

## **IMPORTANCE OF INFORMATION TECHNOLOGY IN HOSPITALITY INDUSTRY**

**Special Issue Goals.** Information technology (IT) has had profound impacts on both the capabilities of organizations in the hospitality industry and on how consumers select their hospitality services. What matters here is not IT per se, but rather the information it yields. By applying appropriate IT solutions, service providers are able to go beyond the practices they pursued in prior years, many of which have focused on distribution at any price. This allows hotels to craft value propositions and hospitality service opportunities for customers that exploit new opportunities to delight them and meet their unique needs. This reflects a transition from technology-based services marketing as a “science of utility” to one that involves a new “science of delight.” It also is associated with new trends in product and service hyper-differentiation, resonance marketing and other related approaches that rely upon new ways of co-discovering and co-creating value for hospitality, travel and tourism services consumers. These changes are supported by new information-based service selection behaviors for individuals, and have led to new levels of information availability for consumers. This, in turn, has resulted in the development of dramatically higher expectations around how service relationships need to be configured so they can be successful and maximize value.

Technology has benefitted hospitality organizations and their customers that have an information strategy angle. Some related areas include:

- Consumer informedness, resonance marketing, and impacts on service pricing, offerings, and bundles
- New theories for the hospitality industry related to the changes driven by information
- New business models for the hyper-differentiation of service products, relationship management and resonance marketing, and the related consumer responses
- Analysis of digital intermediation in the hospitality industry and its impact on price-based competition
- Data analytics, business intelligence and management science approaches to hospitality industry problems
- The efficacy of Twitter, Facebook and other mechanisms for communicating last-minute deals to hospitality services customers, and their impact on consumer behavior and willingness to pay
- Case studies of hospitality organizations focusing on new uses of consumer and market information, and emerging technologies; analysis of channel conflicts for technology-based sales of hospitality services
- The changing role of firm-to-firm alliances and partnership in the hospitality industry involving IT
- Innovative uses of the Internet for sophisticated channel management strategies

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.

### **Information Technology and Distribution**

#### **Electronic Distribution**

Developments in electronic distribution are the most recurrent theme throughout the period under review, reflecting topical developments since it has changed how people book hotel rooms.

#### **Disintermediation**

This highlights how direct web distribution may affect the relationship between travel agents and hotels. Most hotels increasingly emphasise direct web bookings, often wooing consumers by promising best rate guarantees or loyalty club points. Since travel agents remain an important source of business, they explore their potential reaction to this strategy.

### **Information Technology and Pricing**

It shows how price has become largely transparent and that consumers now book rooms at one price, shop around for better prices and then cancel and rebook. Rather than yield higher total sales, discounting simply displaces customers from one distribution channel to another. Any increase in volume fails to offset the revenue lost from the discounting.

### **Hospitality Consumers and Information Technology**

#### **Online Consumer Decision Making**

This investigates how technology influences hospitality consumer decision making. Seeking information is one of the first stages in the decision making process. this is a powerful determinant of behavioural intentions; lodging operators must ensure that websites satisfy visitors' information needs in order to expect online transactions. Specific website elements to note include accurate and reliable information, and easy navigation.

### **Website Layout and Design**

To account for such differences between consumer wants and website offerings, hotels need to reflect upon their website design.

### **Customer Relationship Management**

This philosophy of intimate customer familiarity can lower marketing expenditures and increase sales through closer relationships and increased satisfaction. For this to occur, the entire hotel chain must cooperate in the collection, management and dissemination of customer information – an expensive and complicated process.