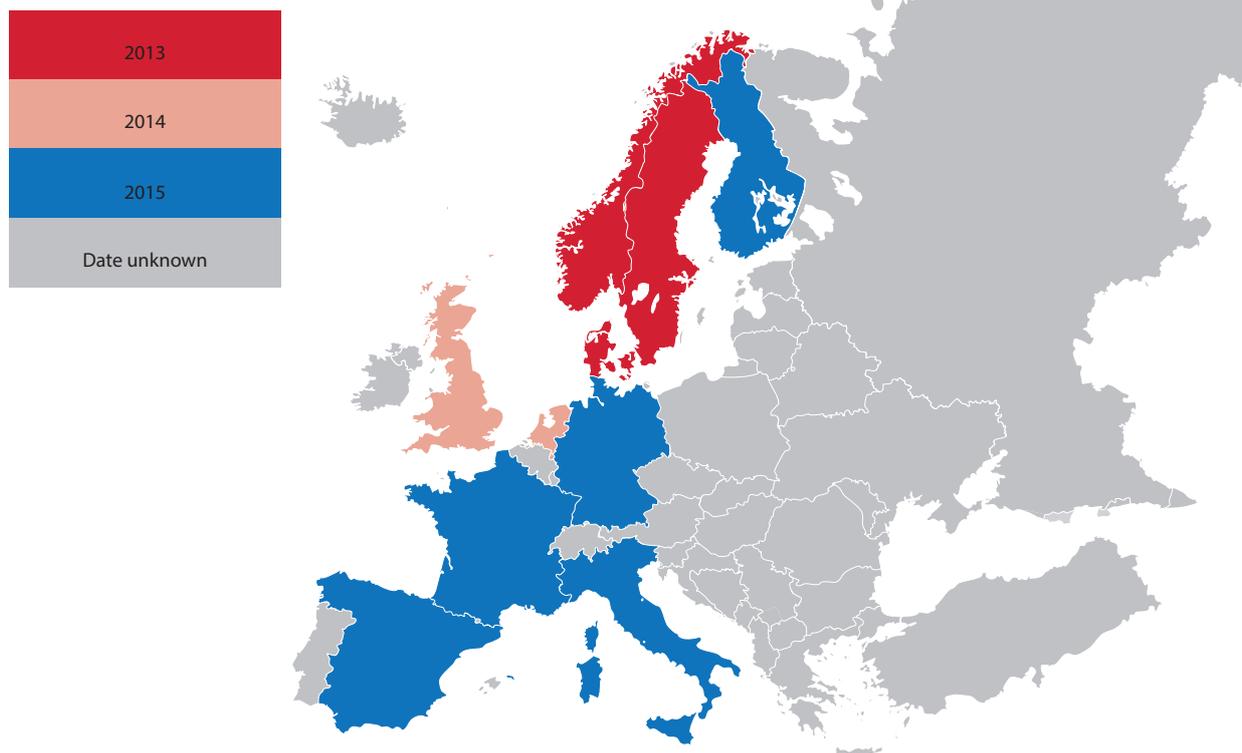


figure 3.6; Estimated smartphone penetration / source: emarketeer.com



3.7 Conclusion

Since Latvia has become independent the structure of the tourist sector has changed dramatically. Before its independence Latvia's tourist sector was state controlled and there were only a few players on the market. Due to deregulation Latvia became a free market. This offered new competitors (among them hotels and hostels) the chance to enter the market. The government modernized the infrastructure (communication and transportation) of the country. As a result more people are able to visit Riga and other parts of the country. Increase of tourist supply (more hotels, restaurants) made Riga (Latvia) more attractive as a destination. The tourists that are likely to visit Riga/Latvia come from Russia, Germany, Lithuania, Estonia, Finland and Sweden, therefore they are the country's high priority markets. Latvia focuses especially on the middle aged, families with children and silver age segments, for the reason that they already come to Latvia and are the best match for the country's tourist supply. Because many of the countries among the high priority markets have high internet penetration, the internet is one of the most effective channels to reach these markets.

4.1 Introduction

The central phenomenon in this research is the provision of information through information channels. This research is conducted in order to determine if the current information channels between tourists and tourist sector in Riga are sufficient enough to fulfill the tourist's needs for information or if alternatives should be proposed. This research used a theoretical framework (Chapter 2) that exists of two components which are the supply side (2.4) and the demand side (2.5). The first part focuses on the supply side and contains insights derived from Buhalis (1998); Buhalis & Law (2001) Truitt et al, (1991); Kracht & Wang (2009) about the factors development of information technology, (de)regulations and competition in the tourist sector. These factors are used to describe how the information channels within the tourist sector have evolved over time and how they are able to inform the tourists via multiple devices (mobile phone, pc, tablet) through multiple information channels (online reservation channels, global distribution systems, social platforms and applications). The second part contains insights derived from Crouch & Ritchie (1999) and Fodness and Murray (1998) about the influence of prosperity and consumer behavior on the demand side. This part describes how tourists in turn, collect and process this information. With this information sub-question 1 could be answered: *How have information channels between tourist sector and its customers evolved over time* (see the conclusion in 2.6). In chapter 3 the five factors (de)regulations, competition, development in technology, prosperity and consumer behavior have been used to describe their impact on the formation of the tourist sector in Riga. As a result of the five factors the tourism sector in Riga has been able to grow, while the range of tourism products and services have become more diverse and attractive.

4.2 Research Design

With the information provided by the previous chapters the foundation has been laid to answer the other sub-questions and to examine if the current information channels between tourists and tourist sector in Riga are sufficient enough to fulfill the tourist's needs for information or if alternatives should be proposed. The next step in this research is to find out how the tourist sector in Riga informs tourists with the tourist supply in the city (sub-question 2.a) and how these tourists collect and process information on the tourist supply in the city (sub-question 2.b). It also examines how the tourists in Riga evaluate the information they used (sub-question 3.a). For both the supply side and the demand side a number of hypotheses (see 4.3) have been conducted based on the previous chapters. Based on the knowledge of the previous chapters and the hypotheses a set of variables is composed (see 4.4). Based on these hypotheses two different surveys have been conducted. One for the supply side (see Appendix 1) and one for the demand side (see Appendix 2). The responses collected with the surveys will be imported in two different databases, one for the supply side and one for the demand side. In chapter 5 it will be checked if the hypotheses are correct, where after the sub-questions 2.a, 2.b, and 3.a will be answered. In addition the data from both sides will be evaluated to examine if there is a latent need for new information channels (3.b).

4.3 Hypotheses

Based on chapter 2 and 3 two sets of hypotheses have been created. One for the supply side and one for the demand side. The variables used to support the hypotheses for the supply side are: size of accommodation, amount of Global Distribution Systems (GDS) used by accommodations, amount of online reservation sites

(ORS) used by accommodations, amount of online information channels referred to by accommodations and the need for applications. The variables used to support the hypotheses for the demand side are: number of information source channel combinations (ISC), mode of transportation, composition of travel party, amount of different kind of activities, amount of different kind of attractions, purpose of trip, satisfaction of information channels and satisfaction of information provided by the supply side (see Variables 4.4).

4.3.1 Hypotheses supply side [sub-question 2.a]

To find an answer to sub-question 2.a on how the tourist sector in Riga informs tourists with the tourist supply in the city the following hypotheses will be used:

Size of accommodation

Schegg et al. (2013) (see part 2.4.5) concluded that hotels with the most rooms in their research were the ones that used the most information/distribution channels. (This research uses accommodations instead of hotels and beds instead of rooms (see variables 4.4: size of accommodation)). Therefore the following hypotheses will be introduced:



Accommodations with a higher amount of beds use more global distribution systems than accommodations with a smaller amount of beds.



Accommodations with a higher amount of beds use more online reservation channels than accommodations with a smaller amount of beds.



The possession of an own company website is higher among accommodations with a higher amount of beds.

Amount of Online Information Channels referred by accommodations

As mentioned earlier direct communication has become one of the most important tools to increase sales. This can be done by several information channels; an own website and channels such as Facebook (Stavrakantonakis et al. 2013) (2.4.4 p). In order to find out which online channels they are using besides their company page this research assumes that the more links to other channels a website contains the more channels the company is using. Besides the use of links to for example Facebook indicates that they are using Web 2.0 technology which could say something about the quality of the site and its content (Stavrakantonakis et al. 2013) (see 2.4.4). Stegg et al. (2013) concluded that small and medium enterprise company sites often lack quality in terms of user friendliness, navigational structure, content quality, and up-to-datedness resulting in poor online distribution power. Therefore the following hypothesis is introduced:



Accommodations with a higher amount of beds use more social media platforms than accommodations with a smaller amount of beds.

Need for applications of accommodations

Although many hotels see apps as an additional tool to enrich their client's experience there are not that many hotels that are using applications at this moment for example due to high costs of development (Adukaite et al. 2013)(see 2.4.4). Therefore the assumption is made that the amount of applications offered by accommodations will be low, but that the need for applications will be there. Therefore the following hypothesis will be introduced:



The need for an application is higher among accommodations with a higher amount of beds.

4.3.2 Hypotheses demand side [sub question 2.b]

To find an answer to sub-question 2.b on how the tourists collect and process information on the tourist supply in Riga the following hypotheses will be used:

As mentioned in chapter 2.5.5 (spatial and temporal strategy) people have become more reliant upon the internet as an information channel. In addition the introduction of mobile devices and the availability of Wi-Fi, 3G and 4G make it possible to access internet during the trip. As mentioned in chapter 3 many of the countries within the high priority markets have high smart phone penetration. Therefore the following hypotheses will be introduced:



Tourists with smart phones have a higher share of online information sourcing during the trip than people without smart phones.

As mentioned in chapter 3 the tourists that are most likely to visit Riga are from the “Middle-aged” and “Silver aged” segments and the purpose of the trip is leisure travelling. Therefore the assumption can be made that these tourists will visit tourist attractions and participate in activities. One possible outcome of information search is that it leads to higher awareness of the tourist supply, which in turn can lead to higher consumption of the tourist supply in the city (see 2.5.5). Therefore the following hypotheses are introduced:



The more information source/channel combinations a tourist has used the more different kind of activities the tourist will do.



The more information source/channel combinations a tourist has use the more different kind of attractions the tourist will visit.

4.3.3 Hypotheses demand side [sub-question 3.a]

The following hypotheses are used to examine how the tourists in Riga evaluate the information they used (sub-question 3.a).

Another outcome of more information search is that it can lead to better consumption choices. Better consumptions in turn can lead to higher satisfaction (chapter 2). Therefore the following hypotheses will be introduced:



The relative number of positive satisfaction rates regarding the provision of information before the trip about accommodations is higher among the group of tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information before the trip about transportation is higher among the group of tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information before the trip about activities is higher among the group of tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information before the trip about attractions is higher among the group of tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information during the trip about accommodations is higher among the group of tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information during the trip about transportation is higher among the group of tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information during the trip about activities is higher among the group of tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information during the trip about attractions is higher among the group of tourists who used a higher amount of information channels.

4.4 Variables

Based on the previous chapters and hypotheses the following variables are selected to find an answer to sub-questions 2.a, 2.b and 3.a.

4.4.1 Variables supply side [sub-question 2.a]

To find an answer to sub-question 2.a on how the tourist sector in Riga informs tourists with the tourist supply in the city the following variables will be used:

Size of accommodation

In chapter 2.4.5 it was mentioned that small and medium enterprises are struggling with the adoption of online channels. It also mentioned that hotels with more rooms use more information channels. In this research hotels, hostels, bed & breakfasts and apartments are examined. Therefore the size of accommodations is used as a variable in this research. The amount of beds in hostel rooms is variable therefore the variable is measured in terms of beds instead of rooms. This variable has been divided into three classes: accommodations with 50 beds or less, accommodations with 51 to 100 beds and accommodations with more than 100 beds.

Amount of global distribution systems (GDS) used by accommodations

As mentioned in chapter 2.4.4 one of the earliest channels to communicate with customers were global distribution systems. Due to fierce competition only a few GDS systems survived. Today there are basically four big GDS's in the market Galileo, Amadeus, Sabre and Worldspan (Buhalis, 1998) (see 2.4.5 p). GDS will be used as a variable to see if accommodations are using this channel and to see if they are using more than one. Therefore the variable will be divided into six categories: (none), (1 GDS's), (2 GDS's), (3 GDS's), (4 GDS's), (5 GDS's).

Amount of online reservation sites (ORS) used by accommodations

Since the introduction of the internet, multiple online platforms have arose (see 2.4.5) to communicate and distribute tourism products and services. This has led to the development of so called online reservation sites, where tourists can purchase hotel rooms or other products. The websites hotels.com, hostels.com, expedia.com, booking.com and hostelbookers.com are used to collect information about online reservation systems. In this research ORS will be used as a variable to see if accommodations are using this channel and to see if they are using more than one. Therefore the variable will be divided into six different categories: (none), (1 ORS), (2 ORS), (3 ORS), (4 ORS), (5 ORS).

Amount of links to social platforms used by an accommodation's company site

Direct communication has become one of the most important tools to increase sales. Therefore many companies have their own site (Stavrakantonakis et al. 2013) (2.4.4). The small and medium enterprises that exploit their own site often lack quality in terms of user friendliness, navigational structure, content quality, and up-to-datedness resulting in poor online distribution power (Schegg et al., 2013) (see 2.4.5). As mentioned in chapter 2.4.4 in the paragraph of company websites, Web 2.0 technology gives companies the possibility to upgrade the quality of their sites. One of the possibilities is to link other channels such as Facebook to their company page. The amount of links to other channels gives an indication about the quality of the site and the amount of online channels they use to inform their customers. In this research the amount of online information channels used by accommodations is measured by counting the amount of links to social platforms used on their site.

Need for applications of accommodations

As mentioned in 2.4.5, about 41% of the tourists are using mobile applications to search related products during their trip. According to Adukaite et al. (2013) (see 2.4.4) hotels see apps as an additional tool to enrich their client's experience. Although most of the hotels in the research didn't use applications yet, because of various reasons (Adukaite et al. 2013). Since applications are relatively new to the hotel sector, accommodation owners will be asked if they feel the need to use an application. The variable is divided into 3 categories: (no need), (planning to use one), (using one right now).

4.4.2 Variables demand side [sub question 2.b]

To find an answer to sub-question 2.b on how the tourists collect and process information on the tourist supply in Riga the following variables will be used:

External sources: Number of ISC combinations

The spatial strategy (2.5.5) suggests that a consumer uses external sources if the internal search itself does not provide enough useful information about a product, or when a consumer lacks sufficient purchase expertise. The temporal strategy (2.5.5) suggests that there are two ways to look for information pre-purchase search and ongoing search. Due to mobile devices, Wi-Fi and 3G and 4G it has become easier to look for information during the trip. To measure if smart phone users use more online channels than non-users, the amount of online ISC combinations will be counted before and during the trip.

Amount of different kind activities

The more different kind of activities and opportunities one is aware of at the intended destination, the more one consumes (2.5.5 p). So, the amount of information a person has gathered might influence the amount of different kind of activities he is going to do. The amount of activities is measured by counting all the different kind of activities in which tourists reported to participate. There are eight categories: (guided tours), (excursions), (cycling), (swimming), (sports), (beauty treatment) and (other).

Amount of different kind of attractions

The same story as the amount of different kind of activities seems to apply here. The amount of different kind of attractions is measured by counting all the different kind of attractions that tourists reported to visit. There are eight categories: (museums & galleries), (cathedrals & churches), (sports events), (gardens & parks), (markets & shops), (monuments & sculptures), (cinema, concert, theatre), (other).

4.4.3 Variables demand side [sub-question 3.a]

The following variables are used to examine how the tourists in Riga evaluate the information they used (sub-question 3.a).

Satisfaction of information provided by the supply side

According to Fodness & Murray (1999) the quality of purchase decisions could be measured from the consumer's perspective in terms of service quality, satisfaction, positive recommendations to others, or repurchase intentions (see 2.5.5). To evaluate the provided information by the supply side about accommodations, activities, attractions and transportation the rate of satisfaction will be used. This research distinguishes 5 categories: (not at all satisfied), (not satisfied), (neither satisfied, nor unsatisfied), (satisfied) and (very satisfied) and has to be answered for all of the above separately.

4.5 Participants

4.5.1 Supply side

To answer sub-question 2.a on how the tourist sector in Riga informs tourists with the tourist supply in the city the following participants participated in this research: To examine how the supply side provided the tourists in Riga with information a total of 125 hotels, hostels and other accommodations have been asked to participate in this research. Criteria to participate in the research were that the respondents were accommodations located in Riga and had an email account. The choice to examine accommodations has to do with the amount of literature available related to this topic. In total only a number of 12 companies filled in the survey. Because this is such a small amount a database has been created of 151 accommodations located in Riga which contains information about online information channels (see instruments 4.6).

4.5.2 Demand side

To find an answer to sub-question 2.b on how the tourists collect and process information on the tourist supply in Riga and how the tourists in Riga evaluate the information they used (sub-question 3.a) the following participants have been asked to participate in this research: In order to examine the collection and selection process of the demand side approximately 100 international tourists were approached to fill in a questionnaire. Criteria to participate in the research were that the respondents were international tourists visiting Riga. The minimum age of the respondents had to be 18 years or older since its more likely that they organize their own trip. The respondents were randomly selected on the square before the tourist office. Finally 30 international tourists filled in the questionnaire.

4.6 Instruments

4.6.1 Supply side

To answer sub-question 2.a on how the tourist sector in Riga informs tourists with the tourist supply in the city the following instruments are used. The main instrument in this research is data-gathering on the Internet. This data is collected on several websites which include company sites of accommodations, online reservation sites, and travelweekly.com. The company sites are used to collect information about the available information channels offered on the site. The websites hotels.com, hostels.com, expedia.com, booking.com and hostelbookers.com are used to collect information about online reservation systems. Travelweekly.com is used to gather information about the provision of GDS by accommodations in Riga. These data have been processed into a database. The second instrument used to gather information about the supply side is a questionnaire. In appendix I the questionnaire which has been emailed to 125 accommodations and is used to examine the supply side is included. The questionnaire is used as an instrument to support the data in the database. The questionnaire is used to survey accommodations in Riga about the provision of information to tourists.

4.6.2 Demand side

The following instruments are used to find an answer to sub-question 2.b on how the tourists collect and process information on the tourist supply in Riga and how the tourists in Riga evaluate the information they used (sub-question 3.a): The main data-gathering instrument to examine the demand side exists of a questionnaire filled in by international tourists in Riga. The first part contains socio-demographic questions and the second part contains questions related to the provision of information. In appendix II the questionnaire which has been filled in by the tourists is included.

4.7 Ethical considerations

Consent and confidentiality were the main ethical issues taken into account in the research process. Before the respondents filled in the survey they were told the aim of the study and what would happen with the data in the survey. The respondents were told that if they felt inconvenient during the survey they were allowed to skip questions.

5.1 Introduction

This chapter presents the findings of this research and answers the following sub-questions: How the tourist sector in Riga informs tourists with the tourist supply in the city (sub-question 2.a) and how these tourists collect and process information on the tourist supply in the city (sub-question 2.b). It also examines how the tourists in Riga evaluate the information they used (sub-question 3.a).

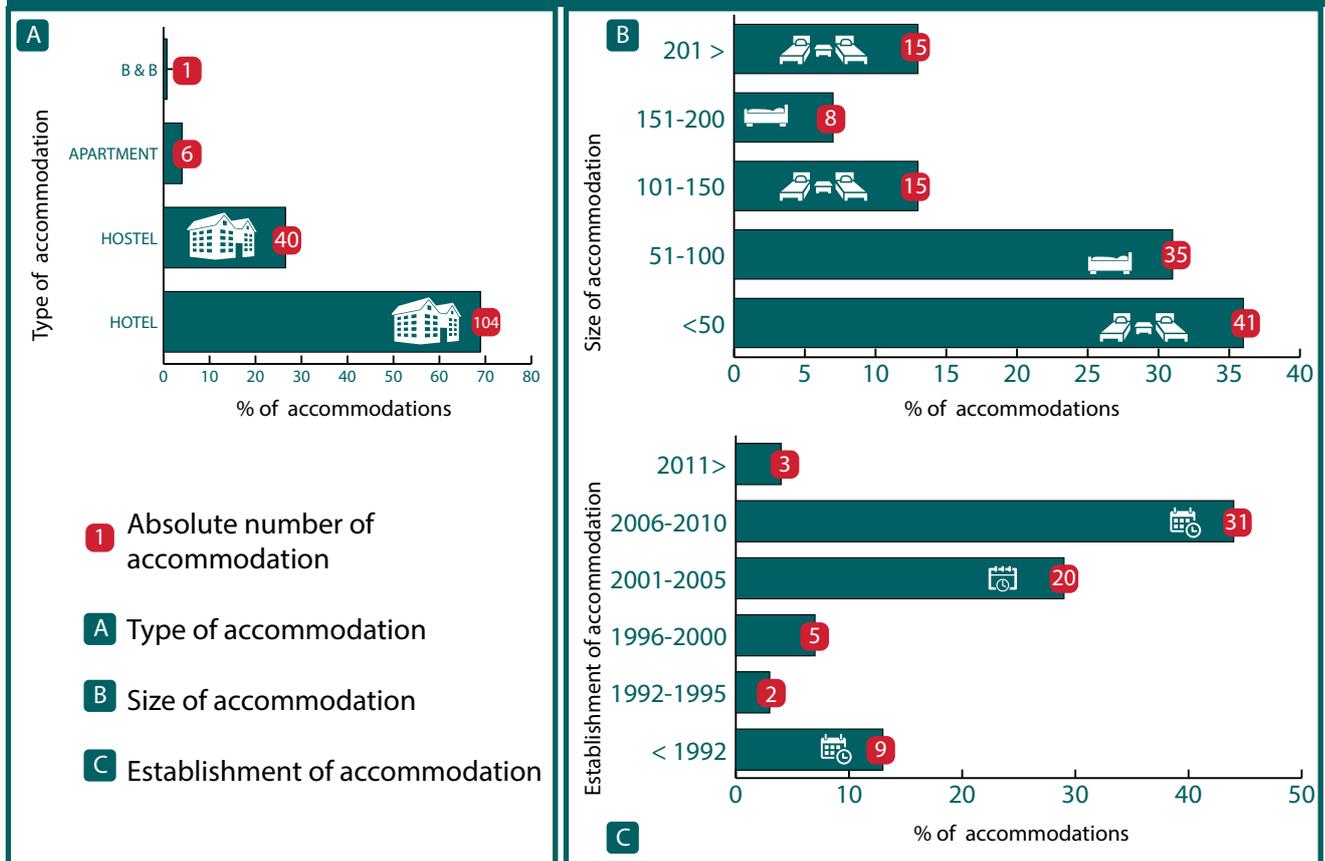
5.2 Supply side

This part starts with a short introduction about the structure of the supply side and the information channels used by the supply side. Followed by the results which belong to sub-question 2.a. To answer sub-question 2.a, how the tourist sector in Riga informs tourists with the tourist supply in the city, five hypotheses were tested. The next paragraphs present the results of these hypotheses.

5.2.1 Structure of the supply side

Of the 151 accommodations in the database 69% exist of hotels, followed by hostels with 26,5% (see figure 5.1 A). From 114 of these 151 accommodations the size is known (see figure 5.2 B). Most of the accommodations (36%) fall within the category of accommodations with between 0 and 50 beds, followed by the group of accommodations which offer 51 to 100 beds with 31%. From 70 (46% of total of 151 accommodations) of these accommodations the year of establishment is known (See figure 5.1 C). Most of the accommodations about 73% are established between 2001 and 2010.

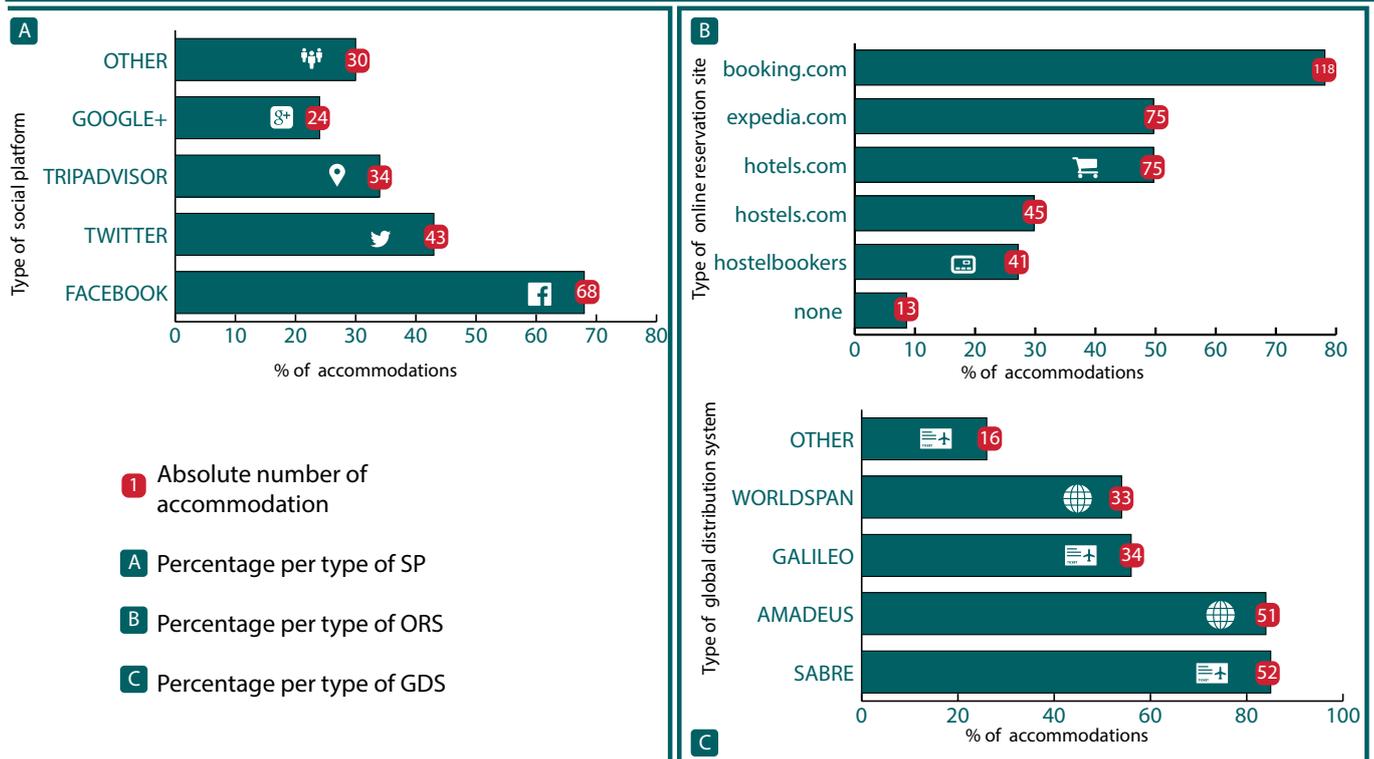
Figure 5.1 Accommodations in the research categorized by size, type and year of establishment



5.2.2 Information Channels

This research examined four types of information channels; global distribution systems (GDS), online reservation sites (ORS), social platforms (SP) and company websites. From the 151 accommodations in this research 61 are known to have GDS. Most of these accommodations use more than one GDS system. The most used GDS system among the accommodations is Sabre (85%) followed by Amadeus (84%) (see figure 5.2 C). 118 accommodations are known to have a company website. From these 118 accommodations 80 referred to social platforms. The most referred forum is Facebook, followed by Twitter (see figure 5.2 A). From all the 151 accommodations 138 use one of the ORS's mentioned under variables (see 4.4). Most of these accommodations (69%) use more than one online reservation site. The most used ORS is booking.com (see figure 5.2 B).

Figure 5.2 Amount of different types of social platforms, GDS's and ORS's used by accommodations



5.2.3 Hypotheses supply side

Crosstabulations

To test hypotheses 1 to 4, crosstabulations have been made. A crosstabulation is a joint frequency distribution of cases based on two or more categorical variables. For all four hypotheses the amount of beds in an accommodation has been placed on the vertical axis and contains three different classes:

1. Accommodations with 50 beds or less.
2. Accommodations with 51 to 100 beds.
3. Accommodations with more than 100 beds.

The horizontal axis contains different variables for each of the hypotheses and has been divided into two classes; a class with below average and a class with above average (except for hypothesis 3). The average has been determined based on all the data that is known about the variable in this sample.

The crosstabulations contain observed counts, expected counts (The expected count is the number of cases that you would expect to find in a cell if the null hypothesis is true (Norusis, 2002).), residuals (The difference between the observed and expected counts (Norusis, 2002).), and the row percentages.

Pearson chi-square statistic

To test hypotheses about data that are counts the chi-square statistic has been computed. These values have been compared to the chi-square distribution to see how unlikely the observed value is if the null hypothesis is true (Norusis, 2002).

To use an chi-square test the following assumptions have been done.

- *The sample data is a random sampling from a fixed distribution or population where every collection of members of the population of the given sample size has an equal probability of selection.*
- *A sample with a sufficiently large size is assumed*
- *All observations must be independent.*
- *Most of the expected counts must be greater than 5 (80% or more) and none less than 1.*

Steps to compute Pearson chi-square statistic (Norusis, 2002):

To compute the Pearson chi-square statistic the following steps have been done:

1. The expected count has been calculated by multiplying the number of cases in the cell's row by the number of cases in the cell's column and dividing the result by the total count.
2. For each cell the difference between the observed and the expected counts have been calculated.
3. For each cell the differences has been squared.
4. For each cell the square difference has been divided by the expected count for that cell.
5. The results of step 4 have been add up for all of the cells.

To determine whether a chi-square value is true it has been compared to the chi-square distribution. This distribution depends on the degrees of freedom. The degrees of freedom for the chi-square statistic depend on the number of rows and columns in the cross tabulation (Norusis, 2002):

(number of rows in table – 1) x (number of columns in the table – 1)

Below the hypotheses (H1, H2, H3, H4 and H5) for the supply side are tested. More detailed tables about the results for H1, H2, H,3 and H4 can be found in Appendix III



Accommodations with a higher amount of beds use more GDS systems than accommodations with a smaller amount of beds.

Of 61 accommodations it is known that they use GDS (which is about 40% of the total amount of accommodations (151). From 57 of these 61 accommodations the amount of beds is known as well. To test if accommodations with a higher amount of beds use more global distribution systems than accommodations with a smaller amount of beds a 3x2 matrix has been created with amount of beds on the vertical axis and the amount of GDS systems on the horizontal axis (see figure 5.3). There are two classes for GDS. One class with companies that use less GDS's than the average number of GDS in this research and one with accommodations which use more GDS's than average. The average number of GDS systems used by all the accommodations (61) which are known to have GDS is 3 GDS systems. (All accommodations with an average of 3 are added to the group high amount of GDS systems.)

Figure 5.3 Crosstabulation of GDS by size of accommodation measured in number of beds

		Number of GDS's used by accommodations compared to average					
		▲ Higher		▼ Lower		Total	
Amount of beds in accommodation	≤ 50	10	67%	5	33%	15	100%
	51-100	6	35%	11	65%	17	100%
	> 100	16	64%	9	36%	25	100%
	Total	32	56%	25	44%	57	100%

To compute the Chi-square statistic and P value the steps mentioned in 5.2.3 have been conducted and gives the following results:

- The Chi-square statistic is 4.3.
- The P value is 0.12.
- This result is not significant at $p < 0.05$.

The observed significance level for the Pearson chi-square value of 4.3 with 2 degrees of freedom is 0.12. Since the observed significance level of 0.12 is higher than the customary level of 0.05 the conclusion can be made that there is not enough evidence to reject the null hypothesis that there is no difference in the number of GDS used by smaller and larger accommodations. It appears that there is not enough evidence to accept H1 which states that accommodations with a higher amount of beds use more GDS systems than accommodations with a smaller amount of beds.



Accommodations with a higher amount of beds use more online reservation channels than accommodations with a smaller amount of beds.

Of 138 accommodations it is known that they use ORS (which is about 91% of the total amount of accommodations (151). From 112 of these 138 accommodations the amount of beds is known as well. To test if accommodations with a higher amount of beds use more online reservation channels than accommodations with a smaller amount of beds a 3x2 matrix has been created with the amount of beds on the vertical axis and the amount of ORS's on the horizontal axis (see figure 5.4). There are two classes created for ORS. One class with companies that use less ORS's than the average number of ORS in this research and one with accommodations which use more ORS's than average. The average number of ORS systems used by all the accommodations (138) which are known to have ORS is 2.4.

Figure 5.4 Crosstabulation of ORS by size of accommodation measured in number of beds

		Number of ORS's used by accommodations compared to average					
		▲ Higher		▼ Lower		Total	
Amount of beds in accommodation	≤ 50	16	41%	23	59%	39	100%
	51-100	22	67%	11	33%	33	100%
	> 100	25	63%	15	37%	40	100%
	Total	63	63%	49	37%	112	100%

To compute the Chi-square statistic and P value the steps mentioned in 5.2.3 have been conducted and gives the following results:

- The Chi-square statistic is 5.8.
- The P value is 0.056.
- This result is not significant at $p < 0.05$.

The observed significance level for the Pearson chi-square value of 5.8 with 2 degrees of freedom is 0.056. Since the observed significance level of 0.056 is a fraction higher than the customary level of 0.05 the conclusion can be made that technically speaking there is not enough evidence to reject the null hypothesis that there is no difference in the number of ORS's used by smaller and larger accommodations. It appears that there is not enough evidence to accept H2 which states that accommodations with a higher amount of beds use more online reservation channels than accommodations with a smaller amount of beds. However, as the result is almost significant, and as figure 5.4 shows, it does appear that smaller accommodations use a lower number of online reservation channels.

The possession of an own company website is higher among accommodations with a higher amount beds.

Of 118 accommodations it is known that they use a company website (which is about 78% of the total amount of accommodations (151). From 112 of these 151 accommodations the amount of beds is known as well. To test if the share of company websites is higher among accommodations with a higher amount of beds a 3x2 matrix has been created with the amount of beds on the vertical axis and the use of internet (divided into two classes: uses internet, uses no internet) on the horizontal axis (see figure 5.5).

Figure 5.5 Crosstabulation of usage company website by size of accommodation measured in number of beds

		Usage of company site				Total	
		company site		no company site			
Amount of beds in accommodation	≤ 50	29	74%	10	26%	39	100%
	51-100	25	76%	8	24%	33	100%
	> 100	38	95%	2	5%	40	100%
	Total	92	82%	20	18%	112	100%

To compute the Chi-square statistic and P value the steps mentioned in 5.2.3 have been conducted and gives the following results:

- The Chi-square statistic is 7.04.
- The P value is 0.03
- This result is significant at $p < 0.05$.

The observed significance level for the Pearson chi-square value of 7.04 with 2 degrees of freedom is 0.03. Since the observed significance level of 0.03 is lower than the customary level of 0.05 the conclusion can be made that there is enough evidence to reject the null hypothesis that there is no difference in the share of company sites among smaller and larger accommodations. It appears that there is enough evidence to accept H3 which states that The share of company websites is higher among accommodations with a higher amount of beds than accommodation with a lower amount of beds.

Accommodations with a higher amount of beds use more social media platforms than accommodations with a smaller amount of beds.

Of 118 accommodations it is known that they use a company website. From 92 of these accommodations the amount of beds is known as well. It is also known that 80 of the 118 referred to social platforms (68%). To test if accommodations with a higher amount of beds use more social media platforms a 3x2 matrix has been created with the amount of beds on the vertical axis and the amount of social platforms used by accommodations on the horizontal axis (see figure 5.6). There are two classes created for SP. One class with companies that use less SP's than the average number of SP in this research and one with accommodations which use more SP's than average. The average number of SP systems used by all the accommodations (118) which are known to have SP is 2.4.

Figure 5.6 Crosstabulation of SP by size of accommodation measured in number of beds

			Number of SP's used by accommodations compared to average					
			▲ Higher		▼ Lower		Total	
Amount of beds in accommodation	≤ 50		10	34,5%	19	65,5%	29	100%
	51-100		7	28%	18	72%	25	100%
	> 100		16	42%	22	58%	38	100%
	Total		33	36%	59	64%	92	100%

To compute the Chi-square statistic and P value the steps mentioned in 5.2.3 have been conducted and gives the following results:

- The Chi-square statistic is 1.34.
- The P value is 0.51.
- This result is not significant at $p < 0.05$.

The observed significance level for the Pearson chi-square value of 1.34 with 2 degrees of freedom is 0.51. Since the observed significance level of 0.51 is higher than the customary level of 0.05 the conclusion can be made that there is not enough evidence to reject the null hypothesis that there is no difference in the number of social platforms used by smaller and larger accommodations. It appears that there is not enough evidence to accept H4 which states that accommodations with a higher amount of beds use more social media platforms than accommodations with a smaller amount of beds.



The need for an application is higher among accommodations with a higher amount of beds.

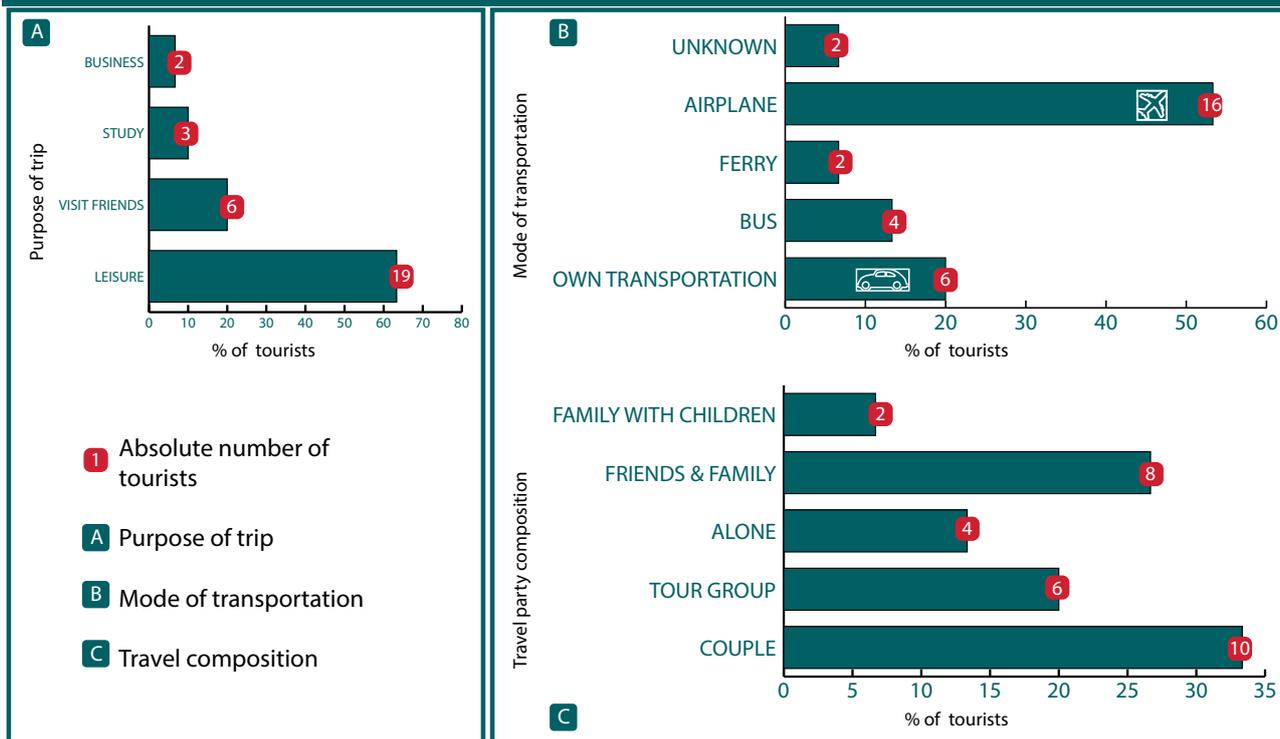
It's difficult to answer this hypothesis since only the opinion about applications of 12 accommodations are known. There are not enough counts to conduct a Pearson chi-square test. From the 12 accommodations that responded to the survey 50% of them are willing to use an application in the future. The other 50% answered that it is not likely for them to use an application in the future. Two of them answered no and said that they haven't thought about it yet. One answered that the size of their accommodation is too small to use an application, while another one answered that they don't have the resources to use an application. One accommodation answered that they don't see the benefits of using an application, since online reservation sites such as Booking.com offer applications that work very well. From these 12 accommodations there was no accommodation which had an application. The share of accommodations that is willing to use a tourism application is 50%. Therefore it cannot be fully concluded that there is a need for applications. As mentioned in the theory in chapter 2 by Adukaite et al. (2013) hotels see applications as an additional communication channel to enrich their client's experience at the place of destination. The lack of relevance for the business and the price to develop an applications are important reasons why accommodations decide not to create applications. This seems to be in line with the answers given in this research.

5.3 Demand side

This part starts with a short introduction about the structure of the demand side, followed by an answer to question 2.b. To find an answer to sub-question 2.b on how the tourists collect and process information on the tourist supply in Riga hypotheses 6,7 and 8 are tested. The next paragraphs present results of these hypotheses.

5.3.1 Structure of the demand side

Figure 5.7 purpose of trip, mode of transportation and travel party composition of tourists in the research



This part gives a short introduction about the tourists that responded to the survey. In total 30 tourists responded to the survey. Fourteen of them were women and sixteen of them were men. The respondents came from sixteen different countries. The largest group is formed by Germans with eight people, followed by Dutch respondents with four people. Their average age is 38. Most of the respondents are well educated since twenty-three of them went to University. Seven of the respondents finished only High School. The most common travel party in this research is couple (10), followed by friends (8) and tour groups (6) (see figure 5.7 C) Nineteen out of thirty respondents answered leisure as their purpose of their visit to Riga (see figure 5.11 A). Six of them were visiting friends, three of them came for study and two came for business. For twenty-one of the respondents this was their first visit to Riga. Most of the respondents stayed two nights in Riga (7). On average they spent 3.3 nights in Riga. The most common mode of transportation among the respondents was the airplane (16) followed by own transportation (car, camper and motor cycle) with six (see figure 5.7 B). Most of the respondents stayed in a hotel (16), followed by friends and family (7). Four of them stayed on a caravan park or camping, while two respondents stayed in a holiday apartment and one in a hostel.

Below the hypotheses (H6, H7 and , H8) for the demand side are tested. More detailed tables about the results of H6, H7 and H8 can be found in appendix III.

To test hypothesis 6, 7 and 8 cross tabulations have been made and the Pearson chi-square has been calculated when possible (see 5.2.3). On the vertical axis the amount of information source/channel combinations (ISC's) has been placed (except for hypothesis 6 which uses the use of smartphone on the vertical axis) and divided in two classes: a class with tourists that used a number of ISC's lower than average and a class with tourists that used a number of ISC's higher than average. The number of ISC's used by tourists consists of ISC's used before the trip and ISC's used during the trip. The average amount of ISC's is 4,6. The horizontal axis contains different variables and has been divided into two classes as well; a class with below average and a class with above average. Here also the average has been determined based on all the data that is known about the variable in this sample.

Tourists with smart phones have a higher share of online information sourcing during the trip than people without smart phones.

Of the 30 tourists in this research 22 (73%) owns a smartphone. To test if tourists with a smartphone use more online source/channel combinations during the trip than people without smartphones a 2x2 matrix has been made. It shows the smartphone users and the non-smartphone users on the vertical axis and the share of online ISC's users during the trip on the horizontal axis (see figure 5.8).

Figure 5.8 Crosstabulation online ISC usage by smartphone usage

		Usage of online ISC's				Total	
		yes		no			
Smartphone	yes	12	54%	10	46%	22	100%
	no	3	37,5%	5	62,5%	8	100%
	Total	15	50%	15	50%	30	100%

To compute the Chi-square statistic and P value the steps mentioned in 5.2.3 have been conducted, but the assumptions for the chi-square test are not met since more than 20% of the expected values is lower than 5. Nevertheless the percentages in table 5.3 indicate that smartphone users use more online ISC's.

The more information source/channel combinations a tourist has used the more different kind of activities the tourist will do.

To test if the more information source/channel combinations a tourist has used the more different types of activities the tourist will do a 2x2 matrix has been made. Its shows two groups on the vertical axis one of tourists who used a high amount of ISC's and one of tourists who used a low amount of ISC's. The horizontal axis contains two categories.

A category with “high amount different types of activities” and one with “ low amount of different types of activities” (see figure 5.9). To determine what is a high amount of different types activities and what is a low amount of different types of activities the average has been calculated. The average amount of activities is 1,7. All the tourists which visited a lower amount of activities than average are assigned to low amount of activities. The opposite applies to high amount of activities.

Figure 5.9 Crosstabulation of amount of ISC's by amount of different kind of activities

		Amount of different kind of activities compared to average					
		▲ higher		▼ lower		Total	
Amount of ISC's compared to average	higher ▲	9	64%	5	36%	14	100%
	lower ▼	7	44%	9	56%	16	100%
	Total	16	53%	14	47%	30	100%

To compute the Chi-square statistic and P value the steps mentioned in 5.2.3 have been conducted and gives the following results:

- The Chi-square statistic is 1,27.
- The P value is 0.26.
- This result is not significant at $p < 0.05$.

The observed significance level for the Pearson chi-square value of 1,27 with 1 degree of freedom is 0.26. Since the observed significance level of 0.26 is higher than the customary level of 0.05 the conclusion can be made that there is not enough evidence to reject the null hypothesis that there is no difference in the amount of different types of activities among tourists which used a high amount of ISC's and tourists who used a low amount of ISC's. It appears that there is not enough evidence to accept H7 which states that the more information source/channel combinations a tourist has used the more types of activities it will do.

The more information source/channel combinations a tourist has used the more different kind of attractions the tourist will visit.

To test the hypothesis that the more information source/channel combinations a tourist has used the more attractions it will visit a 2x2 matrix has been made (see figure 5.10). It shows two groups on the vertical axis one of tourists who used a high amount of ISC's and one of tourists who used a low amount of ISC's. The horizontal axis contains two categories. A category with "high amount of different types attractions visited" and one with "low amount different types of attractions visited". The groups high amount of attractions are determined by the average number of different types of attractions visited by the tourists in this research and is 1.7. All the tourists which visited a lower amount of different types of attractions than average are assigned to low amount of different types attractions. The opposite applies to high amount of different types of attractions.

Figure 5.10 Crosstabulation of amount of ISC's by amount of different kind of attractions

		Amount of different kind of attractions compared to average				Total	
		▲ higher		▼ lower			
Amount of ISC's compared to average	higher ▲	9	54%	5	46%	14	100%
	lower ▼	6	37,5%	8	62,5%	16	100%
	Total	15	50%	15	50%	30	100%

To compute the Chi-square statistic and P value the steps mentioned in 5.2.3 have been conducted and gives the following results:

- The Chi-square statistic is 2.14.
- The P value is 0.14.
- This result is not significant at $p < 0.05$.

The observed significance level for the Pearson chi-square value of 2.14 with 1 degree of freedom is 0.14. Since the observed significance level of 0.14 is higher than the customary level of 0.05 the conclusion can be made that there is not enough evidence to reject the null hypothesis that there is no difference in the amount of different types of attractions among tourists which used a high amount of ISC's and tourists who used a low amount of ISC's. It appears that there is not enough evidence to accept H8 which states that the more information source/channel combinations a tourist has used the more types of attractions the tourist will visit.

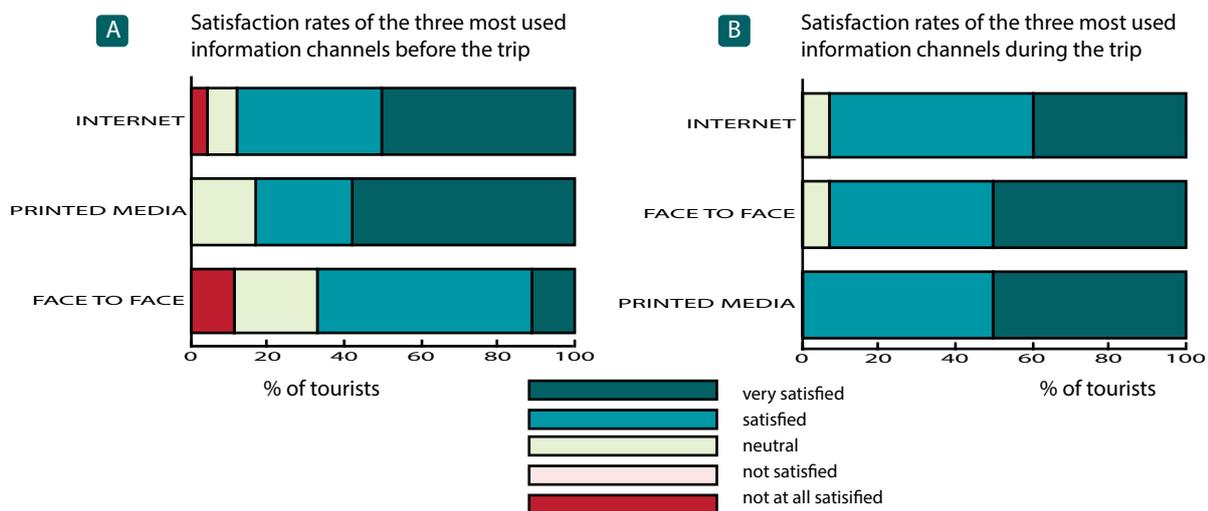
5.4 Satisfaction of information and information channels

This part examines how the tourists in Riga evaluate the information they used (sub-question 3.a). Therefore the hypotheses 9, 10, 11, 12, 13, 14, 15 and 16 will be tested. The respondents in this research have been asked how satisfied they are with the information provision about accommodations, transportation, activities and attractions before their trip and during their trip. In addition they have been asked how satisfied they are with the information channels they have used. The respondents were able to rate the information channels on a 5 points Likert scale, from: not at all satisfied, to very satisfied.

5.4.1 Satisfaction rates of provided information channels

In total 25 people rated one of the information channels they used before their trip. The most used channel is the internet followed by printed media and face to face contact (see figure 5.11 A). There were also 25 people who rated one of the information channels they used during their trip (see figure 5.11 B). The number one information channel during the trip is internet followed by face to face contact and printed media. On average people seem to be pretty satisfied with the channels they used.

Figure 5.11 Satisfaction rates of provided information channels



5.4.2 Satisfaction rates of provided information about accommodation, transportation, activities and attractions.

before trip

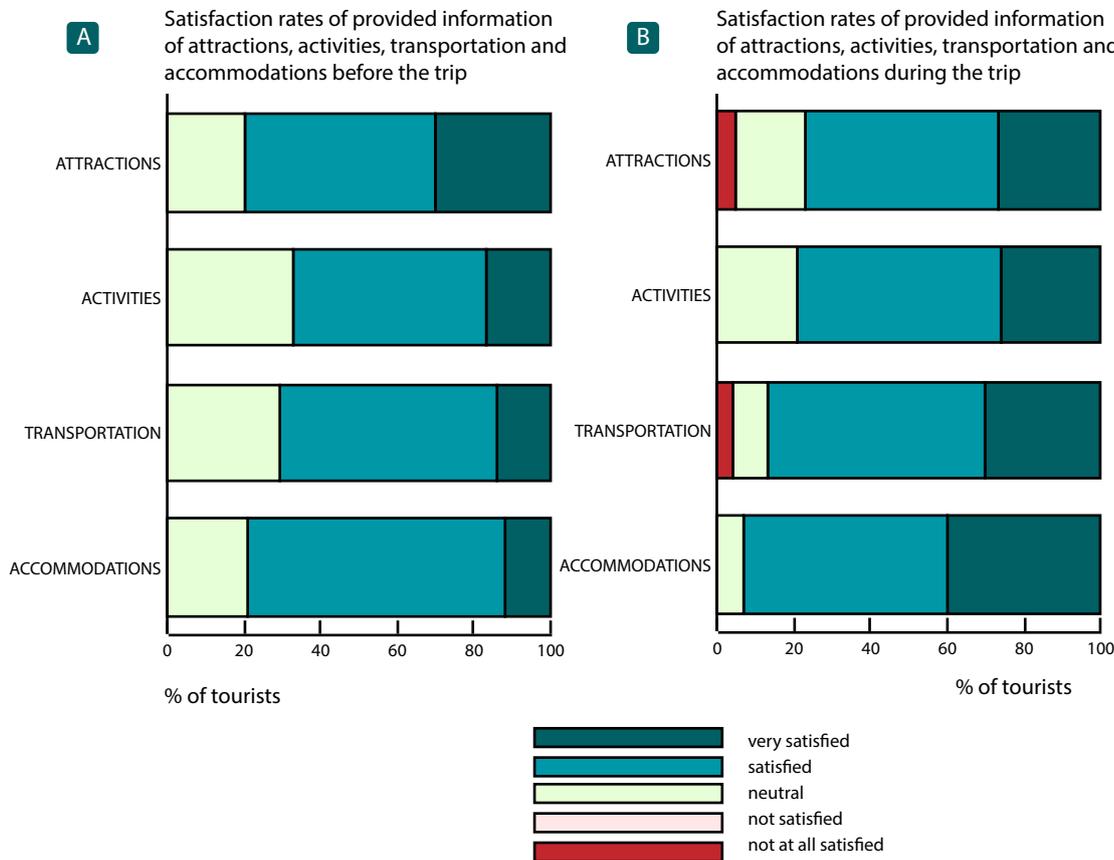
From the 30 respondents who were asked to rate the satisfaction of provided information about accommodations, transportation, activities and attractions while planning their trip, 20 people filled in the rate of satisfaction for attractions, while 18 filled in the same rate for activities, 21 for transportation and 24 for accommodations. The results are shown in figure 5.12 A. The tourists in Riga seem to be rather satisfied with the provided information about these elements before their trip, since most of them, 50% or more answered to be satisfied.

during trip

From the 30 respondents who were asked to rate the satisfaction of provided information about accommodations, transportation, activities and attractions, 23 people filled the rate of satisfaction for attractions, while 19 filled in the same rate for activities, 23 for transportation and 22 for accommodations.

The results are shown in figure 5.12 B. The tourists in Riga seem to be rather satisfied with the provided information about these elements during their trip, since most of them, 50% or more answered to be satisfied.

Figure 5.12 Satisfaction rates of provided information of attractions, activities, transportation and accommodations



Below the hypotheses H9 up to and including 16 for the supply side are tested. For these hypotheses there is no Person chi-square test conducted since the requirements to conduct a Person Chi-square test (see 5.2.3) are not met.

Cross tabulations

To test hypotheses 9 to 16, cross tabulations have been made. As mentioned earlier a cross tabulation is a joint frequency distribution of cases based on two or more categorical variables.

Vertical axis:

The amount of information source/channel combinations has been placed on the vertical axis and contains two classes:

1. Amount of information source/channel combinations used by tourists is higher than average.
2. Amount of information source/channel combinations used by tourists is lower than average.

Average before trip

For hypotheses 9 up to and including 12 the vertical axis which contains the two classes above, the average amount of information channels is based on the information source/channel combinations used before the trip. This average is 2.6.

Average during trip

For hypotheses 13 up to and including 16 the vertical axis which contains the two classes above, the average amount of information channels is based on the information source/channel combinations used during the trip. This average is 2.03.

Horizontal axis:

The horizontal axis contains the satisfaction rate given by tourists for the provided information about accommodations, transportation, activities and attractions and contains three classes:

1. *Positive satisfaction rates*
2. *Neutral, that is neither positive or negative satisfaction rates*
3. *Negative satisfaction rates*

Here also the distinction between information provision before and information provision during the trip has been made. H9 contains the satisfaction rate about provision of information about accommodations before the trip while H13 contains the satisfaction rate about information about accommodations during the trip. H10 contains the satisfaction rate about provision of information about transportation before the trip and H14 contains the satisfaction rate about information about transportation during the trip. H11 contains the satisfaction rate about provision of information about activities before the trip while H15 contains the satisfaction rate about information about activities during the trip. Finally, H12 contains the satisfaction rate about provision of information about attractions before the trip and H16 contains the satisfaction rate about information about accommodations during the trip.



The relative number of positive satisfaction rates regarding the provision of information before the trip about accommodations is higher among the group of tourists who used a higher amount of information channels

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 24 filled in their satisfaction about information about accommodations before the trip. To test this hypothesis a 2x2 matrix has been made to see if tourists are satisfied with the information provided before the trip about accommodations in Riga (see figure 5,13).

Figure 5.13 Crosstabulation of satisfaction rates of information provision before trip about accommodations by number of ISC's used by tourists

		satisfaction rates of information provision before trip about accommodations						
		+ positive		neutral		- negative		Total
Amount of ISC's compared to average	higher ▲	7	70%	3	30%	0	10	100%
	lower ▼	12	86%	2	14%	0	14	100%
	Total	19	79%	5	21%	0	24	100%

Most of the tourists (79%) are satisfied with the provision of information about accommodations before the trip. The percentages in the crosstabulation indicate that there is no reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information before the trip about transportation is higher among the group of tourists who used a higher amount of information channels

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 21 filled in their satisfaction about information of transportation before the trip. To test if tourists who used a higher amount of information source/channel combinations while planning their trip indicate to be more satisfied with the provided information provided before the trip about transportation a 2x2 matrix has been made (figure 5,14).

Figure 5.14 Crosstabulation of satisfaction rates of information provision before trip about transportation by number of ISC's used by tourists

		satisfaction rates of information provision before trip about transportation						
		+ positive		neutral		- negative		Total
Amount of ISC's compared to average	higher ▲	5	62,5%	3	37,5%	0	8	100%
	lower ▼	10	77%	3	23%	0	13	100%
	Total	15	71%	6	29%	0	21	100%

Most of the tourists (71%) are satisfied with the provision of information about transportation before the trip. Also in this case the percentages in the crosstabulation indicate that there is no reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information before the trip about activities is higher among the group of tourists who used a higher amount of information channels

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 17 filled in their satisfaction about information of activities before the trip. To test this hypothesis 11 a 2x2 matrix has been created to test if tourists are satisfied with the information provided before the trip about the activities in Riga (see figure 5.15).

Figure 5.15 Crosstabulation of satisfaction rates of information provision before trip about activities by number of ISC's used by tourists

		satisfaction rates of information provision before trip about activities						
		+ positive		neutral		- negative		Total
Amount of ISC's compared to average	higher ▲	5	71%	2	29%	0	7	100%
	lower ▼	7	64%	4	36%	0	11	100%
	Total	12	67%	6	33%	0	18	100%

Most of the tourists (67%) are satisfied with the provision of information about activities before the trip. The percentages in the crosstabulation indicate that there is reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels, 71% versus 64%.



The relative number of positive satisfaction rates regarding the provision of information before the trip about attractions is higher among the group of tourists who used a higher amount of information channels.

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 20 filled in their satisfaction about information of attractions before the trip. In order to test hypothesis 12 a 2x2 matrix has been made to see if tourists are satisfied with the information provided before the trip about the attractions in Riga (see figure 5.16).

Figure 5.16 Crosstabulation of satisfaction rates of information provision before trip about attractions by number of ISC's used by tourists

		satisfaction rates of information provision before trip about attractions							
		+ positive		neutral		- negative		Total	
Amount of ISC's compared to average	higher ▲	8	100%	0		0		8	100%
	lower ▼	8	67%	4	33%	0		12	100%
	Total	16	80%	4	20%	0		20	100%

Eighty per cent of the tourists are satisfied with the provision of information about attractions before the trip. In this case the percentages in the crosstabulation indicate that there is reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels; 100% versus 67%.



The relative number of positive satisfaction rates regarding the provision of information during the trip about accommodations is higher among the group of tourists who used a higher amount of information channels.

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 22 filled in their satisfaction about information of accommodations during the trip. A 2x2 matrix has been made to see if tourists are satisfied with the information provided during the trip about accommodations in Riga (figure 5.17).

Figure 5.17 Crosstabulation of satisfaction rates of information provision during trip about accommodations by number of ISC's used by tourists

		satisfaction rates of information provision before trip during accommodations							
		+ positive		neutral		- negative		Total	
Amount of ISC's compared to average	higher ▲	5	83%	1	17%	0		6	100%
	lower ▼	15	94%	1	6%	0		16	100%
	Total	20	91%	2	9%	0		22	100%

About 90% are satisfied with the provision of information about accommodations during the trip. In this case the percentages in the crosstabulation indicate that there is no reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information during the trip about transportation is higher among the group of tourists who used a higher amount of information channels.

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 19 filled in their satisfaction about information of transportation during the trip. To test this hypothesis a 2x2 matrix has been created to check if tourists are satisfied with the information provided during the trip about transportation in Riga (see figure 5.18).

Figure 5.18 Crosstabulation of satisfaction rates of information provision during trip about transportation by number of ISC's used by tourists

		satisfaction rates of information provision during trip about transportation							
		+ positive		neutral		- negative		Total	
Amount of ISC's compared to average	higher ▲	7	87,5%	1	13,5%	0	8	100%	
	lower ▼	13	86,7%	1	6,65%	1	6,65%	15	100%
	Total	20	87%	2	9%	2	4%	22	100%

Most of the tourists (87%) are satisfied with the provision of information about transportation before the trip. Also in this case the percentages in the crosstabulation indicate that there is no reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels since they are equal.



The relative number of positive satisfaction rates regarding the provision of information during the trip about activities is higher among the group of tourists who used a higher amount of information channels.

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 19 filled in their satisfaction about information of activities during the trip. To test if tourists who used a higher amount of information source/channel combinations during their trip indicate to be more satisfied with the information provided during the trip about the activities in Riga a 2x2 matrix has been made (see figure 5.19).

Figure 5.19 Crosstabulation of satisfaction rates of information provision during trip about activities by number of ISC's used by tourists

		satisfaction rates of information provision during trip about activities						
		+ positive		neutral		- negative		Total
Amount of ISC's compared to average	higher ▲	7	87%	1	13%	0	8	100%
	lower ▼	8	73%	3	27%	0	11	100%
	Total	15	79%	4	21%	0	19	100%

The tourists (79%) are satisfied with the provision of information about activities during the trip. Also in this case the percentages in the crosstabulation indicate that there is reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels.



The relative number of positive satisfaction rates regarding the provision of information during the trip about attractions is higher among the group of tourists who used a higher amount of information channels.

Of the 25 tourists who filled in their satisfaction about information of accommodations, transportation, activities and attractions 19 filled in their satisfaction about information of attractions during the trip. To test this hypothesis a 2x2 matrix has been made to see if tourists are satisfied with the information provided during the trip about the attractions in Riga (see figure 5.20).

Figure 5.20 Crosstabulation of satisfaction rates of information provision during trip about attraction by number of ISC's used by tourists

		satisfaction rates of information provision during trip about attractions							
		+ positive		neutral		- negative		Total	
Amount of ISC's compared to average	higher ▲	4	57%	3	43%	0	7	100%	
	lower ▼	13	81%	2	13%	1	6%	16	100%
	Total	17	74%	5	22%	1	4%	23	100%

About 75% of the tourists are satisfied with the provision of information about transportation before the trip. Also in this case the percentages in the crosstabulation indicate that there is no reason to assume that the number of positive satisfaction rates is higher among tourists who used a higher amount of information channels, although the results indicate that people that used a higher number of information channel combinations are somewhat less satisfied.

5.5 Key findings

hypotheses supply side

To find an answer to sub-question 2.a on how the tourist sector in Riga informs tourists with the tourist supply in the city this research has examined which information channels have been used by accommodations in Riga. In addition this research has examined if the size of accommodations has influence on the amount of information channels (global distribution systems (GDS), online reservation sites (ORS), links to social platforms (SP), applications and the share of websites they are using. The proportion of the accommodations which are using online information channels (ORS = 91%, SP = 68% and websites = 78%) are pretty high. For example the proportion of accommodations that referred to social platforms is 68% in this research while in a study of Stavrakantonakis et al. (2013) the proportion of accommodations that referred to links was just 53%. According to travelweekly.com the amount of companies which use GDS is about 40%. While none of the companies in this study offered a tourism application.

The results that belong to the provision of information by the supply side (accommodations) gave in just one case (hypothesis 3, which stated that the share of company sites is higher among accommodations with more beds) a significant outcome, plus one other hypothesis that comes very close: the p-value for hypothesis 2 -which stated that accommodations with a higher amount of beds use more online reservation channels than accommodations with a smaller amount of beds- was slightly higher than the customary level of 0.05, and was 0.056. Therefore hypothesis 2 couldn't be accepted. When we take this little difference for granted and accept the hypothesis the outcome would be in line with previous literature which state that visibility via multiple channels can help to increase sales and that larger accommodations have to generate more sales because they have to fill more beds. This is also true for hypotheses 3. There was not enough evidence to accept hypothesis 1 which state that accommodations with a higher amount of beds use more GDS's than accommodations with smaller amount of beds, and hypothesis 4 which state that accommodations with a higher amount of beds have used a higher amount of social platforms on their website. For hypothesis 5 no Pearson chi-square test has been conducted but the results for hypotheses 5 showed that the majority of responding hotels in this research did not provide a mobile application. The most important reasons they mentioned were; the lack of relevance for their business, lack of clear indicators for estimating the return on investment and lack of money to implement mobile applications. This is in line with previous studies that examined the need for applications among hotels.

Summarized the conclusion can be made that accommodations in Riga turn to online channels to contact tourists and that the size of an accommodation has only effect on the usage of own websites (and possibly the amount of ORS's used by an accommodation. Most likely because these are the channels that have a direct impact on the affectivity of marketing/ sales.

hypotheses demand side

To find an answer to sub-question 2.b on how the tourists collect and process information on the tourist supply in Riga this research has examined the profile of the tourists which are visiting Riga. The characteristics of the international tourists in this research that visited Riga are in line with the target segments Latvia is looking for. Most of them are couples who travelled by airplane, are middle aged, and came from one of the countries within the high priority and priority markets. The most common information channels among these tourists is internet, followed by printed media and face-to-face contact.

The research on how tourists collect and process information on the tourist supply contained not enough cases therefore some of the hypotheses couldn't be tested with a chi-square test.

For hypothesis 6 (which state that tourists with smart phones have a higher share of online information sourcing during the trip than people without smart phones) the conditions for a chi-square test were not met. There was no significant outcome for hypotheses 7 and 8 which state that the more information source/channels combinations the tourist has used the more different kind of activities or attractions it will do or visit. In case the sample size would have been larger more hypotheses could have been tested with a chi-square test and for those that have been tested with a chi-square test a larger sample size might have changed the outcomes. The crosstabulations that belong to the hypothesis however showed outcomes that suspect that the hypothesis can be true. Hypothesis 6 shows a higher share of online information source/channel combination usage than those without a smartphone, 54.5% among smartphone users against 37.5% among non-smartphone users. Also hypotheses 7 and 8 show outcomes that suspect that tourists who used a higher amount of information/source channels have done more different kind of activities and attractions. The share of tourists which participated in a high amount of different kind activities is 64% while this share is 44% among tourists that used a low amount of information/channel combinations. For attractions this was 54,5% for the group with a high amount of ISC's and 37,5 for those with a low amount of ISC's.

In summary the conclusion can be made that tourists in Riga are in fact those who belong to the target groups (middle aged couples) and that the most common information channels among these tourists is internet, followed by printed media and face-to-face contact. There is not enough evidence (due to a to small sample size) to conclude that the amount of information source/channel combinations has an impact on the number of different activities and attractions conducted by tourists. The same goes for hypothesis 6.

To find an answer to sub-question 3.a on how tourists in Riga evaluate the presently used information this research examined how satisfied tourists are with the information channels they used and how satisfied they are with the information they gathered about accommodations, transportation, activities and attractions before and during their trip. As mentioned the three most used information channels before the trip are (place 1) internet, (place 2) printed media and (place 3) face-to-face contact. Most of the tourists answered to be satisfied with the information channels they used to plan their trip.

The three most used information channels during the trip are the same as the ones used before the trip, but printed media and face-to-face contact switched position. Most of the tourists answered to be satisfied about the information they used during their trip. The tourists also seem to be satisfied with the information they used before and during their trip about accommodations, transportation, activities and attractions.

The research on how tourists evaluate the presently used information contained not enough cases therefore the hypotheses couldn't be tested with a chi-square test. For the hypotheses 9 until 16 (which indicate that tourists with a higher amount of information source/channel combinations show a higher share of positive satisfaction rates) the assumptions to conduct a chi-square test were not met. The question if the use of more information channels leads to a higher share of positive satisfaction of information about accommodations, transportation, activities and attractions could not be derived from the cross tabulations. In some cases the share of positive satisfaction rates was higher among the group which used a number of information source/channel combinations below average and sometimes the share of positive satisfaction rates was higher among the group which used a number of information source/channel combinations above average. In just two cases a tourist responded with a negative satisfaction rate (not satisfied). One for the provision of information about attractions and one for the provision of information about transportation. Both cases belong to the provision of information during the trip.

In summary tourists in this research answered to be satisfied with both the information channels and the provided information. Because of the small sample size of this research and the absence of a statistic test it's impossible to say if these results are representative for the whole group of international tourists who visited Riga.



CONCLUSION

The tourist industry has become one of the largest sectors in the global economy. It's a complex industry that has to deal with ongoing expansion and diversification. Destinations are competing with each other to attract tourists and information channels have become an important instrument to attract tourists to the city and inform them about the tourist supply. The development of new technologies such as internet and GSM gave suppliers of tourism products and services multiple ways to communicate with their customers. This resulted in a competitive advantage for those who adapted these new technologies, because direct communication with costumers increases their sales.

Over time information channels within the tourist sector have evolved into a global network in which information about tourism services and products is distributed between suppliers and tourists. With the introduction of mobile devices such as mobile phones and tablets these information channels can be approached without any geographical constraints. In addition the quality and quantity of this information which is distributed through these channels has increased. As a result the market has become more transparent since tourists are able to gather information via multiple platforms and prices for tourism products and services have dropped.

The aim of this research has been to investigate what kind of information channels are offered by the tourist sector in Riga and what kind of information channels tourists in Riga are using to collect an process information and to examine if tourists in Riga are satisfied with the current information channels and the provided information or that other channels are needed to fulfill the need for information.

In order to investigate how the tourist sector informs tourists with the tourist supply in the city about 150 accommodations in Riga have been examined on the information channels they used to inform their customers. It turns out that accommodations in Riga tend to use online information channels such as online reservation channels, company websites and social platforms to provide information. In addition it has been examined if the amount of beds within an accommodation had effect on the number of information channels they used and the share of company sites among accommodations in Riga. The only significant result showed that the possession of an own company website is higher among accommodations with a higher amount beds.

To examine how tourists in Riga collect and process information about the tourist supply in Riga tourists have been examined on the way they collect and process information. It turns out that internet is the most used channel among the tourists in this research, followed by printed media and face-to-face contact. In addition this research has examined if the amount of information channels used by tourists results in a higher number of different kind of activities and attractions a tourist has done. Besides it has been examined if smartphone users use more online information channels during the trip than those without a smartphone. There is not enough evidence in this research to conclude that the use of smartphones leads to more use of information channels during the trip. The same conclusion can be made for the use of information channels and their effect on activities and attractions.

The tourists in this research have been asked to rate how satisfied they were with the information channels they used and the provided information about accommodations, transportation, attractions and activities before and during their trip. The majority of the people answered to be satisfied with both the provided information and the information channels they used, before and during their trip. In addition it has been examined if tourists who used more information channels show a higher share of positive satisfaction rates for information provision but there is not enough evidence that support this.

At this moment the current information channels seem to be sufficient enough to fulfill the tourist's need for information. Most suppliers use different online information channels and the tourists in this research indicated that they are satisfied with both the information channels and the information provision.



The findings in this research showed that online information channels have become an important instrument for accommodations in Riga to directly communicate with tourists. As mentioned in chapter 5.5 hypothesis 3 is in line with previous literature which state that visibility via multiple channels can help to increase sales and that larger accommodations have to generate more sales because they have to fill more beds. Although it's just a speculation the reason why hypothesis 1 (accommodations with higher amount of beds use more GDS's) doesn't give a significant outcome might be a result of the fact that global distribution systems are channels to communicate between suppliers (hotels, hostel, car rentals etc.) and are not directly used to communicate to tourists. Therefore the use of a higher number GDS does not contribute to greater visibility of the accommodation among tourists and as a result influence the amount of sales. A possible explanation for why hypothesis 4 (accommodations with higher amount of beds use more SP's) doesn't show a significant outcome could be that social platforms are contributory information channels and therefore don't really influence the amount of sales. Since it doesn't benefit the sales it's unnecessary for accommodations with a larger amount of beds to use multiple social platforms.

Limitations

The research on how tourists collect, process and evaluate the presently used information contained not enough cases and therefore most of the hypotheses couldn't be tested with a chi-square test. A larger sample size would have helped to find better answers to the research questions.

For multiple hypothesis the amount of information source/channel combinations (ISC's) has been used. For hypothesis 7 and 8 to see if tourists who used more ISC's than average participated in more different kind of activities and attractions than those who used less ISC's than average. For hypotheses 9 to 16 the amount of ISC's has been used to see if tourists who used more ISC's than average had a higher share of positive satisfaction rates for accommodations, transportation, activities and attractions than tourists who used less ISC's than average. For hypotheses 7 and 8 there were no significant outcomes while for the hypotheses 9 to 16 the crosstabulations showed no unambiguous answers. It is possible that the amount of ISC's is not a good variable to measure satisfaction or to check if the usage of a higher amount of ISC's results in more attended and visited activities and attractions. In theory people are able to look for more information by using multiple ISC's, but it's not said that every new ISC provides new information, or that every new ISC's provides useful information. Another explanation might be time. Tourists in Riga spend on average about 3 days in Riga. Therefore it might as well be possible that there is a limit to how many attractions and activities one can do, while the person has used multiple ISC's and is aware of more attractions and activities than he or she is able to do.

Although hypothesis 6 didn't met the requirements to do a Pearson chi-square test the percentages in the crosstabulation indicate that smartphone users use more online ISC's. The amount of Wi-Fi hotspots in the city could be a possible explanation for this fact since smartphone users are able to connect to the internet if needed, despite their location. This is in line with the fact that tourists have become more reliant on modern technology to purchase tourism products and services. The internet has become an external memory for people and as a result people increasingly rely on this channel.

Recommendations

To finish the need for new information channels will be discussed. As mentioned in chapter 2.5.6 the world has become more mobile and the number of mobile internet subscribers is still growing. The increasing adoption of smartphones and tablets by tourists in combination with 3G and 4G network coverage, the reduction of roaming costs and the growth of WiFi spots has a major impact on the way tourists are collecting and processing information. The smartphone will become an instrument which can be used for information search during the trip, for example through the use of travel related applications on their smartphone (see 2.5.5).

As mentioned in chapter 3 the tourists Riga/Latvia is trying to attract come from countries with high internet penetration and populations (Sweden, Finland) that are well adapted to the use smartphones and internet. Therefore these instruments seem to be really important for suppliers of tourist products and services in their marketing since they are able to communicate directly to a large group of customers and also increase their visibility. The results in chapter 5 show that proportion of accommodations that are using online information channels is rather high compared to results from previous studies. Besides the satisfaction rates of the tourists who have participated in this research show that these tourists are satisfied about the information channels (of which the internet is the most used) and the provided information about accommodations, transportation, attractions and activities.

At the moment the provision of information and the channels that provide this information seem to meet the needs of the tourists that visit Riga. However events in the past have showed that changes in consumer behaviour and innovation in technology are able to completely change the market in less than a decade. The possibility is there that tourists expect more of a company website than just a static webpage with contact information. Therefore it is recommended to keep a close eye on changes in the market and if needed adapt them.



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Appendix I: Information provision to tourists in Riga

1. What is the name of your accommodation?
.....

2. In what year was your company founded?

- before 1992
- 1992-1995
- 1996-2000
- 2001-2005
- 2006-2010
- 2011- until now

3. What kind of accommodation is your company?

- Hotel
- Hostel
- Apartment
- Bed & Breakfast
- Other (please specify)

4. About how many beds does your company has to offer?

- between 0 and 50 beds
- between 51 and 100 beds
- between 101 and 150 beds
- between 151 and 200 beds
- more than 200 beds

5. Does your company use any of the following global distribution systems (GDS) for reservations?
(Select all that apply)

- GALILEO
- AMADEUS
- WORLDSPAN
- SABRE
- No
- Other (please specify)

6. Is your company available on online reservation sites?
(for example booking.com, hotels.com, hostelworld.com etc.)

- No
- Yes, our company is available on 1 online reservation site.
- Yes, our company is available on multiple reservation sites.

7. Does your company use any of the following traditional marketing channels?
(Select all that apply)

- Flyers and brochures
- Posters
- TV commercials
- Radio commercials
- Advertisement in news papers

8. Does your company use any of the following online marketing channels?
(Select all that apply)

- Own website
- Social media platforms (facebook, twitter, google+ etc.)
- Email marketing (for example newsletters send by email)
- Content marketing on other sites
- Other (please specify)

9. Does your company offer WIFI connection?

Yes
No

10. Some hotels developed their own application which allowed their customers to find information fast and easy. They can benefit of useful information of all of their hotels, make reservations, access current reservations and find hotel contact details easily.

Does your company, or is your company willing to use mobile applications like this in the future?

Yes, our company is using a mobile application like this right now.
Yes, our company is planning to use a mobile application like this in the future.
No, because:

Appendix II: SATISFACTION SURVEY ABOUT THE PROVISION OF INFORMATION BETWEEN TOURIST SECTOR AND TOURISTS IN RIGA (JULY 2014)

1. Please fill in the first 2 letters of your surname _____ 2. Are you: Male Female
3. What is your country of residence? _____
4. Please indicate the year you were born: _____
5. Please indicate the highest level of formal education that you have received so far:
primary secondary High School University
6. Which of these best describes your immediate travel party:
Alone Couple (partner/spouse) Tour group Club
Friends Family with children Relatives
7. What is the purpose of your visit to Riga?
Business Leisure Study Visiting Friends Visiting Relatives/Family
8. Did you consider other destinations while planning your current holiday/trip:
Yes No
9. Is this your first visit to the Riga?
Yes No If No, how many times have you visited? _____
10. How many nights will you spend in Riga? _____
11. What was your main mode of transportation to Riga?
Ferry Airplane Train Car/Camper
Bus Rental car Other _____
12. What is your main type of accommodation during your visit to Riga?
Hotel/motel Resort Backpackers hostel Holiday apartment/unit
Caravan park/cabin Camping Bed & breakfast At Friends/relatives
13. Which of the following attractions did or are you going visit? (Select all that apply)
museum & galleries gardens & parks monuments & sculptures
cathedrals & churches markets & shops cinema, concerts, theatre
sport events other _____
14. In which of the following activities did or are you going to participate? (Select all that apply)
guided tours excursions cycling swimming
shopping sports beauty treatments other _____
15. Who organized your trip to Riga?
Yourself tour operator travel agent family/friends Other _____
16. Did you book any of the following yourself before visiting Riga? (Select all that apply)
Accommodation Transportation Tours Other _____
17. Did you book any of the following yourself during your stay in Riga? (Select all that apply)
Accommodation Transportation Tours Other _____
18. Do you have a smart phone? Yes No 19. Did you use WIFI in Riga: Yes No
20. If you used your smart phone did you use it for any of the following?: (Select all that apply)
Book accommodation Book tours Find locations such as restaurants Information about attractions

21. How satisfied are you with the WIFI connection in Riga:

not at all satisfied not satisfied neutral satisfied very satisfied

22. Which informational sources did you use to plan your trip and through which information channels did this happen?

Information channel	Information source							Select all that apply!
	service provider	travel agent	tourism offices	journalist/ travel writers	family/ friends	tour operator	other	
face-to-face	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
telephone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
television	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
printed media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
phone application	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
email	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

23. Which informational sources did you use during your trip and through which information channels did this happen?

Information channel	Information source							Select all that apply!
	service provider	travel agent	tourism offices	journalist/ travel writers	family/ friends	tour operator	other	
face-to-face	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
telephone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
television	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
printed media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
phone application	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
email	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

24. How satisfied are you with the information channels you used in question 22 for planning your trip, and 23 during your trip?

	BEFORE TRIP					DURING TRIP				
	Not at all Satisfied	not satisfied	neutral	satisfied	very satisfied	Not at all Satisfied	not satisfied	neutral	satisfied	very satisfied
face-to-face	<input type="radio"/>									
telephone	<input type="radio"/>									
television	<input type="radio"/>									
printed media	<input type="radio"/>									
internet	<input type="radio"/>									
phone application	<input type="radio"/>									
email	<input type="radio"/>									

25. How satisfied are you with the information provided before the trip about:

	Not at all Satisfied	not satisfied	neutral	satisfied	very satisfied
Accommodation (Hotel, Hostel etc)	<input type="radio"/>				
Transportation (Train, Bus etc.)	<input type="radio"/>				
Activities (guided tours, swimming etc.)	<input type="radio"/>				
Attractions (Museum, parks, etc.)	<input type="radio"/>				

26. How satisfied are you with the information provided during the trip about:

	Not at all Satisfied	not satisfied	neutral	satisfied	very satisfied
Accommodation (Hotel, Hostel etc)	<input type="radio"/>				
Transportation (Train, Bus etc.)	<input type="radio"/>				
Activities (guided tours, swimming etc.)	<input type="radio"/>				
Attractions (Museum, parks, etc.)	<input type="radio"/>				

Thank you for your participation!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!

Appendix III: Extensive tables chapter 5

Figure 5.3 Crosstabulation of number of GDS by size of accommodations measured in number of beds

		Number of GDS's used by accommodations is higher than average	Number of GDS's used by accommodations is lower than average	Total
Accommodations with 50 beds or less	Observed Count	10	5	15
	Expected Count	8,42	6,58	15
	Row%	67%	33%	100%
	Residual	1,58	-1,58	
Accommodations with 51-100 beds	Observed Count	6	11	17
	Expected Count	9,54	7,46	15
	Row%	35%	65%	100%
	Residual			
Accommodations With more than 100 beds	Observed Count	16	9	25
	Expected Count	14,04	10,96	25
	Row%	64%	36%	100%
	Residual	1,96	-1,96	
Total	Observed Count	32	25	57
	Expected Count	32	32	57
	Row%	56%	44%	100%

Figure 5.4 Crosstabulation of number of ORS by size of accommodations measured in number of beds

		Number of ORS used by accommodations is higher than average	Number of ORS used by accommodations is lower than average	Total
Accommodations with 50 beds or less	Count	16	23	39
	Expected Count	21,94	17,06	39
	Row%	41%	59%	100%
	Residual	-6,06	6,06	
Accommodations with 51-100 beds	Count	22	11	33
	Expected Count	18.56	14,44	33
	Row%	67%	33%	100%
	Residual	3,44	-3,44	
Accommodations With more than 100 beds	Count	25	15	40
	Expected Count	22.50	17,50	40
	Row%	62,5%	37,5%	100%
	Residual	2,5	-2,5	

Figure 5.5 Crosstabulation of usage company websites by size of accommodations measured in beds

		Company site	No company site	Total
Accommodations with 50 beds or less	Count	29	10	39
	Expected Count	32,04	6,96	39
	Row%	74%	26%	100%
	Residual	-3,04	3,04	
Accommodations with 51-100 beds	Count	25	8	33
	Expected Count	27,11	5,89	33
	Row%	76%	24%	100%
	Residual	-2,11	2,11	
Accommodations With more than 100 beds	Count	38	2	40
	Expected Count	32,86	7,14	40
	Row%	95%	5%	100%
	Residual	5,14	-5,14	
Total	Count	92	20	112
	Expected Count	92	20	112
	Row%	82%	18%	100%

Figure 5.6 Crosstabulation of number of Social Platforms by size of accommodations measured in number of beds

		High amount of Social Platforms	Low amount of Social Platforms	Total
Accommodations with 50 beds or less	Count	10	19	29
	Expected Count	10,40	18,60	29
	Row%	34,5%	65,5%	100%
	Residual	-0,4	0,4	
Accommodations with 51-100 beds	Count	7	18	25
	Expected Count	8,97	16,03	25
	Row%	28%	72%	100%
	Residual	-1,97	1,97	
Accommodations With more than 100 beds	Count	16	22	38
	Expected Count	13,63	24,37	38
	Row%	42%	58%	100%
	Residual	2,37	-2,37	
Total	Count	33	59	92
	Expected Count	33	59	92
	Row%	36%	64%	100%

Figure 5.8 Crosstabulation online information source/channels combinations usage by smartphone usage

		Use of online ISC's	No use of online ISC's	Total
Smartphone users	Count	12	10	22
	Expected count	11	11	22
	Row%	54%	46%	100%
	Residual	1	-1	
Non-smartphone users	Count	3	5	8
	Expected count	4	4	8
	Row%	37,5%	62,5%	100%
	Residual	-1	1	
total	Count	15	15	30
	Expected count	15	15	30
	Row%	50%	50%	100%

Figure 5.9 Crosstabulation of amount of ISC's by amount of different activities

		High amount of different types of activities	Low amount of different types of activities	Total
High amount of ISC's	Count	9	5	14
	Expected count	7,5	6,5	14
	Row%	64%	36%	100%
	Residual	1,5	-1,5	
Low amount of ISC's	Count	7	9	16
	Expected count	8,5	7,5	16
	Row%	44%	56%	100%
	Residual	-1,5	1,5	
total	Count	16	14	30
	Expected count	16	14	30
	Row%	53%	47%	100%

Figure 5.10 Crosstabulation of amount of ISC's by amount of different attractions

		High amount of different types attractions	Low amount of different types attractions	Total
High amount of ISC's	Count	9	5	14
	Expected count	7	7	14
	Row%	54%	46%	100%
	Residual	2	-2	
Low amount of ISC's	Count	6	10	16
	Expected count	8	8	16
	Row%	37,5%	62,5%	100%
	Residual	-2	2	
total	Count	15	15	30
	Expected count	15	15	30
	Row%	50%	50%	100%