
PROSPECTS FOR THE DEVELOPMENT OF ONLINE TRAVEL PORTALS IN UZBEKISTAN

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Abstract:

This study is designed to highlight the significance of online travel portals for supporting the tourism industry and encouraging further exploration of long-term growth prospects in Uzbekistan, a country with a growing tourism industry. The findings suggest that while the use of online travel portals is still relatively low in Uzbekistan, there is potential for growth due to the increasing number of internet users and the growing importance of online bookings in the global travel market. However, there are also challenges that need to be addressed, such as poor infrastructure and digital content. The research highlights the need for collaboration between online travel portals, traditional travel agencies, and tourism organizations to overcome these challenges and unlock the potential of the travel industry in Uzbekistan. Key factors that could contribute to the success of online travel portals in Uzbekistan include the availability of localized and relevant content, secure payment systems, and increased destination marketing efforts. The discussion is based on a mixed-method research design that incorporates a comprehensive literature review.

Keywords: Tourism development, online travel portals, travel industry, innovation, digital, Internet, Uzbekistan, consumer behavior, tourist, ICT (Information and Communication Technologies).

Introduction

The tourism industry is an essential part of any country's economy, and Uzbekistan is no exception. The country is a treasure trove of rich history, stunning landscapes, and vibrant culture, making it an attractive destination for tourists. According to the Statistics Agency, 5.2 million foreign citizens visited Uzbekistan for tourism purposes last year. This figure is up by 3.4 million (2.8 times) compared to 2021. With the rise of technology and the internet, the

travel industry has undergone a significant transformation, and online travel portals have become an essential part of the sector. According to Dr Stan Karanasios “Online travel portals usually aggregate travel-related information from multiple sources and offer it to users in one place, making it easier for them to plan and book their trips. They provide everything needed to arrange a tour. They include items like airfares, accommodation, weather and maps. They may include links to other important informational websites for travelers.” Online travel portals may also offer additional features such as user reviews, price comparisons, and travel recommendations to help users make informed decisions.

1.1 HISTORY

The history of online travel portals dates back to the early days of the internet in the 1990s. The Internet Travel Network (ITN) claimed to have overseen the first airline ticket booking over the web. Viator Systems launched a platform to book destination tours and excursions. It made its first tentative steps into online publishing. Lonely Planet took its first steps into online publishing of travel guides. It inspired many travel brands to emerge on the scene. This was followed by the launch of other online travel portals such as Travelocity and Expedia in 1996 and 1999, respectively. Initially, online travel portals faced many challenges, such as low internet penetration rates, limited access to travel information, and a lack of trust in online transactions. However, with the growth of the internet and the increasing popularity of e-commerce, online travel portals became more popular and started to offer a wider range of services such as hotel bookings, car rentals, and vacation packages.

In the early 2000s, online travel portals started to offer new features such as user reviews, travel recommendations, and price comparisons, which helped users make more informed decisions. The rise of social media also enabled travelers to share their travel experiences and recommendations, further enhancing the role of online travel portals in the travel industry.

1.2 LEGISLATION

Uzbekistan has made significant efforts to develop its tourism industry in recent years, and there are several laws and regulations in place to support this development.



Figure 1. Laws adopted to increase the potential of tourism sector in Uzbekistan

Source: lex.uz

In addition to this, the President of Uzbekistan, Shavkat Mirziyoev, has made several statements about the importance of tourism development in Uzbekistan.

"Tourism is a major factor in the development of the economy, the creation of jobs, and the promotion of our country's image on the world stage." "We must actively promote our country's tourism potential abroad and attract more foreign tourists to Uzbekistan. This will not only bring economic benefits but also promote cultural exchange and understanding between nations."

These statements reflect the government's commitment to promoting tourism development in Uzbekistan and recognizing the potential benefits that tourism can bring to the country. The government has recognized the importance of the travel and tourism industry for the country's economy and has taken steps to promote its growth. The introduction of e-visas for foreign tourists and the development of infrastructure, such as new airports and hotels, are expected to increase the number of tourists visiting the country and boost the online travel industry

A. 2. METHODOLOGY

2.1 Data Collection

To explore the prospects for the development of online travel portals in Uzbekistan, a secondary data analysis approach was employed. Firstly, a comprehensive review of existing literature and reports on the tourism industry and online travel portals in Uzbekistan was conducted. This included a review of academic articles, government reports, industry reports, and news articles. The purpose of this review was to establish a baseline understanding of the current state of the tourism industry and the potential for online travel portals in Uzbekistan. The data collected from the literature review were analyzed using thematic analysis to identify key trends and insights related to the prospects for the development of online travel portals in Uzbekistan. Thematic analysis is a qualitative research method that involves the identification, analysis, and reporting of patterns or themes within the data.

2.2 Data Analysis

The data collected for this study was then analyzed using SWOT, competitive and consumer behavior analyses.

2.3 Limitations

It is important to note that due to limitations in data availability and access to primary data sources, this study relied solely on the analysis of secondary data. The research may be limited by the sample size and scope of the study. While this approach provides valuable insights and a useful starting point for further research, it is important to acknowledge that the findings may be limited by the quality and availability of the secondary data sources used.

B. 3. ANALYSIS AND COMMENTARY

In the modern era of abundant information, consumers often face difficulty in finding trustworthy and relevant sources for their needs. This is particularly true in the travel industry where consumers rely on search functions to find appropriate travel destinations and

accommodation. For instance, while studying tourists in Seattle in 2011, Toh et al discovered that the main channel for trip organization at present was the internet, due to the availability of cheaper prices. The survey also revealed that consumers perceive the Internet to be the most reliable source for finding the lowest rates for their travel needs. This highlights the importance of online travel portals and search functions for travelers, and underscores the need for online travel portals in Uzbekistan to offer reliable and user-friendly search options to attract and retain customers. Coming in support of this finding, data found on Statista shows that the size of the online global travel sales market in 2019 was 755 billion U.S. dollars. Among which, the Asia Pacific region also accounted for the largest share of online travel sales, with a market size of 406 billion U.S. dollars, followed by EMEA (Europe, Middle East and Africa) with a market size of 221 billion U.S. dollars. On the other hand, the Americas came far behind with a market size of 126 billion U.S. dollars. This data highlights the significant importance of online sales in the global travel industry, with the Asia Pacific region leading the way in terms of online travel sales. As technology and internet access continue to improve globally, it is likely that online travel sales will continue to increase, providing opportunities for growth and development in the travel industry.

Country	Internet Penetration Rate	Number of Internet Users (in millions)
Kazakhstan	90.9%	17.73
Kyrgyzstan	77.9%	5.21
Tajikistan	40.8%	4.10
Turkmenistan	38.2%	2.47
Uzbekistan	76.6%	26.74

Figure 2: Table 1. A table showing the internet penetration rate and number of internet users in Uzbekistan, comparing it to neighboring countries in Central Asia and highlighting the potential for growth. Source: Datareportal, January 2023

This data shows that Uzbekistan has the highest number of internet users among its Central Asian neighbors, with a total of 26.74 million users. However, the internet penetration rate is still lower than that of Kazakhstan and Kyrgyzstan, which has a higher percentage of its population using the internet. This presents a significant opportunity for growth in Uzbekistan's internet and e-commerce industries, including the development of online travel portals. By improving internet access and infrastructure, Uzbekistan could potentially tap into a larger market of internet users and increase the demand for online travel services.

3.1 SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Increasing number of travelers using online booking platforms • High level of smartphone and internet penetration in the country • Availability of a wide range of travel services in Uzbekistan • Opportunity to target both domestic and international travelers • Possibility of partnerships with local businesses and tourism authorities 	<ul style="list-style-type: none"> • Limited awareness and trust among consumers in Uzbekistan towards online booking platforms • Limited availability of online payment options and electronic payment systems • Insufficient digital infrastructure in some parts of the country • Limited availability of localized and personalized content • High competition from established offline travel agencies
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Growing demand for online travel booking services in Uzbekistan • Possibility to provide a convenient and efficient booking experience for travelers • Possibility to offer competitive pricing for travel services • Opportunity to leverage digital marketing to reach a wider audience • Possibility to provide innovative and personalized travel experiences 	<ul style="list-style-type: none"> • Intense competition from established online travel portals in neighboring countries • Regulatory and legal challenges related to online payments and electronic transactions • Cybersecurity and data privacy risks

3.2 COMPETITIVE ANALYSIS

As mentioned earlier, the online travel portal industry in Uzbekistan is still in its nascent stage. However, it is crucial to analyze the competition that exists in other countries to draw insights and formulate effective strategies for the Uzbek market. In this section, we will conduct a competitive analysis of popular online travel portals operating in neighboring countries and around the world.

One of the major players in the online travel portal industry is Expedia, which operates in several countries. Expedia offers a wide range of travel services, including flight and hotel bookings, car rentals, and vacation packages. It has a strong online presence and is known for its user-friendly interface, competitive pricing, and loyalty program.

Another significant player is Booking.com, which operates in over 220 countries and territories. The company offers a diverse range of accommodations, including hotels, apartments, resorts, and villas. Booking.com is known for its extensive database of properties, competitive pricing, and user-friendly interface.

In neighboring countries, there are also several notable online travel portals, such as Chocotravel in Kazakhstan and Biletix in Azerbaijan. Chocotravel offers flight and hotel bookings and has a strong online presence in the region. Biletix is a popular online ticketing platform that offers flight, train, and bus tickets, as well as hotel bookings and travel packages. In terms of competition, these online travel portals have established strong brand recognition, extensive networks of suppliers, and user-friendly interfaces. To compete in the market,

Uzbekistan-based online travel portals must focus on providing unique value propositions, such as local expertise and personalized recommendations. They must also prioritize user experience and offer competitive pricing to attract and retain customers. Analyzing the competition and drawing insights from successful online travel portals in other countries can help Uzbekistan-based companies formulate effective strategies and differentiate themselves in a highly competitive industry

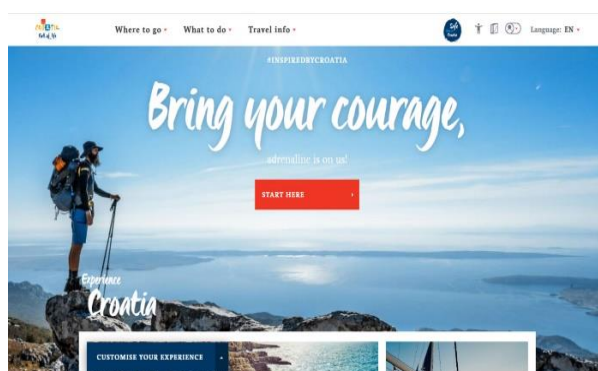
3.3 RESULTS

The data analysis revealed several key themes related to the prospects for the development of online travel portals in Uzbekistan. These themes include:

1. **Emerging Market:** The online travel market in Uzbekistan is relatively new and rapidly growing, creating significant opportunities for online travel portals to enter the market and capture market share.
2. **Infrastructure Challenges:** Despite the growth of the online travel market in Uzbekistan, the country faces significant challenges related to its infrastructure, including limited internet connectivity and low levels of credit card usage.
3. **Cultural Barriers:** The cultural barriers in Uzbekistan may pose a challenge to the development of online travel portals, as travelers may prefer to book travel through traditional travel agencies or offline channels.
4. **Government Support:** The Uzbekistan government has prioritized the development of the tourism industry and has implemented several initiatives to support the growth of the online travel market, including the creation of a new e-visa system and the development of tourism infrastructure.

These themes provide valuable insights into the current state of online travel portals in Uzbekistan and the opportunities and challenges that exist for their development. They can also inform future research and policy decisions related to the tourism industry in Uzbekistan.

4. FROM A TOURISM PROJECT TO A DATABASE ON INNOVATION IN TOURISM



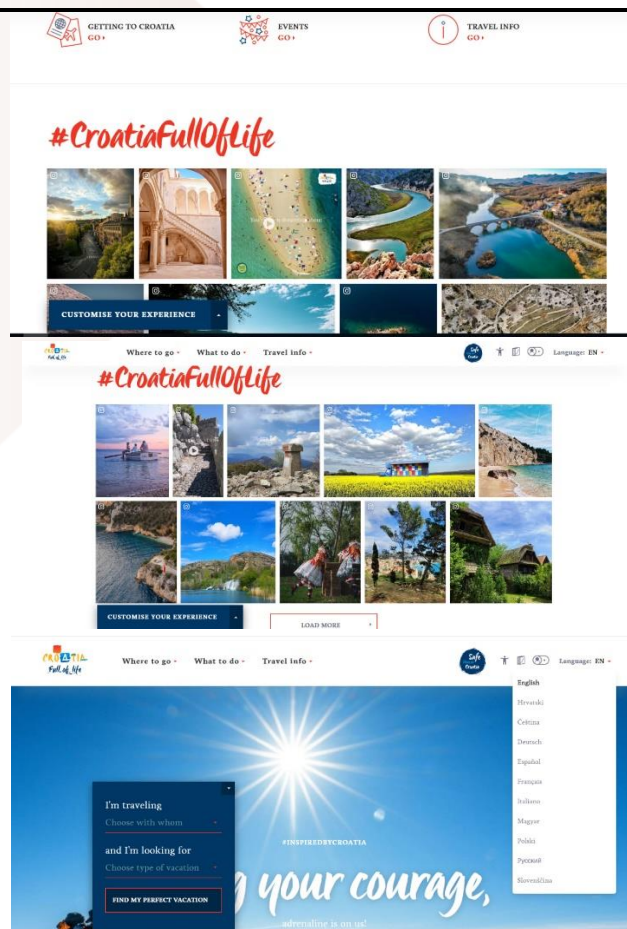


Figure 3: Picture 1. Croatia Tourism Board is a national tourism organization responsible for promoting and marketing tourism in Croatia. Their website, <https://croatia.hr/en-gb>, serves as an online travel portal for visitors to Croatia.

The success of the Croatia Tourism Board's online travel portal can be attributed to several factors. First, the website is easy to navigate and provides a user-friendly interface. Visitors can easily search for information and book travel arrangements using the website's integrated booking engine. The website also provides a range of tools to help visitors plan their trips, including interactive maps, travel guides, and suggested itineraries. In addition to its user-friendly interface, the Croatia Tourism Board's online travel portal is also well-designed and visually appealing. The website features high-quality images and videos that showcase the beauty and diversity of Croatia's landscapes, cities, and cultural attractions.

Another key factor contributing to the success of the Croatia Tourism Board's online travel portal is its focus on personalized and localized content. The website offers content in multiple languages and provides tailored recommendations based on a visitor's location and interests. This approach helps to create a personalized and engaging user experience that encourages visitors to explore more of what Croatia has to offer. Finally, the Croatia Tourism Board's online travel portal is supported by a robust digital marketing strategy that includes social media, search engine optimization, and targeted advertising. This strategy helps to drive traffic to the website and increase its visibility among potential visitors.

In summary, the success of the Croatia Tourism Board's online travel portal can be attributed to its user-friendly interface, visually appealing design, personalized and localized content, and robust digital marketing strategy. These best practices can serve as a useful guide for the development of online travel portals in Uzbekistan. By studying the success of this and other online travel portals, Uzbekistan can identify best practices and strategies for success in its own market.

II. 5. CHALLENGES AND OPPORTUNITIES FOR THE DEVELOPMENT OF ONLINE TRAVEL PORTALS IN UZBEKISTAN

The travel industry in Uzbekistan has been growing steadily in recent years, driven by factors such as the opening up of the country to international tourism, the growth of the middle class, and improvements in infrastructure. However, the industry remains largely traditional, with a significant portion of bookings made through traditional travel agencies. The low adoption of online travel portals in Uzbekistan can be attributed to several factors.

1. **Limited marketing efforts:** Online travel portals in Uzbekistan face limited marketing efforts due to the lack of investment in marketing and promotion, which can hinder their visibility on the international stage

The lack of investment in marketing and promotion can hinder their visibility on the international stage, making it difficult for them to attract customers and generate revenue. Moreover, without proper marketing efforts, online travel portals in Uzbekistan may struggle to differentiate themselves from their competitors, limiting their ability to gain a competitive edge in the market. This can result in fewer bookings and lower revenues, ultimately hindering the growth and development of online travel portals in the country.

2. **Limited availability of content:** The lack of local content and limited availability of online information on Uzbekistan's tourism products and services hinders the development of online travel portals.

Local content is essential for showcasing the unique cultural and historical features of Uzbekistan and highlighting the country's tourism potential. Without this content, online travel portals may struggle to differentiate Uzbekistan from other tourist destinations, hindering their ability to attract visitors to the country. The limited availability of online information on Uzbekistan's tourism products and services makes it difficult for online travel portals to provide real-time updates on changes in the industry, such as the availability of new attractions or services. This could lead to inaccurate or outdated information being provided to potential visitors, which could damage the reputation of both the online travel portal and the country's tourism industry as a whole.

3. **Lack of infrastructure:** The lack of adequate infrastructure, such as high-speed internet, hinders the development of online travel portals in Uzbekistan.

The internet speed in Uzbekistan is relatively slow, which can affect the functionality and user experience of online travel portals. Insufficient infrastructure for secure online transactions can cause mistrust and lack of confidence in online travel portals, which can discourage potential customers from using them. Another aspect of infrastructure that is important for the development of online travel portals is the availability of reliable and up-to-date travel

information. The lack of such information can affect the portal's usefulness and reliability, leading to a decreased interest from potential users.

Despite these challenges, there are also significant chances for the development of online travel portals in Uzbekistan. The rise of e-commerce and online booking platforms has made it easier for consumers to book their travel needs online. Online travel portals offer a convenient and cost-effective way for consumers to plan and book their trips, from flights and hotels to transportation and activities. One of the most significant opportunities is the growing number of travelers to the country. As the tourism industry continues to grow, there will be an increasing demand for convenient and easy-to-use online travel portals. One of the key advantages of online travel portals is their ability to reach a wider audience. With the increasing use of smartphones and the internet, more and more people are turning to online travel portals to book their travel needs. This presents a huge opportunity for online travel portals to tap into the growing market of tech-savvy consumers in Uzbekistan. Another opportunity for the development of online travel portals in Uzbekistan is the potential for partnerships with tourism industry stakeholders. By partnering with hotels, tour operators, and other tourism industry stakeholders, online travel portals can provide a more comprehensive and integrated experience for travelers. Finally, the COVID-19 pandemic has accelerated the shift towards online travel portals globally, including in Uzbekistan. With restrictions on travel and social distancing measures, many consumers have had to turn to online travel portals to plan their trips. This trend is likely to continue even after the pandemic subsides. Last but not least, the government has made efforts to improve digital literacy among the population through initiatives such as the Digital Uzbekistan program, which aims to develop a digital economy in the country.

III. 6. RECOMMENDATIONS AND DISCUSSION

To realize the full potential of the online travel industry in Uzbekistan, there are several steps that can be taken. First, there is a need for increased competition in the market, which can be achieved through the development of new players and the promotion of startups. This would lead to more choices and lower prices for consumers, which would, in turn, drive growth in the industry.

Second, there is a need for greater investment in digital infrastructure and technology. This would include the development of mobile applications and user-friendly websites that can cater to the needs of customers. Additionally, greater investment in online marketing and advertising can help increase awareness of online travel portals and drive more traffic to these platforms.

Finally, there is a need for greater collaboration between the government and the private sector to promote the growth of the industry. The government can provide incentives and support for the development of online travel portals, while the private sector can bring in the necessary expertise and resources to drive growth.

6.1 Knowledge base and technologies

Various studies have explored the benefits of having an effective marketing strategy in place for travel websites. Jeong et al. (2012) investigated the relationship between the use of travel websites for information search and the formation of destination images. Their findings reveal that travel websites are critical in promoting both the cognitive and overall image of a destination. Moreover, changes in the travel information displayed on the website can influence the evolution of the destination image as consumers engage with the website to obtain tangible and intangible aspects of the destination. This highlights the importance of online travel portals in Uzbekistan to have an effective marketing strategy in place to not only attract customers but also promote the desired image of the country as a travel destination. Kim and Kim (2010) designed a new instrument for evaluating websites in the hospitality and tourism industry. Their study used the modified balanced scorecard and analytical hierarchy process to determine that user-friendliness and user security are the most crucial factors for consumers. Similarly, Tsai et al. (2010) used three different techniques to develop a tool for assessing national park websites in Taiwan. Their findings indicate that information richness, navigability, attractiveness, and speed are the most important factors for evaluating websites. In addition to this, Benckendorff, P. J., Sheldon, P. J., & Fesenmaier, D. R. (2014) highlight the importance of personalization in tourism information technology, which involves tailoring information and services to individual users based on their preferences and past behavior. Personalization can enhance the user experience and increase customer loyalty. Another consideration that should be taken into account is the fact that social media platforms such as Instagram, Facebook, and TripAdvisor have become essential tools for destination marketing, as they allow tourism organizations to engage with travelers in real-time and create authentic user-generated content (Xiang et al., 2021, p. 33).

Understanding consumer preferences for types of travel and destinations is crucial for the development of targeted marketing campaigns and travel packages through online portals in Uzbekistan. Here are some potential data points that could provide insights into consumer preferences:

Types of travel	Destinations	Travel Budget	Travel group size
<ul style="list-style-type: none"> •Consumers may prefer different types of travel, such as adventure travel, beach vacations, cultural tours, or business travel. Understanding which types of travel are most popular can help online portals tailor their offerings and marketing campaigns to meet consumer demand. 	<ul style="list-style-type: none"> •Consumers may have different preferences for destinations, such as urban vs. rural, domestic vs. international, or specific countries or regions. Knowing which destinations are most popular can help online portals develop travel packages and partnerships with hotels, airlines, and other travel providers. 	<ul style="list-style-type: none"> •Consumers may have different budgets for travel, ranging from budget options to luxury travel. Understanding consumers' budget preferences can help online portals develop travel packages and deals that meet their needs 	<ul style="list-style-type: none"> •Consumers may travel alone, with a partner, or in larger groups. Understanding travel group size can help online portals develop travel packages that cater to different group sizes and preferences.

By gathering data on these and other factors, online travel portals in Uzbekistan can develop targeted marketing campaigns and travel packages that appeal to consumers and drive growth in the industry. For example, if adventure travel is a popular type of travel, online portals can develop packages that

cater to this market segment, partnering with adventure tour operators and promoting their offerings through targeted advertising campaigns. Similarly, if consumers prefer domestic travel, online portals can develop packages that showcase the best domestic destinations and offer competitive pricing to attract budget-conscious consumers.

7. CONCLUSION

In conclusion, the development of online travel portals has brought about significant changes in the way individuals plan and book their travel arrangements. As highlighted in this article, online travel portals provide a convenient platform for consumers to access comprehensive and real-time travel information, compare prices, and make bookings from the comfort of their homes. The case studies and successful stories of online travel portals in other countries, such as Croatia's travel portal, demonstrate the potential for online travel portals to drive tourism growth, enhance the customer experience, and improve the efficiency of the travel industry. Furthermore, understanding consumer behavior and preferences is crucial in the development of effective online travel portals. Tourists seek convenience, security, and value for their money when making travel arrangements. As such, online travel portals need to ensure that they provide a user-friendly, secure, and informative platform that meets the needs and expectations of their customers. However, to realize this potential, there is a need for greater investment in digital infrastructure and technology, increased competition in the market, and greater collaboration between the government and the private sector. By partnering with tourism industry stakeholders and providing convenient and easy-to-use platforms, online travel portals can play a significant role in the continued growth of Uzbekistan's tourism industry. Finally, competitive analysis is critical in the development and success of online travel portals. Online travel portals need to keep up with emerging trends and incorporate them into their platforms to remain competitive in the market.

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