

Performance Impact of Changing ICT Environment: A Case Study of Indian Hospitality and Tourism Sector

M.P. Sharma^(✉) and Neha Sharma

Amity School of Hospitality, Amity University, Sector-125, Noida, 201303, UP, India
{mpsharma, nsharma11}@amity.edu

Abstract. Purpose: Like every industry, ICT applications have great impact on the Hospitality & Tourism industry. From social media to smart phones and automatic check-ins, Information and Communication Technology effects even the smallest areas of the industry. The utilization of Information and Communication Technology are evolving very rapidly and Hospitality and Tourism Industry have to acclimatize quickly to keep ahead in the competitive market.

The uptake of recent technological advances has been slow in the Industry. Unless this can be improved in the next number of months and years, many Hospitality and Tourism related companies risk falling even further behind when the new wave of technological advances comes along. Businesses that fail to adapt to the changing technological environment, inevitably, end up failing and shutting down. Technology in the Hospitality and Tourism industry has advanced a lot in recent years and will continue to advance at an incredible pace for the foreseeable future. Recently the Tourism industry has been slow to respond to change but luckily many Tourism related companies have seen the error of their ways and are beginning to adapt to these new technologies such as apps and smartphones. Providing the industry can catch up before a new wave of technology comes along, it should then be in a position to get ahead of the game and be proactive rather than waiting for every other industry to pass it out. Although it is seen as a difficult industry in which to innovate, there are now and will always be ways to adapt new and emerging technologies to the Hospitality and Tourism sector.

Keywords: ICT · Automatic check-ins · Social media · Inevitably · Incredible

1 Introduction

Like every industry, ICT applications have great impact on the Hospitality & Tourism industry. From social media to smart phones and automatic check-ins, Information and Communication Technology effects even the smallest areas of the industry. The utilization of Information and Communication Technology are evolving very rapidly and Hospitality and Tourism Industry have to acclimatize quickly to keep ahead in the competitive market.

With the growth of Facebook and Twitter, many companies have found it an ideal way to promote and sell their products and services. As it stands, it is difficult for travel

related companies to utilise the likes of Facebook to its full potential. Unlike other, more physical technological advances, social media sites such as Facebook and Twitter cannot yet keep up to date with live changes in flight prices and schedules etc.

1.1 Current ICT Applications in the Tourism and Hospitality Industry

Smartphone apps are the new wave of technological advances, allowing users to download direct to their handheld device, anything they desire. These apps vary from simple gaming apps to photo modifying apps and, of course, include travel apps. Technology now allows us to check ourselves online before a flight and make changes to our bookings from our mobile. Many of us will be familiar with this process from booking flights with Ryanair. With Ryanair they actually require you to check-in online rather than at the airport. There are also apps available to download from different airlines which allow to book, check-in and modify bookings from smartphone. When it comes to other areas of Tourism, such as guided tours for example, technology has begun to strengthen its hold. It is now possible to download a guided tour of a museum from the museums website, or app if they have it. These tours sync in to your location within the museum and give you options on what to hear about. This is a step above the old Audio tours which were available and removes the need for a personal guide, although many people still prefer to have a person leading them so tour guides are not obsolete yet. The same applications are also now available for entire cities and countries! Smartphone users can download guided tours from different companies or tourism bodies. Often tour operators will provide them with a link to their own guided tour app. These apps can vary from city tours to area guides to entire country guides.

1.2 The Effect of ICT Applications on the Tourism and Hospitality Industry

New advances in technology not only create opportunities but challenges also. The industry is now becoming much more active round the clock online and on social networks. Almost all major hotels, restaurants and travel agents have an active Facebook and Twitter page. The latter however have been slower in the uptake; this is mostly due to the fact that social network sites are, as yet, incapable of displaying live, up-to-date prices in relation to flights etc. But travel agents are still using these sites to promote themselves and build a good relationship with the public. Companies in the hospitality and tourism industry now interact with potential customers much more often, outside the usual 9 to 5 h and without seeing them face-to-face [10].

One of the main advantages of the new consumer technology, i.e. social media, is the ability of companies to see exactly where their audience is coming from, what interests them and the best way to market to them about their new products or services. Social media can also be used as a tool to give the consumer a positive feeling towards a destination before they even set foot there. Through the sharing of pictures, positive updates and videos, reviews, consumers can get a view of their potential destination.

1.3 The Changing ICT Environment

The uptake of recent technological advances has been slow in the Industry. Unless this can be improved in the next number of months and years, many Tourism related companies risk falling even further behind when the new wave of technological advances comes along. Businesses that fail to adapt to the changing technological environment, inevitably, end up failing and shutting down very rapidly. The reasons behind why a business are many, from stubborn management to lack of knowledge, but the end result is always the same. The business ends up falling behind, and unless drastic change is implemented, shuts down before long. The company has often been criticised for its “old-fashioned” and “backward thinking” way of conducting business on social networking platforms. With many stating that it has become more profit-driven than customer-driven. E – Today’s hospitality and tourism market especially commercial activity and control on financial activity are heavily affected by recent Information and Communication Development.

1.4 E-Commerce

Electronic commerce is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, which can be divided into the:(a) B2C; (b) B2B; (c) B2G; (d) C2C; (e) Business research; (f) B2C Communication.

Information and Communication Technology give tools for direct communication with customers [8].

In current situation the overall structure including Global distribution system, Internet distribution system, Central reservation system, Destination marketing organization and company moves towards an Internet-based value system (Fig. 1).

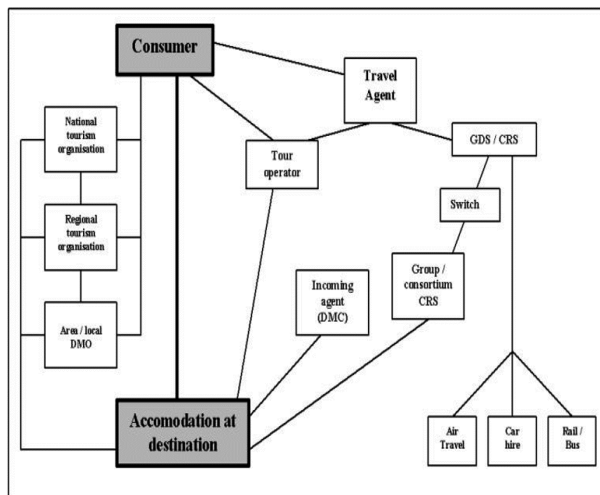


Fig. 1. Traditional value system

Direct interaction with customer and guest has increased in current trends of doing business in hospitality and tourism industry. There are many new intermediaries specializing in selling tourism products and services. Hospitality and tourism professionals have the challenge of finding the right channel to the right customer segment. Also in today’s market scenario Information and Communication Technology has made customer relationship more visible and efficient in the Hospitality & Tourism Industry. ICT enables industry now able to interact with their customer and continuously to improve their products and services to meet customer expectations and satisfaction (Fig. 2).

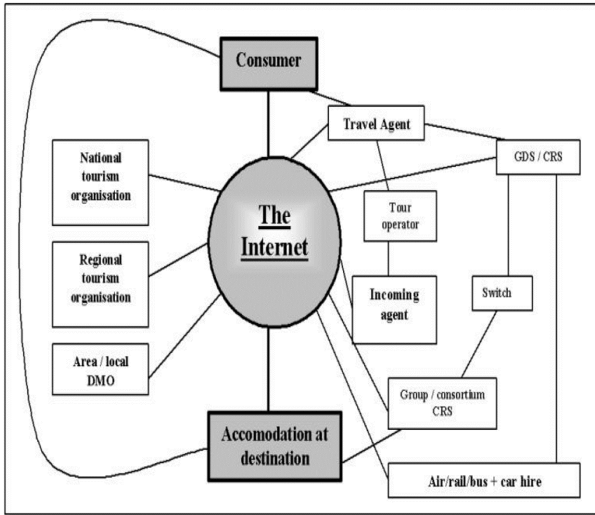


Fig. 2. Internet based value system

(a) Business to business communication: The huge variety of distribution channels is a challenge in the hospitality & tourism Industry. Success in hospitality and tourism demands rapid and efficient communication with all stake holders without a single mistake. The quantity of information analyzed and by tourism professionals are huge and also customers expect fast responses and real time confirmations. All these demand tourism professionals to be familiar with latest ICT tools.

(b) Changes in hospitality and tourism yield management: *Selling the right product to the right customer at the right time and for the right price* sounds relatively simple but is not easy to achieve. It is very difficult to find the right time, the right price and the right customers we should target especially in the hospitality and tourism industry? Yield Management or Revenue Management is about predictions and decisions to get the most revenue from that business. Management decisions are based on analysis of immense information about booking pace, competitors’ rates, guest history, customer feedback and others [5].

2 Methodology

To achieve the objectives, the research has been focused on present scenario of international trends and role of Information and Communication Technology in the hospitality & tourism industry. To identify the gaps and to analyze the opinion of the industry professionals, a five point scale questionnaire has been developed. 84 Hoteliers, Travel agents and Tourism organizations responded across India and the responses have been recorded online and offline using a questionnaire (Fig. 3).

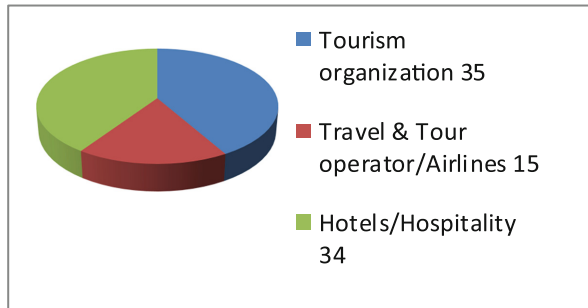


Fig. 3. Number of respondents

Among 84 respondents: 42% from tourism organizations. 18% from the Airlines Industry, Travel & Tour Operator & 41% from hospitality and hotel industry.

3 Scope of Research

The study has been conducted in tourism organizations, travel agents, hotels, restaurants, resorts, hospitality industry & professional across India. Data Analysis and Representation: The clarification and explanation on each statement responded from the sample are addressed below.

1. Improved technology with updated with latest Property Management System & Web Site will increase your business

Explanation regarding Fig. 4: 88% respondents are completely agree that the modernize website with lots of information has vital role in improvement the business potentiality. Only 12% of the respondents disagree with this statement.

2. Online reservation system contributed a great extent in hospitality & tourism industry

Explanation regarding Fig. 5: 84% agree that online reservation system is essential for selling the products and services in hospitality and tourism industry while 16% respondents disagree with this statement.

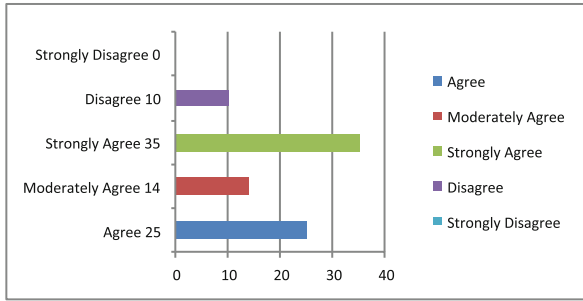


Fig. 4. Feedback based on latest computer technology & PMS.

3. Social media playing a vital role in promoting & marketing online for hospitality & tourism industry

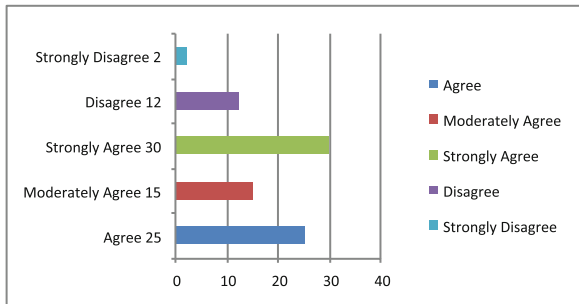


Fig. 5. Feedback based on - online reservation system.

Explanation regarding Fig. 6: 85% agree that social media is an important and constructive tool for online promotion and marketing, while only 15% of the respondents disagree.

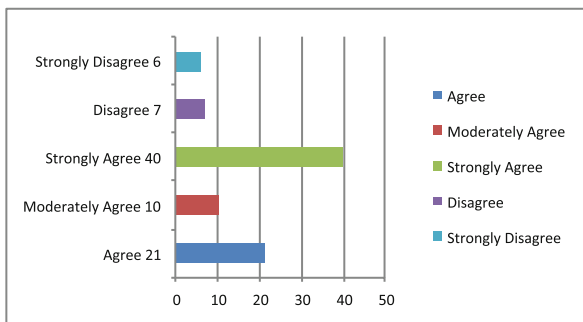


Fig. 6. Feedback based on role of social media.

- Do you think that effectiveness of ICT is in Hospitality & Tourism industry in which ‘a single website offers all products and services directly to their customer’?

Explanation regarding Fig. 7: 95% agree that websites may reduce the involvement of mediator in providing hospitality and tourism services to its customer. Yet, 5% of the respondents disagree the statement, which is somehow significant.

- Do you think target customer will readily accept & absorb ICT trends?

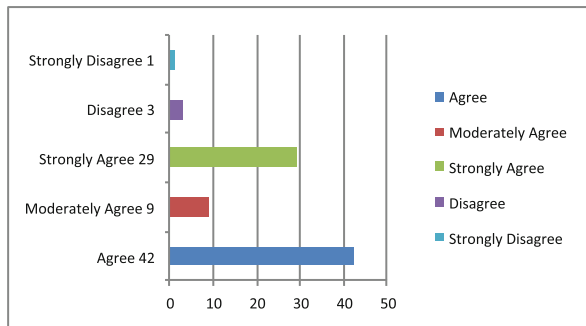


Fig. 7. Feedback based on importance of ICT in Hospitality & Tourism.

Explanation on Fig. 8: 96% readily agrees in accepting the ICT practices. While only 4% of the respondents disagree with this opinion.

- Net banking is a very useful & perfect system for your hospitality and tourism financial operations in today’s competitive scenario

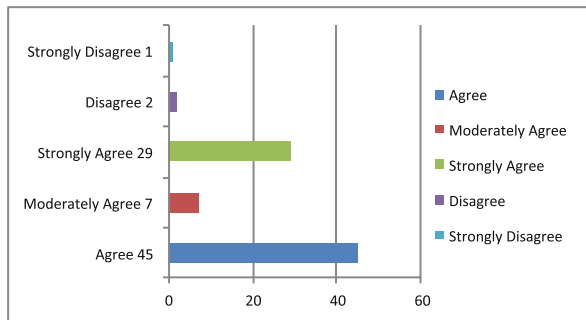


Fig. 8. Feedback based on effect of ICT on tourist.

Explanation regarding Fig. 9: 98% agrees that the net banking plays an important and crucial role in hospitality and tourism industry’s commercial activity, while only 2% disagree with this opinion.

- Mobile communications is going to be the next high demand service that facilitates hospitality & tourism services

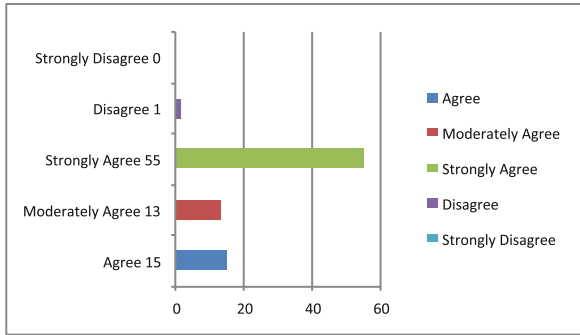


Fig. 9. Feedback based on Net banking & its importance in Hospitality and Tourism.

Clarifications regarding Fig. 10: 88% respondents agree while only 12% disagree with this opinion that the role of mobile trading is very high especially in hospitality industry.

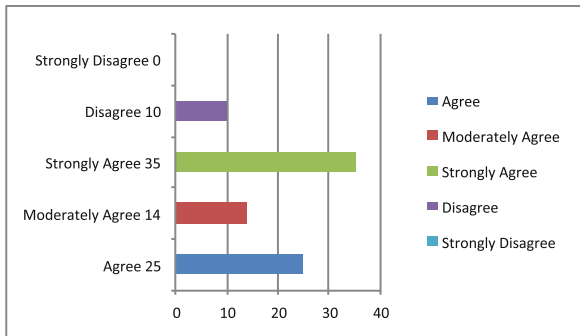


Fig. 10. Feedback based on importance of mobile communication.

4 Conclusion

Technology in the Tourism industry has advanced a lot in recent years and will continue to advance at an incredible pace for the foreseeable future. Recently the Tourism industry has been slow to respond to change but luckily many Tourism related companies have seen the error of their ways and are beginning to adapt to these new technologies such as apps and smartphones. Providing the industry can catch up before a new wave of technology comes along, it should then be in a position to get ahead of the game and be proactive rather than waiting for every other industry to pass it out.

Although it is seen as a difficult industry in which to innovate, there are now and will always be ways to adapt new and emerging technologies to the Tourism sector. Smartphone apps are the most recent example of a new technology which has been adapted to suit the industry. All-in-all, the Hospitality and Tourism industry is playing catch up at the moment, particularly when it comes to the use of social media. However,

it is catching up rapidly and, hopefully, will soon be in a position to be one of the more innovative industries. With ever increasing passenger numbers, more education in the area, and a highly motivated and passionate workforce, the future of Tourism and its use of technology looks as bright as ever.

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