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Changes in Hospitality Environment

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1. Introduction

Change has always been a source of fear in business world especially in the world of hospitality, however, despite of the apprehension, it is still the most constant factor of every industry. What is known to us today is no more applicable tomorrow and the techniques that brought great success yesterday are no longer efficient today. The truth is change is an inevitable truth that cannot be denied is occurring all the time in the form of a constant cycle. Hospitality operators who are reluctant to this change have to be either extremely satisfied with their mediocre performance or to be ready to get overthrown by the hostile challenges of this competitive world (Rathode, 2006). This paper discusses the changes that are constantly taking place in the hospitality industry environment along with the implications of marketing in hotels industry to understand the impact of these changes.

The ability to effectively manage this change is an art in itself. Especially in the world of hospitality, embracing and accepting the change is of great benefit. For industries, including hotels and tourist firms, it is essential to overcome change by keeping a specific attitude and skills for anticipating and visualizing the forthcoming changes and be able to impend and plan their strategies accordingly. These strategies are not limited to the services that are provided but also include the effective way of communication with customers and co-workers, as well as future prospects to stay abreast of the competition.

Change may come easily, it is not so easily accepted by the firms and organisations not ready for it. An industry needs to be ready with all its strategies planned for any sudden change in the market that accompany the modern hospitality sectors in various ways. There is no specific root of these changes as they can be brought by the amenities, new technology adaptation, marketing

strategies, business threats, economic shifts, customer demands, staff turnover, and Government and consumer legislations etc (Sparks, Mok, & Kandampully, 2001).

2. Changes in Hospitality Environment

Changes in the world of hospitality have resulted in the change of many operational and marketing strategies in different sectors. The anticipation and alarm created due to these sudden shifts in the business styles and these two things should be kept in mind while running hospitality business. Predicting the future is impossible, but there are some indications and issues that a business can consider in order to help prepare them for future changes. The paradigm shift, can be a reason of stress and frustration amongst businesses which mainly depends on the past predictions and perceptions of the future. It has been observed in past that those who view change as a positive factor are more apt to benefit from it and are able to avail more opportunities more future. The most successful entrepreneurs embrace change and accept it instead of fearing, intimidating or denying its presence.

When comparing the hospitality industry from what it was a decade ago to what it is now, the changes that the industry has gone through are astonishing. Regardless of the size of the industry's complexity, many of its arms, like every other business, are inter-linked with technology. Computer systems have now allowed the customers to book flights, hotel rooms, rental cars, as well as their whole trips online including a way to pay for these services as well (Powers & Barrows, 2008).

2.1. The Paradigm Shift

The paradigm shift has helped the hospitality industries to embrace change and plan for the future in a more effective manner. The fact that customers are guests are now served in most courteous and professional manners, as well as the irretrievable satisfaction, marketing strategies and current product portfolios are all outcomes of the change. Industries have understood that the division of responsibilities and duties are an effective part of the paradigm shift which not only reinforces positive service behaviours but also deliver memorable guest services which helps generate guaranteed desire for returns of the investors and customers. The paradigm shift helps businesses organise their actions and provide a structure that fulfils the needs of business security. Some examples of these changes can be seen in the world of hospitality, when in the shipping world, the system of old reservations was taken over by new technological advancements (Brotherton & Wood, 2008).

Another example of paradigm shift is the high speed internet access in guest rooms in hotels. When this change was introduced some operators who resisted took a heavy beating in satisfying their customers which resulted in consequent loss of clients. While those hotels that perceived this change as a reality and made it free for all customers, as well as used it as a marketing tool to drive clients to their hotels, enjoyed great benefit from this change. In some cases, a group of visionary hoteliers went a step ahead and came out with the services of video on demand, long distance services and in room fax service availability to further attract client. Similarly, another example of the paradigm shift in the hospitality industry is the Revenue Management System. Successful hospitality businesses have reckoned with the truth of paradigm that have surrounded them and are quick and responsive to these shifts in order to manage their space in the competitive market along with going up the ladder of success. While these changes are necessary

and useful, businesses must also understand that they sometime can block the understanding of new ideas and solutions (Nykiel, 2007).

2.2.The Internet

One of the major reasons behind the changes occurring in the sector of hospitality and its environment is because of technology. Internet works as key player in enhancing these changes by providing the unlimited services to customers via easy access. Before these services, customers needed to speak with an agent to book their trips and call or visit hotels and airlines directly to make travelling plans. But with the usage of internet and the facilities provided, it is now possible to do all the researches and bookings from home and without involving any travel agents, which has made them less necessary which has made the travel agent and reservations clerk jobs in jeopardy. According to researches and experts, internet usage has raised the number of rooms occupied per night but has also caused a decrease in revenue per room (Kotler, 2008).

2.3.Social Media

Hospitality as a whole with all its sectors has gone through changes due to the rise and growth of social media. The industry has gone through major changes because of these social media with the advantage and disadvantage of the unfiltered feedback. If a customer has faced some bad experiences, it can be alarming for the whole industry as we live in a world where one person holds the power to change opinions of many. Social websites provide a detailed overview of different hospitality organisation that customers wish to pursue their services from. Customer reviews, deals, good and bad aspects and all other relevant information is provided on these websites that is required by a customer to make his/her choice. The advantage of these services for the organisations themselves is that they are able to read online reviews through these

websites in order to focus on their strengths and weaknesses. To all intents and purposes, it can be concluded that social media has given the hospitality industry more value when marketing their services (Reid & Bojanic, 2009).

2.4.Overcoming the Change

The fact of this rapid change occurrence cannot be denied, therefore the hospitality leaders need to develop the abilities to analyse this situation and respond in a structured way that benefits not only the whole organisation but the complete sector of hospitality services. In order to initiate such strategies, it is important to change the leadership and management abilities of an organisation. Due to the increased rate in changing environment in hospitality, it is highly recommended to the owners and key executives to not involve in the management of the changing strategies, however they should proactively commit to lead that change. The operators of hospitality have to bring together the immutable law of change that impacts their businesses and learn how to deal with the degrees and effects of a changing environment. Dealing with change is an understanding and willingness to change one self (Enz, 2009).

3. Implications for Marketing in Hotels Operation

With the increased number of hotels and lodges increasing in the hospitality industry, it is essentially important to put great emphasis on the work of sales and marketing operations of the organisation to bring profits and more revenue. The main aim of marketing is to attract the customers with services and assure that they come back for visits. Guests will only come when they are ensured that all the services that are provided are under their budget and available to them as mentioned by hotel's marketing team. From the high number of meeting rooms to the

high speed internet services, each and every convenient service should be mentioned and present in the hotel to satisfy its guests. Organisations have been continually seeking new ways to acquire, retain and increase businesses, since the cost of losing customers is rising. Service organisations, such as hotels need to undergo competitive marketing strategies in order to improve their competitiveness (Riley, 2010).

The marketing strategies that have been adopted by hotels in today's challenging world include all kinds of services that were once considered impossible. Aspects like staff retention, continued use of technology, sustainability, crisis management, importance of social media and understanding of the changing demands of customers are the key factors of the a successful marketing strategy.

4. Conclusion

Change management is necessary in this globalised world where there is a revolution every day. Business environment of today's world is undergoing through a major change era where everything is changing. From the choice of customers and their preferences, to the prices, products, employees and even marketing strategies of those products, every aspect is undergoing some change. Some of these changes are literally done overnight for attracting the most number of customers by businesses (Powers & Hsu, Marketing Hospitality, 2001). The environment is hospitality is changing because of the demands of the consumers and hospitality providers need to understand those demands in order to run a successful business.

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