A STUDY OF THE IMPLICATION OF ICT IN HOTEL INDUSTRIES WITH REFERENCE TO SHIRDI

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ABSTRACT
Information and Communication Technologies (ICTs) have positively contributed to the hotel industry. Hotels need a good system to manage their inventory, budget, rates, and status of all rooms reservations, as well as managing the guest's charges. The analysis that revealed Internet and its tools effects on booking, distribution, on pricing; and on consumer interactions. This paper examines how the Information and Communication Technology has developed and the current role of Information and Communication Technology plays within hotel Industries, and examines current trends and issues in hotel industry in Shirdi.

Keywords: ICT, Inventory, Online Pricing, Online booking.

INTRODUCTION
Shirdi is best known as the late 19th century home of the popular guru Shirdi Sai Baba. It is one of the richest temple organizations. Shirdi is located approximately 296 km from Mumbai, capital of Maharashtra in India. It is called the Land of Sai. The closest and highly connected city from Shirdi is Ahmednagar city. Shirdi being a pilgrimage centre, it also has a large amount of floating population. On any given day some 25,000 devotees come for darshan. On holidays the number reaches to about half a million people and it will put the pressure on lodging, and all other hotels. Hotels need a good system to manage their customer, inventory, budget, rates, and status of all rooms reservations, as well as managing the guest's charges.

Information and Communication Technologies (ICTs) have positively contributed to the hotel industry. In Shirdi Maximum hotels have widely adopted computers and the Internet for the internal processes as well as in their relationships with their providers and customers. While some ICT solutions are common in hotels regardless of their category, others may allow differentiating across upscale hotels and those of inferior level. This study identifies the most discriminating ICT solutions across 2, 3, 4 Star hotels from Shirdi and discusses their potential for improving efficiency and service quality. In particular, digital technology, loyalty programs, and ambient intelligence are some of the most differentiating technologies, which are implemented by 3 and 4 star hotels in Shirdi to improve the perceived quality of their processes and services.

A survey of Information and Communication Technology (ICT) in Shirdi hotels revealed medium level of ICT satisfaction and a lack of an integrated application suite for this industry. This has led the
authors to question whether hotels have the ICT infrastructure needed for e-Business and e-Commerce. Since 1999 the survey identified that Application Service Providers (ASP) are implemented for renting applications to hotels and restaurants. Elsewhere in the Maharashtra, however, hotel ASP initiatives have been less developed. Because ICT is relatively advanced, ICT is proposed that once renting ICT is shown to be more affordable and manageable than buying ICT.

REVIEW OF LITERATURE

Information systems form a fascinating and rapidly expanding field of study. Hospitality traditionally lags other sectors in adopting Information Technology (Buick, 2003) but this has changed in recent years and research into its application has followed suit. The hotel industry is adopting the Web to sell directly to the customer. Garcés et al. (2004) show that the majority of new hotels have adopted Information and Communication Technology, use the Internet to advertise their services and garner between 2% and 5% of their revenues online. Similarly, Buick (2003) found high levels of both computer use and use of the Web for marketing purposes in small hotels from India. Vich-i-Martorell (2004) examined the potential of Internet to compete with tour operators.

In Shirdi the hotel industry recorded healthy growth in early-2000, leading to a rise in occupancy rate during 2005/06 and 2006/07. Consequently, average rates for hotel rooms also increased in 2006/07. The rise in average rates was also a result of the demand-supply gap for hotel rooms, especially in summer and Christmas holidays. Hotels were charging higher rates, at times much higher than that those charged by them in other days. Shirdi now became one of the most attractive destinations for such investments.

Hotel industry reported improvement in 2009-10, with domestic tourist movement in the country being at a high. While average rates remained lower, occupancy rates rose, supported by surge in domestic tourist movement. Industry is expected to report healthy growth in next few years with expected increase in domestic tourist movement and rise in international tourist arrivals.

IMPORTANCE OF THE STUDY

The aim of this research was to explore the way ICT affects business processes and service delivery along with the interaction with strategic issues. The impact of ICT on the daily operations of a hotel is difficult to measure directly. In this research the impact of ICT was examined from the perspective of the hotels’ Owner, General Managers, Staff members and Customer etc.

Development of Information and Communication Technologies (ICT) has transformed the contemporary business environment. It has led to new information economy which is digital in nature. ICT is a broad terminology referring to multiple communication technologies which range from simple and complex namely Cell Phone applications (SMS), Digital Cameras, Internet, Wireless (WiFi and WiMAN), GIS, Convergence (data, voice, media), Digital radio. These technologies are creating a new global market place, which is more competitive.

Information and Communication Technologies (ICT) is expected to benefit economic development in several ways: by allowing local business access to global markets, by providing new opportunities to export a wider range of goods and services and by improving the internal efficiency with in the firms.

STATEMENT OF THE PROBLEM

What does the future hold for ICT in hotel management? How price, convenience, website design, and website content encourage consumers to change from lookers into bookers?

AIM AND OBJECTIVES

The Prime aim is to study the changing role of ICT in hotel Industries from Shirdi; the other objectives are as follows.

- To identify the effects of ICT on hotel management and its operations.
To analyze current key issues associated with ICT & their implications for the hotel industry.

To study the use of Information and Communication Technology within the hotel sector.

**RESEARCH METHODOLOGY AND SAMPLE SELECTION**

Primary and secondary methods are used to collect the data, the primary method being a series of structured interviews and questionnaire. Secondary data for Research Paper is accumulated through Manuals, Journals, Reference Books, Reports, Research papers, websites and other documentations.

The Primary data is collected through a questionnaire survey amongst the 40 different lodging and hotels of different grades (stars) and sizes from surrounding the Shirdi are randomly selected. The questionnaire was directly administered to the owners, executives, staff members and customers of the hotels. Out of the 40 hotels surveyed, 25% were small hotel; 50% hotels were medium scale hotels and remaining 25% hotels were large hotels. As far as the room rent is concerned: 20% hotels less than or equal to Rs. 1000 per night, 50% hotels Rs. 1000-1500 per night, and 30% hotels above Rs. 1500 per night.

**ANALYSIS OF DATA**

The questionnaire is qualitative and focused on use of Accounting software, Material Management, Booking, process management, customer services and level of internet penetration among the target population of the hotel. The 40 hotels are grouped into four categories the first category is lodging the second category is 2 stars hotels with less than 100 rooms; the third category is 3 stars hotels with 100 to 300 rooms and the fourth one is 4 stars hotels more than 300 rooms. The collected data was summaries and tabulated as per the questions and answer was noted. All the findings are interpreted.

Table 1 is a summarization for the Implication and penetration of ICT tools for all 40 hotels.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>ICT Implication</th>
<th>Lodging</th>
<th>2 Stars hotel</th>
<th>3 Stars hotel</th>
<th>4 Stars hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Use of ICT for Internal Processing. e.g. Billing, Property Management, etc.</td>
<td>09</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Customer ship Relational management e.g. Data Interchange and use of database etc.)</td>
<td>02</td>
<td>04</td>
<td>07</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Web based Tools and online facilities. e.g. Website and e-Business Utilities</td>
<td>01</td>
<td>03</td>
<td>07</td>
<td>08</td>
</tr>
<tr>
<td>4</td>
<td>Impact of ICT on efficiency and effectiveness. e.g. Customer growth, cost cutting, Atomization etc.)</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Resident H/W and S/W Engineer.</td>
<td>01</td>
<td>04</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Customer benefits and satisfaction.</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 1. Implication and penetration of ICT and its tools for hotel management (source: Primary data)

Graph 1. Implication and penetration of ICT (source: Primary data)
Interpretation: Among the 40 hotels it is found that basic operation such as billing, property management is implemented in each group and category. 3& 4 stars hotels are effectively implemented advanced Internet based ICT tools for customer satisfaction, retention and e-services. Web based tools, customer relation management are the lacuna for lower categories and lodging.

FINDINGS

Hotels with a larger scope of activities would probably find ICT based technologies more useful since they need to integrate their activities more efficiently. Hotels of a higher grade are therefore more inclined to adopt new ICT innovations than hotels of a lower grade and lodging.

Further, ICT facilities like Internet in all rooms; Wi-Fi, etc. are demanded mostly by visitors who stay in hotels of higher grade. The scope of activities of the hotel has a positive impact on the hotel’s growth, efficiency and effectiveness. This indicates that hotels with a larger scope of activities have more propensities to adopt ICTs than hotels with a relatively lesser scope of activities. The main findings are summaries briefly as follows.

Software requirement for each Categories and groups are differs and the main aim is the cost effective solution, atomization and fast response. It is found that basic operation such as customer registration, billing, inventory management etc. are installed and used effectively in each group and category. Use of ASP and other basic application software having the greatest impact on the internal process management.

Neither hotel used the great mantra for Customer Relation Management (CRM) by data interchange. The advanced tools to attract and sustain the customer that is Customer Relational Management with data interchange is not yet implemented by any group and categories among the 40 hotels. Though few hotels have maintained customer data base but both interchange and co-ordination with neither other hotels nor using effectively for future business. The exchange of information is very important at every stage in the cycle of the tourism management or service. The power of ICT allows information to be managed more effectively, and transported worldwide almost instantly. As a result, it has/ had (and continues to have) a major effect on the hotel management operation.

It is found that only 15 hotels have their own updated websites with optimum web tools and services. Only 3& 4 star hotels are recruited software and hardware engineer to maintain and update their ICT infrastructure effectively. Naturally they have a benefit to implemented advanced Internet based ICT tools for customer satisfaction, retention and e-services. Updated website, web based tools, customer relation management are the lacuna for lower categories and for lodging.

The findings indicate that among all types of hotel groups and hotels categories ICT adoption has a significant positive relationship with hotel performance, influences operational productivity and internal process management. ICT availability and ICT integration have a significant positive relationship with customer satisfaction.

SUGGESTION

As far as the hotel sector is concerned, ICT have lead to greater efficiencies in the service delivery. When the occupancy rate is lower, there will be increased competition between hotels to both attract customers & serve them better. Few suggestions to make it more effective & efficient are as follows,

Only 15 hotels have their own updated websites with optimum web tools and services so it is more scope for other hotels to integrate and adopt ICT based initiatives like updated website with sufficient web tools and web services such as e-mail based and on-line time booking, e-payment facilities. ICT’s measurable impact should on productivity, employee satisfaction, service quality and innovation.

Customers demand, expectation, desire are changing; technology, markets are also changing. However, with current developments in technology, the above methods are considered slow and costly so special promotional programs are arranged to understand need, significance and benefits of ICT & its adoption.
Neither hotel used the Customer Relation Management (CRM) nor do the data interchange. The advanced web server and Internet, Intranet and Extranet based tools should be used to attract and sustain the customer, that is the Customer Relational Management. CRM data interchange and co-ordination with surrounding hotels is not implemented in any types of hotel, so new technology should get adopted by lodging and other hotels for effective future Customer Relation Management.

All hotels from each group and category installed application software for basic operation such as billing, property management, accounting, store management etc. But the computer operator are not well trained to handle the web based tools and e-services so optimum training programme should arrange for administrative staffs and computer operators.

CONCLUSION

ICTs are the backbone of the capital accumulation; it is sensitive to the needs and desires of people and has a positive relationship between ICT development and economic growth. Hotel industry in Shirdi has recorded healthy growth fuelled by robust inflow of tourists and pilgrims as well as increased tourist movement within the country and ICT has become one of the leading players in the hotel industry.

Hotels face similar ICT issues, including: allocating resources; evaluating projects; and measuring how the adoption of enterprise-wide information systems affects the management and structure of hotel industry. Loud and clear message came through our survey; it is that we are in a period of unprecedented change. Customers are changing; technology is changing; markets are changing, ICTs and the Internet will be critical for the competitiveness of small and large scale hotels in the future.

Overall, Information and Communication Technology (ICT) is the best machinery and has a potential to pull the benefits and challenges in hotel management. Our conclusion is research in this field is currently focused much too narrow and that a broader research agenda would make our work more relevant for hotel management.

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