

Evolving technologies to drive competitive advantage



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? Evolving Technologies To Drive Competitive Advantage in Hospitality

Industry In today's fast paced competitive and cut-throat marketplace where no other quote would be more apt than 'Survival of the fittest', tour ; travel companies, travel agents, hotel distribution companies, hotel chains, airport transfer and car hire companies are grappling with how to bring convergence between their brick and mortar and the emerging technologies that are multiplying and growing as if they are coming from an assembly / production line.

The debate over " high-tech" or " high-touch" is largely a thing of the past in the hospitality industry as emerging technologies drive unprecedented change in the way hotels operate and serve customers. It is clear that investments in technologies can generate greatly improved operating efficiencies, higher hotel revenues and enhanced guest services. The pace of change, however, has been so extreme as to leave many hotel organizations uncertain about what types of technology to adopt and the best ways to create a seamless integration of systems company-wide.

Today the technology life cycle provides a model to assess how and when companies and individuals adopt new technologies. Pioneers are generally the first to acquire new technologies and take the greatest risk. A second category of technology users -- leaders -- adopt relatively unproven technologies, but the risks are known and accepted. Obsolete technology at the other end of the spectrum may seriously impair a company's ability to compete.

In terms of costs and benefits, the best balance appears to be with the leaders who invest significantly less than pioneers and incur reduced risks, yet their technology investments can yield similar benefits. Finding a balance in technology investment is critical today for hotel operations, as it helps to fulfill the desire of operators to improve the guest experience and also gives a potential to improve operating efficiencies. This is demonstrated through faster check-in and check-out, more timely response to service requests and a myriad of other opportunities to enhance services.

Hotel operators are seeking ways to reduce staffing requirements, cross-train staff, reduce the overall general and administrative expense, and explore opportunities for centralizing some functions while at the same time distributing other functions more widely. Implementing technological advances promises the potential for greatly enhanced guest services to meet rising customer expectations, improved cost control, more effective marketing strategies and expanded opportunities for hotel companies and properties to achieve a competitive advantage.

However, technology is only as good as its application by an organization, and therein lies the challenge for hospitality companies weighing how best to invest in technology, as well as train employees and implement its use. A retrospective view of how high technology has been used in the hospitality industry reveals the depth of change wrought in hotel operations during the past four decades. Accounting and financial systems were introduced during the 1960s, but exclusively as mainframe-based systems operated by the largest hotels. Systems oriented to property management were introduced in the 1970s.

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During the 1980s, systems were ported to mini-computer and micro-computer based platforms. Accounting, financial and property management systems finally became available even to the smallest operators. Sales and marketing applications were developed to provide a competitive advantage for properties. The 1990s was marked as the decade of integration, driven by powerful networking capabilities offered by client server technology. This technology brought no less than the dismantling of the management information system (MIS) paradigm as we have known it, more completely democratizing access to information than at any time in the past.

As a new era for guest services begins, for most hotel operations, client server technology is inevitable. Today Client server computing currently has no standard, agreed-upon definition. Generally, however, the client server architecture involves "integrated, networked computer systems using applications cooperating across the network". Instead of having a series of mainframes networked together, client server architectures involve one large processor unit (which may or may not be a mainframe) and a network of clients linked together, often across large geographic areas.

Client server architectures offer major benefits to companies adopting these systems. Data access is faster because the "server" is not burdened with running applications. Data access is more evenly distributed, and users have the ability to query and create their own reports. Client server technology in the hospitality industry offers significant opportunities as companies make decisions relating to technology. In addition to improving services, hotel operators are seeking ways to effectively integrate the disparate systems accumulated during the last decade.

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Most of the larger hotel properties currently are running multiple computer platforms (systems), and due to the cost of technology, will continue to do so for the next several years. Client server technology is probably the most viable strategic option for medium to large multi-property owners and operators as technology upgrades are made. In simple words, the applications typically used in the hospitality industry (back office, food ; beverage, front office, etc.) can be developed by different vendors (as is typically the case), yet use a common database.

Optimally, hotel organizations should be able to reduce IT costs, leverage investments in PCs and improve staff productivity. In addition, client server technology sets the stage for the still more sophisticated technologies of the next decade in which guests will have greater access to in-room technologies, and fully integrated systems using a common database will be the norm. The benefits of integration via networked computer systems are compelling given the impact of improved technologies and the opportunity for business process reengineering.

At the same time, older technologies are phasing out, and hotel operators will need well-integrated systems to support the database marketing and guest services required to compete in coming years. Some of these include technologies like One-Stop Guest Services. These services in the hospitality industry have two different applications. Guest services accessed by the guest typically involve the use of the in-room television remote control to select from a suite of interactive programs and services. Guests can navigate easily through multi-media video and audio, and be automatically connected by phone to outside services.

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In addition, guest services provided by the staff typically involve a PC running a front-end application that allows access to outside services, as well as access to guest-specific information maintained in a central repository or database. In either case, the method employed is driven by the guest familiarity and comfort in using technology. In the future, one-stop integrated systems will make the same basic services available to hotel staff available to the guest by means of fully integrated systems (retail, ticketing, reservations, etc. using a central guest data repository and access to outside service providers. All these functions will be on-line and presented to the employee and guest in an intuitive graphical user interface. Smart Cards contain an integrated circuit that can allow a guest access to the room or other services in the hotel. Smart Cards also have the potential to be coded for use in charging retail items, meals, minibar use or other purchases. In the future, travel agencies ultimately may issue Smart Card itineraries rather than paper ones.

Airlines will have a reader that verifies the traveler's flight number and seat assignment. Hotels will have a reader that can encode the card for use as a room key and capture frequent guest program information. Since the Smart Card will be a universal card, it could be used at different airlines and hotels during the same trip. Something called as the Video Check-In and Express Check-Out is available today for which touch screens on free-standing terminals at kiosks are being developed as part of systems to check in and check out guests without the need to use the traditional front desk.

Touch-and-Go, the first system of its kind in the industry provides the guest who has an advance reservation and a credit card the option of avoiding the <https://assignbuster.com/evolving-technologies-to-drive-competitive-advantage/>

front desk at the beginning or end of the stay. Touch-and-Go was successfully tested by Hyatt Hotels at two properties and is now being rolled out to between twenty and thirty of their properties. The target speed for the system is to allow guests to check themselves into their own rooms in less than 90 seconds. The system on check-out allows a guest to approve expenses which appear on-screen, and then print a folio of charges.

Database Marketing at the core of technology-driven marketing is the ability to better target a hotel's customer base. A hotel's customer information file provides the opportunity to segment customers, develop profiles of frequent guests, target prospective customers and improve retention. Many finer hotels maintained a guest history system manually before the advent of affordable computer systems. However, these manual systems were limited in their ability to serve as the basis for a marketing program, and also did not permit the chain operator to identify the best individual customers who frequented multiple hotels within the chain.

Client server technology now permits a hotel chain to maintain one single customer database which can be accessed by all of the properties connected to the server over the network. In addition, far more data can be collected about the customer and his spending, making the database much more powerful as a focused marketing tool. Executive Information Systems (EIS) offer a way to extract information from disparate systems and present it in a usable and informative manner to top management.

What is required is a front-end interactive interface which displays and queries the back-end database (common repository of information) and

feeder systems, which include existing financing and operational systems. Design and implementation of an EIS system is typically complex, requiring close examination of a hotel operation's key performance indicators, information sources and other system design features. Once created and implemented, however, an EIS system has the capacity to provide management with a user-friendly, readily accessible and current view of a hotel operation's key financial results and performance indicators.

In addition to these various softwares are available as a backbone to the technological advances. No matter how large a hotel or resort is there is a range of software products in the MICROS-Fidelio hotel software portfolio to help improve business like the Property Management Systems. Guest information, night audits, inventory control, profit management and report generation are facts of hotel and resort property management. A property management system (PMS) takes care of these tasks and makes informed decisions and builds customer loyalty.

Reservation system - the whole point of the sale is configured to your own specification, it will give the staff instant room status and availability, making reservations possible at the touch of a button. POS systems - a positive step toward greater profits is a software system which makes everything possible: faster transactions, information at your fingertips and a point of sale experience that guests will appreciate. The OPERA Activity Scheduler manages all facilities and activities at your hotel, health spa, golf courses & other leisure venues.

Appointments can be booked quickly and efficiently as the system automatically finds available times and controls multiple services or qualified staff members where required. OPERA Activity Scheduler tracks all client information including service and retail history, staff notes and medical details, and enables a resort to provide every guest with an itinerary upon arrival. And as an integrated feature in OPERA, if a guests calls to cancel a reservation, all activities are cancelled as well.

There are some other software like Optima Guest Service Center which centralizes all guests' requests and complaints and guarantees full follow up on every request. OSCAR helps the hotel track all of the guest incidents and bring to light those areas that need most attention. Systematically, the hotel can then correct the problem areas one by one until it has no guest issues. The Optima On Line Booking Engine for hotels and hotel groups.

Optima On-Line Web Booking System allows guests, travel agents and companies from around the world to make reservations over the Internet, 24 hours a day, 365 days a year, using their own special or general rates and terms, directly into the Optima PMS system. The hotel is exempt from paying any reservation commissions for such bookings. The Optima Multi PMS is a unique system that combines PMS of number of hotels under one leading system and is ideal to small and medium hotel chains that do not wish to invest in large, complicated and expensive central reservation systems.

Multi PMS allows the user to view the occupancy of all the hotels in the group at one glance and access each and every hotel easily. A direct access is available to any specific hotel new FIT reservation, new group reservation,

monthly availability, search reservation, price quotation and the main menu (depending on security levels). Technological advances thus have the potential to generate a range of benefits critical to remaining competitive, and ultimately driving expanded market share and profitability.

Nevertheless, the barriers to increased investments in technology by hotel owners and operators can be daunting. These include general resistance to change, lack of available funds or manpower to invest in technology, and a perceived inability to quantify benefits. Like other service companies, hotels are by their very nature more reliant on information than many other industries. The success or failure of a service company can be directly tied to the accuracy of data contained in databases and the speed of retrieval.

Clearly, technological advances applied in the hospitality industry will set increasingly higher standards for guest services and hotel operations with customer expectations continuing to accelerate. As a result, investments in technologies and effective application of these technologies in hotel operations and services will become one of the most decisive factors differentiating successful hotel organizations globally in the years ahead. New technologies & softwares help to fulfill transform and reinvent one's travel and hospitality business into a galloping horse.