Information technology advances in hotel industry tourism essay

4. 1 Introduction

" Differentiation in competitive services virtually in all sectors has been characterized by growing commoditization"

– Six Degrees, (2011)

The purpose of this research was to identify the impact of Multi sensory marketing in Hotel industry, how modernization in Information technology trends reflect in Hotel industry and how International Hotel Chains compete in markets across India, UK and Singapore. The same has been discussed in Chapter 2

The surveys and interviews (structured and unstructured) generated the data apart from direct observations at brand agencies specialized in sensory branding. Throughout the process of research findings and gathering, the author was influenced (and indeed acted as a benefit) by the 5 years experience in hospitality industry. Communication therefore was smooth, flowing and evidently corporate as expected ensuring the interviewees were aware of the ethics followed in conducting this research.

What acquainted as a golden thread in the research during the findings process were the objectives and research questions.

Critical analysis of the impact of multi sensory marketing in Hotel industry

Influence of Information technology on growth and development of Hotel industry

Critical analysis of International Hotel chains and their competitive edge considering sensory branding in UK, India and Singapore.

Recommendations on future research prospects, academic literature proposition and conclusion

4. 2 Current trends in Hotel Industry

The above topic is discussed in chapter 2, however the author has considered the impact of sensory branding in International Hotels considering each sense, what problems did International Hotels face and how the sensory branding strategies actually created a revolution. (Scentair, 2011)

With the great economic crisis, political unrest, unfavorable factors evidently declined sales of travel accommodation by 4% in 2009 to £10. 3 Billion where London, Manchester and Edinburgh saw a decline in average daily room rate (ADR) by 8% (Euromonitor, 2009). Table 4. 1 shows the Sales trend from 2004 – 2009

Even with these declining figures, restructuring, International Hotel Chains have ramped. (4hoteliers. com, 2011). Table 4. 2. 2 shows the World Travel Awards in Excellence, Business Services in Travel Accommodation, Nominees and the winners)

Table 4. 2. 2

(Source: World Travel Awards, 2010)

4. 3 Information Technology advances in Hotel Industry

The survey findings relating awareness of modernization in Hotel industry was time consuming. Unstructured interviews conducted at Ramada Jarvis Birmingham, Newcastle under Lyme, Marriott Birmingham, Hilton Park Lane reveal that the marketing triangle (consumers, organization and employees) were now remarkably aware how information technology influences corporate. Retail Travel giants like Tripadvisor forged a virtual relationship with consumers. My providing first hand information to consumers, the website translates the word of mouth into a World of mouth philosophy (Hotelmarketing. com, 2010). 88% of Tripadvisor visitors were influenced by the comments posted by first hand consumers. With corporate travel growing to 52% in travel and tourism in 2010, tripadvisor is one of the highly trusted sources for corporate buyers as well as domestic consumers.

How a Guest is's purchasing decision influenced with Information Technology?

The author has read a lot of articles of current trends introduced in information technology within the hotel industry. While conducting the unstructured interviews, the latest design in Information technology was a popular discussion. Accordingly, The InterContinental Hotel Group, introduced iPad2's in 10 hotels globally. The reason for doing so was to provide real time, recommendations to Guests (even corporate consumers). A 360 virtual concierge provide maps, videos and information (Melanie Nayer, 2011). Technology, space and color concepts create an edge to develop a Hotel's persona, however more so is partially dependent on how functional the Hotel is.

" Enjoy the dream not only by luxury but also by scents, technology and experience. We bring happiness away from your everyday home"

Charles Yap, 2011

Table 4. 3. 1 shows the Sales value of Internet Transactions forecasted and actual.

Between 2009 and 2010 there has been a growth of 8. 9% in the internet transaction Sales. With corporate customer engagement channel in hotel industry (use of social media and information technology) travel consumers are engaged in mobile technology and virtual apps world. Because information is available in abundance on real time keeping consumers on a fast pace environments, the need to re centralize, change in marketing approaches have emerged in form of " Customisation". This kind of hyper interactive behavior is termed as Impulse buying (Starkov, 2011). Gartner Inc, 2010 highlights a key factor to include while considering change in marketing strategies. Table 4. 3. 2 shows the 10 strategic technologies that will be implemented by hotel industry globally in 2011.

(Please refer to video by Amadeus Jerome Destor', Director IT, Amadeus) and (Video by CIO Hyatt on IT in Hotel Industry)

4. 4 Multi sensory Marketing in International Hotel Chain across UK, India and Singapore

With dynamic changes in hotel industry, International giants are sustaining challenges. From Product extensions to Brandicide, meeting quality standards guaranteed globally in complex (Amadeus, 2011). What Hotels

have now noticed is a shift in Paradigm. From a 2 dimensional approach to a 5 D holistic approach, because consumer's demand sophistication in form of customization. The key to Business transformation is changing with time, adapting new environments, innovation and simplicity to emotional impact the customer experience. Building on this theory, the author noticed not much of innovational and change information is academically expressed in the marketing industry. What the author wants to convey is when Lecturers from universities across Manchester, Newcastle under Lyme , Stafford, Birmingham were interviewed to get an academic background, very little of information was actually discussed or observed. More surprisingly, some of the academic sources had interests in Hospitality industry and travel accommodation because of its diverse operations but yet Literature on hotel industry in Universities is limited in terms of Studying Modules. One of the reasons observed during interviews with Hoteliers and staff was of corporate rigidness, inflexibility to adapt or expose to new environments. Shockingly, Operations Manager – Marriott Birmingham, Balaji Subramaniam along with Debbie Wyatts (HR and Events Manager) agreed to the extent of this rigidness. They added, " Inflexibility has always been associated with Hotel industry because it is diverse and seasonal, of course we would like to share the Best practices with healthy competition". Senior Manager, Mark Starfov (Ramada Jarvis Group) shared that hotel industry or rather hospitality is closely linked to sophistication. That itself describes why the industry is not open to discussions or changes. Mark added that considering the economic crisis there could be a shift in their approaches but the corporate thinking and operations (rigid he claims) is always evident.

Table 4. 4. 1 shows the impact of each form of sensory element interlinked yet utilized in marketing across these International Hotel Chains in UK, India and Singapore.

To conduct the questionnaire survey, survey monkey tool was used. The survey was done in 3 parts. Part 1 and 2 for corporate users across India, Singapore and UK in cities like Mumbai, Delhi, Bangalore and Hyderabad, London, Manchester , Birmingham and Newcastle under Lyme. Part 3 of the survey was a questionnaire discussing employee engagement and their awareness of sensory branding associated in their Chain Hotel. In order to understand the effects on purchasing decision few experiments included blind folding customers to understand how sensory environments are created (Heston, 2011). Four commonly used Mild fragrances were used to understand the customer experience phenomena. Also for Tactile Influence purposes, fruit flavored ice candies were used. What was particularly changed was the taste and color. Since interviewees were blind folded, ice candies like orange, pineapple, raspberry and vanilla were used to understand the pallets. However as we all know the color of Orange is orange, this time the author used Edible food coloring in Ice candies that changed the color from what consumer's perceived. Again understanding that these interviewees were highly sophisticated all ethical aspects were discussed with prior permission. As we eat with our eyes, visual perception has always been the first element to influence purchasing decisions (Ramsay, 2009) When the interviewees were unfolded, they were shocked to notice the particular blend of flavor and color and admitted that there can be a shift in visual perception.

Considering Scent marketing to be highly expensive and social, fragrances used included Rainforest (blend of aromatic spices with patchouli), Fresh Linen (Lavender, Orange and Caribbean Sea salt), Gardenia (Floral aromas with hint of citrus extracts) and Fresh Magnolia (vanilla and chocolate with lavender verbena and hints of aromatic ginger root). Each of the above mentioned were experimented at Marriott, IHG hotels, Ramada Jarvis, Hilton Park Lane and Westin Group Hotels with the help of Britain's only sensory branding scent development company Scentair. Figure 4. 4. 1 shows the impact of sensory branding in Hotel Industry globally

Figure 4. 4. 1

The sense of Visual Marketing

" The question is not what you look at, but what you see"

Henry David Thoreau cited by Lindstorm, 2005

From Figure 4. 4. 1 it is evident that marketers have only been targeting the visual impact of products and services, however the rest 4 senses are rationally ignored. Color, space and architecture included in the experiential branding are part of the Visual Holistic Marketing concept. (Aroma Logo, 2010). How can a sense as strong as this be interlinked with the others. In earlier chapter the experiment done clearly indicated that when Ice candies were provided to B2B customers, on seeing the ice candies, considering color, texture, individuals created a perception. To carve innovation in a perception involves high concentration on impulse timings and reactions from consumers. The focus on Customer engagement plays a vital role. Naturally because we eat with our eyes, consumers witnessed a shift in

paradigm as the color of the ice candies actually differed to the flavor. (Lindstorm, 2005). To create a sophisticated impacting environment, during the survey 92% of the individuals said the lobby was the most impressive part of the hotel, with proper lighting and Staff Uniforms being the highlight (Survey Monkey, 2011).

The sense of Auditory Marketing in Hotel Industry

Rhythm is a spice of life. As the Inuit asks the visitor out of the cold:" Speak so I may see you. Add a voice, even a whisper, so that the other is really there"

David Rothenberg cited by Lindstorm 2005

Survey conducted indicated, 75% of B2B guests preferred the music in Lobbies, restaurants and passages. Ronal E. Millman published a study in the Journal of Consumer Research indicating that if the tempo is precise, music played in the background actually affected the service stations particularly hotel restaurants and events. The slower the music the more time guests spend at these places. Another experiment at the Ramada Jarvis, Newcastle revealed that when background music was stopped at the Lobby, guests rather would not prefer waiting or move to another area where music is played. 55% of the individuals said that they prefer to conduct meetings, events, conferences in places where music is customized and according to their needs. While 77% said that the tempo makes changes in the mood, on Fridays if the tempo of the music is high, loud on Bose components, more people start visiting pubs and restaurants. While 78% of those that were occupying the hotel said, it helps them relax when music is soft and base.

Contradicting attributes but works in the hotel industry. For hotels like Hilton,

InterContinental that bank of their In house pubs on Fridays and Saturdays

impressing with elegance via music is quick pro (Rocha, 2011)