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Livingstontravels.com

Master's Thesis

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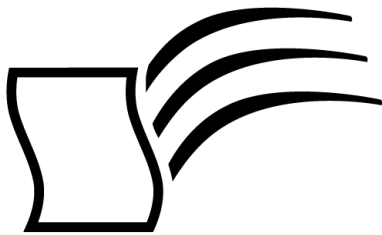
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SECTION 1: OVERVIEW

1. INTRODUCTION: WORLDWIDE INTERNET TRAVEL PORTAL

The use of electronic and other mechanized methods to exchange business transactions and other information through interconnected computers is not just a technological change but also a fundamental shift in mindset and in the way of doing business today.

There are great new opportunities for the e-business, which have not yet been explored. Technology supports while does not limit the amount of opportunities but allows a whole new set of competitive advantages in a global scenario where some of the rules of the game have change, even though, the most basic principles of business remain the same.

There is potential for acting globally with the support of the communications technologies. Additionally, the reduction of regulatory barriers in most of the countries stretches the limits of e-commerce around the world. However, there are still barriers such as the paying mechanisms, currencies or the fiscal and legal issues.

Even though the amount of opportunities that technology provides to the market place is surprising, there is no technology that can help with out a clear idea of the business objectives to be achieved on the net.

Both tourism and Web based Electronic Commerce are growing and changing rapidly. Two hundred and thirty percent increased in online holiday sales over 1997 (Glenn Kapetansky, March 1999). Travel is currently the most purchased product online having surpassed computer equipment. In 1999 US\$5 billion was spent at travel web sites. Research indicates this figure will increase six times to US\$30 billion in 2001 (Discovernz, 2000). Given these opportunities in the market place, this project will set the tools to stimulate the creating process, to test the idea and to work out its implications.

Livingstontravels.com aims to be a niche player among the online travel agencies focusing mainly on satisfying the needs of young travelers with an interest and respect towards other cultures and resorts around the world. Therefore, Livingstontravels.com will not only handle reservations but it will also offer some other bundled services which will help to understand better the visited country and establish contact with the native people through the web site virtual community before starting the trip.

2. PROBLEM FORMULATION

Since the beginning of the Internet as we know it today, tones of start-ups.com are going on the net everyday. A few of those succeed while most of them never get the expected visitors, cannot sell their products, or are not able to cover client expectations and create a bundle with its customers.

The main purpose of this project is to establish the complete business plan for launching an online travel agency on the Internet, which differentiates from the rest on a sustainable base while value is being perceived and returns on investment are positive.

In order to launch an online travel agency on the net from scratch, the industry and its tendencies will have to be understood. The Identification of the Key Success Factors and the way to convert those into sustainable competitive advantages will be of relevance not only in the terms of the industry itself but also on the Internet environment.

Therefore, a first sub-objective for this project will be to identify where are we at in the industry and where Livingstontravels.com is heading for:

- *Analyzing the industry, the main players and the future trends, identifying the Key Success Factors, which can be converted into sustainable competitive advantages.*

Since it is intended to create an Internet company, it will be important to consider which is the vision and mission of the company. Therefore, we will have to:

- *Constitute the Vision of the firm*
- *Establish the Mission of the firm*

Once the present situation is analyzed and understood and the Mission is established we will count with the proper tools to:

- *Identify the opportunities and threats in the chosen scenario, which can create a benefit for Livingstontravels.com and its shareholders.*
- *Define the services that Livingstontravels.com offers and how to obtain a sustainable profit.*

With a Business Strategy defined the different resources will have to be aligned. For that reason we will:

- *Align the Business Strategy with the Information Technology Strategy*
- *Align the Business Strategy with the Structure of the firm*

After the most important issues of the company are identified, it will be important to:

- *Calculate the budget for the required investment*
- *Decide how to finance the firm*