



## TECHNOLOGY ASA KEY DIFFERENTIATOR IN GUEST LIFE CYCLE: AN EXPLORATORY STUDY OF STAR RATED HOTELS IN PUNE

**Dr. Vidya Vilas Kadam\***      **Anita Ram Moodliar\*\***      **VikasAuti\*\*\***

*\*Assistant Professor, Maharashtra State Institute of Hotel Management, Pune.*

*\*\*Principal, Maharashtra State Institute of Hotel Management and Catering Technology and Research Society, Pune.*

*\*\*\*MHMCT Student, Maharashtra State Institute of Hotel Management Pune.*

### **Abstract**

*Technology acts as a catalyst between guests who are staying, willing to stay or have stayed in hotels. Guest life cycle enlightens us about the three steps involved; starting from pre-check-in, actual stay and post-stay. To bring liveliness in each of the mentioned stages it is very important to study and analyze it. Technology facilitates this study and helps to enhance relationship with guests.*

*Technology acts as a base for the construction to make the guest life cycle a huge success; hence, its importance cannot be overlooked. Usage of technology not only eases the workload but also brings more personalized touch to the efforts taken by Front office in maintaining and improving guest satisfaction. The main objective was to explore and examine advancement in the technology used in Front Office and to study customer perception about technology as an enabler for providing efficient service*

*Outcome of this research help to understand the current scenario of technology being used, also traditional methods which were in use. The changes technology has also lead to higher guest satisfaction level and enhance long term relationship with guests.*

**Key Words:** *Technology, Guest Life Cycle, Pre-Check-In, Actual Stay and Post-Stay, Guest Satisfaction.*

### **Introduction**

Regardless of the class or type of the hotel, front office is the most visible and essential focal-point of a hotel. The focal point of activity within the front office is the reception desk, which is located in the front lobby of a hotel and dispenses all front of the house activities of the hotel. It is the communication center of the hotel with great amount of guest contact. Guests interact with the hotel for the first time by interacting with the staff of the front office, and they form the first impression about the hotel based on the efficiency, competency and behavior of the front office staff.

In order to keep abreast with demands of the guests, new strategies and initiatives are needed to not only keep pace in this new world, but also to stay competitive, become differentiated and meet today's unique and more complex guest expectations in an increasingly buyer-driven market. Competitive forces are driving the need for innovation and new offerings to complement and enhance overall brand equity. To move forward, hoteliers will need to work on many fronts at once. They will have to build analytics capabilities, keep up with advances in mobility and optimize existing touch point channels in order to apply technology strategically to create differentiated customer experiences.

### **Need of the Study**

There is a rapid growth in technology used in Front Office in recent years and also there is more scope for the same. There are many advantages as well as disadvantages of these modifications. There are some of the limitations in order to adopt the new technology like GDS- Global distribution system and PMS – Property Management System which are used in Hotels. There are many day-to-day operations carried out in the hotels which, as we see, include technology. In fact, now days, absence of technology merely bring more challenges. So it is essential to understand the current scenario in the Pune market, regarding the usage of technology which can be useful and act as a catalyst between hotels and guests. Which are difficult to establish with old traditional methods. Not much was research was done in which on updated system and how use it is for increasing yield and business for Hotels.

### **Scope of the Study**

The goal of the research is to present qualitative and quantitative analyses that together provide a framework for evaluating technological advancement, perception of the guests about the technology in order to understand the current market scenario and also give a chance to bring some of the changes as per the comfort level of the guests.

The study focuses on Pune Jurisdiction only and it can be helpful to bring awareness about the technological benefits and shortcomings to understand the current market situation. This research also gives a huge opportunity to hotel staff to



understand how important it is to cope up with technology in order to be in the competition. This study also makes us understand changes in guests' preferences and changes in their priorities.

### **Objectives of the Study**

1. To explore and examine advancement in the technology used in Front Office (Changes in the equipment's, Software and Methods).
2. To study customer perception about technology as an enabler for providing efficient service.

### **Limitations & Delimitations**

1. As every individual will have different perception as well as suggestions about the change occurred as per their use, it may become an obstacle while getting accuracy in end result.
2. This research will be carried out in Pune jurisdiction only.

### **Research Methodology**

#### **Research Design**

**1. Type of Study:** This is an exploratory type of research. Utilization of technology is rapidly taking place of old traditional methods and tools. So, to understand the current scenario of advancement occurred in the Pune Market Hotels. The study is qualitative and data is collected from three hotels of different rating and also from guest.

**2. Nature of Study:** This entire research is basically divided in three objectives, first objective does cover new changes occurred in software's, tools, gadgets in Front Office operations. On the other hand, second objective was about to know the guests perception about the technology. Next, the third objective was to know the advantages and disadvantages in the technology used in hotels.

**3. Type of Questionnaire:** Two questionnaires are designed for the study. Questionnaire A is entirely designed for Hotel expertise, and Questionnaire B is designed for Guests in order to know guests perspective about the growth and scope for growth in hotel industry.

**4. Type of Questions:** Questions are mostly close-ended in order to make the research qualitative and more focused on the outcome. Some of the open-ended questions are also helpful in getting personalized and specialized opinion of expertise of the hotel industry. In the other questionnaire, Questions are framed and aimed at eliciting honest response of the guests.

**5. Type of Analysis:** Analysis is done based on outcome of the questionnaires. There were two questionnaires designed; one specifically for hotel staff, and second for hotel guests. There were five open ended and ten close ended questions in the first questionnaire. On the other hand, there were eight close-ended and no open ended-questions in the second questionnaire. Secondary data is used to support the findings. Due to most of the close-ended questions, the data has been tabulated and presented for quantitative analysis.

#### **Sources of Information**

**1. Primary Source:** For this research, responses from participants function as the primary data source. Two types of questionnaires were distributed in the market; one was based on the hotel potential of technology and customer retention strategies, and second questionnaire was for guests and their perception about the current market scenario of hotels and valuable suggestions about the technological changes.

Front Office Manager/Asst. Front Office Manager, HR Manager and guests were given the questionnaires and asked for their valuable insights. They were contacted through telephone, emails and approached personally as well.

**2. Secondary Source:** There is a huge contribution of magazines and text book, articles, online e-books to make this research more knowledgeable. Some of the journals elaborated current technological trends in the hotels; in addition, some articles support the operating systems as well as put forth their benefits and limitations.

### **Literature Review**

#### **Front of the House Operations**

Front of the House Operations are known so because these operations take place in front of the guests. Thus, these operations are related either to direct interaction with the guest or they are being conducted in front of the guest. The front office activities start from the time a guest calls or sends in a request for reservation/ accommodation. Staff of the front office



department starts interacting with guest by taking in guest information and reservation request, leading to confirmation of reservation and finally to the handling of guest on arrival and guest check-in.

The account settlement or deciding on the time of account settlement is generally a part of check-out process, performed by front office. Thus in short we can say that front office is the first and last place (as in check-in and check-out), wherein a guest interacts with the hotel.

### **Back of the House Operations**

As the name suggests these operations involve the activities which do not take place in front of the guests. The front office activities start the moment an enquiry or request regarding accommodation is made. This enquiry is answered keeping in view converting it into a reservation request. Although reservation is an activity of front office, major hotel lines/chain of hotels has centralized reservation system, operational 24 hours a day 365 days a year. A confirmed reservation leads to browsing of information, i.e., guest record to determine whether this is a repeat guest and if yes what are the personal information and preferences of the guest. This helps in giving personal touch to guest's stay with the hotel.

With the help of technology hoteliers can use the data they capture to go beyond their traditional loyalty programs and deepen their knowledge about guests. New strategies and initiatives are needed to not only keep pace in this new world, but also to stay competitive, become differentiated and meet today's unique and more complex guest expectations in an increasingly buyer-driven market.

Technology will be more important than ever to delivering the tailored and personalized experience. Technology is the key to managing a guest's experience at all stages of a visit—from the moment that a guest plans a trip to when they check in, are on property, check out, and even after they have walked out the door. Google, Amazon, Apple and Facebook have built their reputations and business models with a singular focus on consumer relevance.

The magazine specially highlights on lacunae which are there between technological changes and acceptance of it by guests. Electronic trading has quickly become a central component of the capital markets industry and continues to experience rapid growth. On the sell-side, the growth in electronic trading is creating main challenges for the front office: The intensifying buy-side focus on trading overheads means the sell side must minimize transaction costs to retain client order flow and, ultimately, market share. There is an ongoing challenge to provide trading services and technology that are flexible and distinctive enough to keep pace with evolving client demand, and to ensure they remain competitive with innovative and high performance.

A fully automatic check-out system allows the guest to review his/her account on the room's TV set. The guest can check and verify the bill and their check out from the room. The actual settlement of the bill takes place on the reception when the client pays for the visit. As a result a lot of time will be saved and there won't be long queues of guests waiting to check out especially during early morning hours of the day.

### **Result and Discussion**

The following questionnaire is being forwarded to **Sample 1(5 star), Sample 2 (5 star) and Sample 3 (4 star)**.

To understand what the current market scenario about software is, it was very important to know what software Pune Hotels use.

#### **• Which PMS Do You Use in Your Hotel?**

This reveals the status of Pune in using technology, and as per the star rating and size of the hotel, which software they can afford.

So based on the question, the outcome is very clear. Sample 2, Pune being the one year old property have updated or recent collection of the technology, software along with infrastructure. On the other hand Sample 3, Pune is a small property and due to that there is some restriction on their budget. They have IDS 4.1, which is still better software; but Opera 5.0 is more advance, than IDS.

And last but not the least, Sample 1, Pune being one the most old property also have upgraded to Opera 5.0 by knowing the advantages of it.

Second important point was to know how many online bookings were made by the customer of hotels, on an average. This question made it easier to know the same.



- **What is the Percentage of Overall Bookings that Come Through the GDS?**

It is very clear from the pie chart that maximum advantage i.e. 85% of online booking is taken by Sample 1, Pune guests. On the other hand Sample 2, Pune is standing nowhere in the competition by scoring only 2.5%. We can say as per the size and the target clientele of Centurion, Pune, they are doing comparatively good in online bookings with 20%.

Hospitality Technology Trends 2013, reveal that the hotels are trying to encourage guests to spend time in lobbies by offering programming, residential-style furniture and plentiful electrical outlets. Even when guests want to work independently, they often want to do so around other people.

- **Fewer Hotels are charging for Wi-Fi Use to Appeal to Younger Travelers**

Consumers expect free access to high-speed Internet. When asked how much they would be willing to pay for Wi-Fi, 85 percent said that it should be free. Today's hotel guests want quick, easy access to online resources.

- **Social Media: Hotels Must Have New Forms of Social Media**

While hotels were quick to jump onto Facebook and Twitter, once-niche sites such as Pinterest and Instagram—and soon Twitter's social video sharing app Vine—are growing and used by more guests, especially younger guests. These more visual mediums provide important marketing vehicles, and some hotels have already started taking advantage of them.

- **Is Social Media Used in Promotional Activity? If yes; which of the Following are used?**

Sample 2 being a very young Hotel of Pune city, seems to be very active with their social promotional tools to attract more and more customers. Only Instagram is not been used by them. But still being new in the market they are doing well with social media to promote their hotel.

On the other hand, Sample 3, Pune is not seemed to be very active on promotions through social media. But still they manage to promote their hotel, mostly through Facebook and Print Media.

And very unique International chain property i.e. Sample 1, Pune is nowhere behind in using social media competition. They are promoting this old property with old charm, with the help of all top social media sources.

- **Does the Central Reservation System Directly Connect to The Hotels PMS?**

- **Are any Gadgets or Electronic Tools Used to Display or Advertise Packages or Event in the Lobby?**

Above columns gives us idea about how newly introduced and advance technology is preferred by Sample 2, Pune being the youngest in all. On the other hand remaining two hotels are not that updated with technological tools which are available in the market.

Three of them have one tool in common i.e. Electronic Display Screen; which is comparatively less expensive and versatile in nature. On the other hand other tools like LED Screen, Mac Conn – Apple, Virtual concierge are comparatively new in the market and also more expensive.

This proves that old properties are not too much equipped with electronic gadgets may be, due to budget issues or less priority to the electronic world.

### **Event Spaces Go High-Tech**

Tech tools for meeting planners are becoming more sophisticated, with apps to take care of common issues during meeting and ultra-high-tech boardrooms and videoconferencing suites.

- **Is the Social Media Used to Keep in Touch with the Regular Clients?**

Based on social media again, but this time it was not about promotion related, but does and how hotels connect themselves with guests through social media. All three hotels are active in this and they generally focus on feedback of the guest through this.

That is quiet balanced in all hotels and hence it tells us how connecting with guests through technology is nowadays essential, which have benefits of less time required or quick feedbacks.

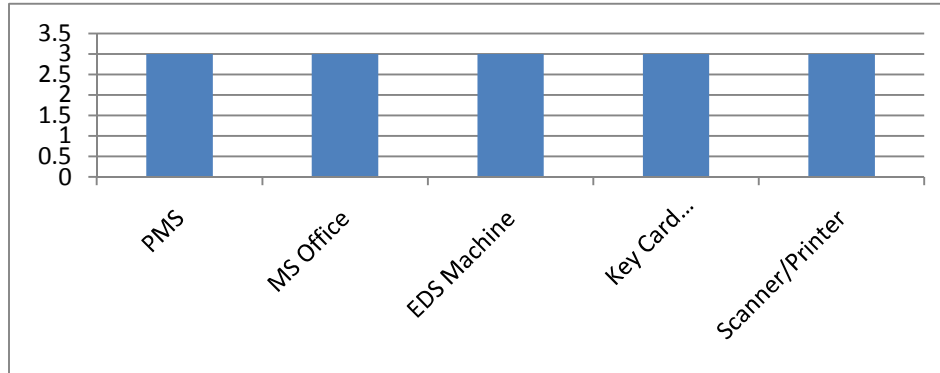
- **Is the Feedback Form Filling 1. Manual 2. Online?**

Questions were to get to know whether feedback for filling and 'C' form filling is done online or with old method i.e. manual.



But all three of the hotels gave the feedback that, they prefer it online. This again gives us idea how technology is becoming an essential part of hotel operations.

• **Which Tool or Software is Indispensable According to you during the Check in Process?**



Now to be more specific about the objective, it was necessary to know how much the technology is indispensable or very necessary. (Q15. Which tool or software is indispensable according to you during check in process?) There were five options given, and all the hotels marked on all of those five.

This proves that up to this level, technology is not only gaining the confidence of hotels but also becoming an essential guide in day to day operations in guest life cycle.

**Major Findings**

1. Installation of advance software will vary hotel to hotel depending upon the size, policy or brand of the hotel.
2. Online bookings are becoming essential part of hotels having business for long years, as well as ones who are active with technology.
3. Hotels are taking lots of advantages of social media in order to promote their property.
4. Social media is also helping hotels to offer more personalized services to guests.
5. Electronic gadgets are playing very important role in reaching to the guests. It's the easiest and more effortless expressive way to do so.
6. There are many new things taking a very big place in guests' as well as hotels life. And hence new concepts, ideas are emerging in order to meet those demands in a smart ways.
7. Technology is becoming an essential tool in order to ease the day to day jobs to perform during guest life cycle.

**Conclusion**

Technology has become a crucial part of the hotel guests' life as the samples in study reflect. It has been found that the amount of technology being used varies from hotel to hotel. Guests have a positive outlook towards hotels using technology and providing them facilities like free Wi-Fi etc. though old hotels are technologically less equipped, it cannot be said that they do not provide facilities or have made changes. It is gradual process.

Hoteliers are also using technology to increase the number of guests and are showcasing their unique features to a large numbers of potential guest using technology.

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