

ADOPTION FOR ICT AND E-COMMERCE SERVICES IN HOSPITALITY INDUSTRY - CHALLENGES AND OPPORTUNITIES

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ABSTRACT

Over the last six decades, tourism has experienced continued expansion and diversification with the rapid growth of technological advancements. Effective and high-speed Information and Communication Technology (ICT) infrastructure and software applications are crucial for the development of hospitality industry as it offers great opportunity to increase customer value, enhance customer satisfaction and achieve business excellence and high profits.

The Central Reservations Systems (CRS), Front-office information systems, booking information systems, hotel management information systems, Global Distribution Systems (GDS), property management systems and Destination Integrated Computerized Information Reservation Management Systems (DICIRMS) are some of the main information technologies that serve hospitality industry today. However, the development of ICT has also led to changes in demand and supply of the industry while offering personalized hospitality experiences for holiday makers. e – word of mouth publicity, online travel review sites and the social networking sites encourage travellers to share information and research on their dreamed travel destination. As a result, today tourists have become more demanding for ‘value for money and time’ services.

E-commerce has recorded a significant growth as a convenient way of buying and selling goods and services over the internet. Hospitality industry is one of those which is fully benefited from the e-commerce services. Hospitality industry ‘Information Technology Investments’ are often made to improve performance. This study aims to examine the e-commerce usage and the implementation of ICT for hospitality industry. The findings of the research include number of factors which can be identified behind the immense growth of the ICT and e-commerce services usage. Further those would be beneficial for the hospitality industry policy makers and the stakeholders to design innovative, attractive tourist products to increase the guest satisfaction.

The development of ICT and e-commerce offers competitive advantages such as, improved employee productivity and enhanced revenue generation, and also contributes to low labor-costs, cheap raw materials, improve the country’s infrastructure, communication channels, legislation and so on. The revolution of ICT and e-commerce brought some challenges which influence at both microeconomic and macroeconomic environment levels. These include, lack of trust on online services, insecurity of personal information, lack of infrastructure and poor knowledge of its operation. The expansion of e-commerce services and demand will significantly change the labor market. Further high implementation cost, labor intensive certification process, lack of awareness, limited infrastructure facilities are some of the key barriers that delay adopting ICT and e-commerce services. ‘Broadband promoting Initiative’, affordable prices, convenience,

wide availability, instant connectivity and lifestyle etc also motivate people for online transactions. Hence it is essential to have legal policy where government and regulatory bodies are collaborating on a wider platform to ensure ecommerce law to protect the consumer. More over, awareness and training is needed for ICT at various levels of hospitality enterprises. Government policies and regulations, size of the establishment, financial capacity etc. are equally important factors affecting e-commerce adoption in hospitality industry. The Internet and the e-commerce has dramatically changed the entire hospitality industry while playing a vital role in promoting, integrating and building brand loyalty in tourism.

Key words: Hospitality industry, ICT, e-commerce, services