

Ict and impact of ict in hotel industry marketing essay



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INTRODUCTION

Life is getting better day by day and people want to experience more by travel for exploring new things and learning new cultures. For this reason, the number of international tourists around the world in 2010 reached 935 million[1], a remarkable point. Together with the development of tourism, the hospitality industry which is one of major segmentations of tourism also develops with significant rate. According to many hotels were built to serve the hospitality industry that there are more and more hotels built up nowadays and it makes the market becoming more difficult. More competitors mean more difficult to increase the income for the hotel. In the past, in order to gain competitive advantage to overcome those factors above, the hotel already tried to provide the excellence guest services but now to gain competitive advantage, most of hotels focus on the use of Information Technology (IT). IT helps the hotel works more efficiently and effectively. This report is written for showing the success of hotel industry by using IT.

THE BODY

IT and impact of IT in hotel industry

IT included hardware and software. IT can be simply define as the use of applications to manage information for human benefits. The application of IT in hospitality industry has been continued development and IT nowadays becomes an indispensable part helping most of important work in hotel. In the past, most of works in the hotel were dependent on paper and need a lot

of time to finish but now, when the IT is developing, most of works are finish faster and certainly save time.

Competitive Advantage gained through increasing use of IT and the implementation of IT systems

IT brings a lot of advantages for business especially in hospitality industry. In the hotel industry, three departments cannot work efficiently without using IT are front office, customer relationship and food and beverage department.

First of all, The IT helps to solve most of works in front office department, especially in reservation. IT has brought people around the world get closer together even differences from languages, cultures and also regions...

Guests just sit at home and easily find all necessary information about destination where they want to travel by surf through internet. The old-fashioned way to book or reserve the room is over phone but now with the advances of IT, guests just surf the hotel's officially website, look at the details of the room such as type, size... and reserve for it. All these old-fashioned way are replaced by the modern way to help the hotel save time, cost; serve guests better, faster and also convenient for guests. For this reason, the birth of Central Reservation System (CRS) has absolute solved the problems facing when reserving guest rooms. CRS is a system that store and manage all information of the hotel such as room type, room availability, room rate, guests' information... Furthermore, CRS also has ability to integrate with Global Distribution System (GDS) so that the travel agency or booking online websites can book or reserve room that leads the hotel maximizing the revenue. Therefore, CRS now is becoming popular in almost hotel around the world. Some of the famous CRS software companies are <https://assignbuster.com/ict-and-impact-of-ict-in-hotel-industry-marketing-essay/>

TravelCLICK provides iHotelier which is hotel reservation system software[2]; Genares provides gReserve which is a web-based central reservation system...[3]The Brookfeld Suites Hotel & Convention Center owned 203 luxurious rooms located at Milwaukee, Wisconsin is one of the hotels using iHotelier software. The hotel was facing with the problem of Global Distribution System booking. Thus, the hotel received many unpleasant complains from the travel agencies. In order to solve the problem above, The Brookfeld Suites Hotel & Convention Center want to find a CRS and booking engine. Therefore, they chose iHotelier software and iStay booking engine from TravelCLICK Company. Just five months after started using, the hotel got satisfactory results such as GDS increased over 41 % and web reservations increased over 91 %[4]. Kapalua Gold Villas is also the hotel using iHotelier software. The resort want to increase direct consumer business with an online booking solution and on the GDS, the resort's goal was to win back its fair share of business within the local marketplace. Just after using iHotelier in June 2005, the resort's got better results include 620 percent increase in average monthly and a 417 percent increase in GDS.[5]

Secondly, Customer Relationship Management (CRM) is also the department cannot operate effectively without IT solution. Definitely, CRM is a dispensable department which is responsible for keep customer loyalty in order to bring guests back to the hotel, not only current guests but also prospective guests. One of the most important missions of CRM department is to keep in touch with guests by contact them frequently, not only direct but also sending emails. Therefore, the hotel can anticipate guests' future needs; it helps the hotel serve the guests better with better services.

Traditionally, when the staffs in CRM department want to record the information of frequent guests, all works must be done on paperwork and it costs a lot of moneys to storage but now, if they want to record them, they just easily put all information into the CRM software which is installed in the hotel to manage the guests' information and also guests database.. Some of the best performance CRM software such as GuestWare, Sage CRM... Guest Ware which is unique CRM and Guest Experience Management software for the hotel industry to keep customer loyalty.[6]Sage CRM software is one the best web-based CRM solution in the world, Sage CRM not only works independently but also links with sales, marketing and customer activities in the hotel. It will help the hotel run marketing and advertising campaign successfully.[7]The Torrance Marriott hotel, a 487-room, full-service hotel located at Los Angeles is one of the hotels using GuestWare to solve problems facing with guests' experience. In 2004, the problem experience was 23 percent but just after 8months using GuestWare, the problem experience reduced to 12. 7 percent, a remarkable point when apply GuestWare software contributed to the whole operation of the hotel[8]. Monterey Plaza Hotel& Spa is also the hotel in US using GuestWare as a main CRM tool. In order to develop the guests' loyalty program named " Stay five nights and get reward", Monterey Plaza Hotel& Spa has listed 60, 000 guest names and sent email to them. There had then 3, 000 requests to join the program. Thank to the help of GuestWare, the hotel can put all information of guests and have a track progress to each person who would suitable the condition above. Without GuestWare, the hotel could not perform successfully the guests' loyalty program.[9]

Thirdly, the last department cannot work smoothly without using IT is food and beverage. People can say that 70% revenue of the hotel come from sale room and the rest is come from food and beverage department. Thus, in order to maximize the revenue, the hotel must have good-trained staffs to serve customer with best services. When the staffs serve guests good, it means they already satisfied guests. Therefore, they will come back the hotel again and again, but sometimes the hotel has to deal with many unexpected problem such as the surpassed of capabilities of hotel's reservation application. Therefore the guests will feel unpleasant when they want to book a place in the restaurant of the hotel. In order to absolutely solve this problem, the hotel finds information about software and chooses which is suitable for them. For this reason, The Hilton Waikoloa village in Hawaii used Reserve Interactive's Dining Reservations and Table Management Software and the Events with Reservations add-on module[10]. By using new solution to make, move or cancel reservation, the staffs can save a lot of times. Moreover, the staffs have a clear tracking on what guests has consumed in order to have precise details of bill. The hotel also faced the problem in control the inventory cost. The success of hotel is not only to satisfy guests but also on how to minimize the cost to maximize the revenue. For this reason, Clear Sky Company developed software to control the cost of inventory in food and beverage. JW Marriott Chicago is the latest hotel implemented Clear Sky Beverage for manage and track all beverage inventories. Some of the customers of Clear Sky Company using Clear Sky Food & Beverage such as: Atlanta Airport Hotel, JHM Hotel, New Montreal Airport Hotel and Indiana Hotel...[11]

THE CONCLUSION

In conclusion, IT plays an important role in hospitality industry, especially in creating competitive advantage of each hotel. The hotel must always update the new modern IT to be more professional. This is the only way to keep guests' loyalty and attract new prospective guests. Using IT will help all work better, faster, and more convenient and save a lot of money. Finally, the IT brings a lot of advantages for hotel, especially in front office, customer relationship and food& beverage department.