

## THE IMPORTANCE OF TECHNOLOGIES FOR A NATIONAL HOTEL COMPANY DEVELOPMENT

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***Abstract:** Tourism is, as we know, the global process that involves people from all over the world and leads the tourists to different parts of the world. Amalgam of peoples creates a completely different cultural environment from the everyday which is the maximum power of tourism as an economic activity. The interaction of peoples, cultures, customs, habits, and the inclusion of space and economy in meeting the needs of tourism development are the basis for all destinations that wish to deal with tourism.*

*Global trends affect the overall business operations of a national hotel company. We should not try to avoid that, but to affect the synergy of the national hotel company, domestic economy and new technologies systematically in order to equip and adjust business operations to world tourism trends. Countries that want to be equal in the world tourism market must keep track of these trends and even prevent some of the new ones. Planning at the macro- and micro-economic level is an inevitable path towards a successful business in the tourism industry.*

***Key words:** tourism, technology, Hotel Company, development, positioning*

### **Introduction**

The linkage of the hotel industry with many economic and non-economic sectors is evident. Therefore, strengthening all the activities that create a final tourist product must have an effect when creating a hotel product. Also both, qualitative and quantitative development of economic activities involved in the creation of hotel products must be connected. Turbulent tourist movements point to the changes in tourism market focused on introduction new technologies and their increasing application in all segments of the tourism industry.. Thus, the question is whether there is an opposition between technology and intercultural positioning of a national hotel company. Considering the connection between marketing communication and consumers' behavior towards a tourism product, it is certain that the collision does not occur. Just like the dominance of retailers over manufacturers begins at the commodity market, thus the use of new technologies strengthens in tourism for the benefit of tourists. The use of new technologies strengthens tourism for

the benefit of tourists, just like the predominance of distributors over manufacturers begins at the commodity market.

Proper positioning implies designed targeted marketing actions. Always present diversification of communication with the tourism market and a national hotel company with potential and permanent customers direct us toward the necessity of using new technologies in business operations and creation of a hotel company offer, as well as in its equipment and offer through the hotel's tourism product.

A hotel product should be observed integrally in the function of designing tourism offer in a site, cities, destination and country as a whole. *Hotels are not islands*<sup>1</sup>. Economic effects of hotel-catering activities are manifold and extremely important for the overall development of tourism in the entire country. This primarily involves:

- foreign currency income derived from these activities,
- increasing employment rate through the development of hospitality industry,
- invisible export through the placement of food products to foreign customers in the domestic market,
- multiplicative effects of tourism in the local community ...

As we already know, tourism is a global process that includes people from all parts of the world and leads tourists in various parts of the world. During tourists' movements, nations, cultures, customs, history, present and past interfere. The amalgam of peoples creates a completely different cultural environment from the everyday one, which also represents the maximum power of tourism as an economic activity. The interaction of peoples, cultures, customs, habits, and the inclusion of space and economy in meeting tourism needs are the basis for the development of all destinations which want to be engaged in tourism. Primarily, these are:

- globalization of business operations,
- creation of a tourist destination image,
- inclusion of information technology in the tourism business,
- understanding the priority of tourism development,
- involvement of local, regional and national communities in the implementation of these tasks.

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1. S.Štetić,D.Šimičević,M.Nićić (2009): Management of Tourist destination, LI, Belgrade

### The future development of tourism

According to forecasts of the World Tourism Organization (UNWTO) world tourism movements will be constantly increasing. Today, an integrated quality of facilities and services, as well as total quality of tourism product offered to consumers are the presumptions for tourism development. Risks that occur in every segment of creation, promotion, presentation, placement and sales of a tourism product have a constant influence on the growth and development of the tourism market. Such a conclusion can be reached because tourist movements are the largest migration of human population since the beginning of mankind. The latest data of the UNWTO<sup>2</sup> from 2012 show us that 1.035 million tourists participated in foreign tourist movements and that the estimate for 2013 is over 1.100 million tourists<sup>3</sup>. This is just a bit of tourist movements that are directed to all parts of the world and various tourist destinations because local (domestic) tourist movements that are much higher than foreign are very often neglected<sup>4</sup>. It is generally known that the number of tourist trips depends on the economic strength of a country's economy, and that during the recession the number of foreign tourist travel decreases, while such a process may not happen with the domestic tourist movements because travel abroad is usually replaced with trips in the country, so that domestic tourism may even be on the increase.

But, will this happen within the domestic or international tourism movements? Considering the events on the global world stage like terrorism, wars, natural disasters, additional insurance and long-hour checks at airports, they all increase the volume of domestic tourist movements. In addition, business travel gets new dimensions. Nowadays, in order to conduct business many trips are not necessary. Contact with customers and business partners can also be achieved through other forms of connecting. There are smart phones, personal digital assistants (PDAs), laptops and other electronic equipment.

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2. UNWTO Tourism Highlights 2013 Edition, Madrid, January.2014  
<http://mkt.unwto.org/publication/unwto-tourism-highlights-2013-edition> i  
[http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto\\_barom13\\_06\\_dec\\_excerpt.pdf](http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_barom13_06_dec_excerpt.pdf)

3. *UNWTO forecasts have been that in 2020 the number of foreign tourists will exceed one billion.*

4. *Some data are presented at the WTM in London in November 2013 that in China the number of foreign tourists in 2012 was about 58 million, while the number of domestic tourists was 1.6 billion and that a significant increase of the number of domestic tourists is expected in 2013.*

Advanced technology allows us to travel for leisure, which will be simultaneously utilized in commercial purposes. Lying by the pool in the hotel, sipping a cup of coffee in the warm Caribbean sun or ... the businessman will be logged in his company's business network, and he will:

- check the state at the stock market,
- control the entire operation of the company and certain sectors,
- provide guidelines for further work,
- check the completed projects,
- write and send business letters,
- send offers to business partners ...

The emergence of cheap, complex world computer and telecommunication networks for information transmission provides a significant stimulus for once rather abstract concept of "the connected world". Economic potential of "the network of all networks" – the Internet has become the basis for business connection with the world. Today, several million of the Internet (web) servers and several hundred thousand of companies are present in the world. The market of goods and services via catalogue has already been developed. Specialized services such as stock exchange, shopping, banking transactions, travel, etc., are at our disposal.

Using the Internet has multiple advantages for the tourism industry. The benefit that the tourism industry gains, is reflected through cost reduction, market increase (the whole world) and the possibility of permanent communication with potential tourists. In addition, unlike traditional media for information transmission, the Internet provides many new opportunities.

Also, the presence of tourist information and tourism marketing has been noticed on the Internet, as well. In addition to well-known tourist destinations, the Internet is a very interesting tool that offers great opportunities for the promotion of other tourist areas which may start their activity on a global level with the help of this computer network. Hotel companies have become dependent on the global network and its capabilities, which is reflected on economic effects realized through direct bookings and sales of their own capacities.

In recent times, the term 'tourist destination' is heard more and more often. Through the development of tourism, we notice its regional distribution which affects the formation of certain tourist macro-, mezzo- and micro-regions. Like the concept of tourism itself, a tourist destination has a rather complex meaning. As a phenomenon it depends on a very wide range of factors and greatly influences the direction of the overall tourism development. With its natural and anthropogenic

resources it attracts a large number of tourists and influences that planning and development of tourism areas get more and more attention. From a spatial aspect creating a tourist destination is neither fast nor painless. It is carried out in several stages closely related to the type of tourism, tourist turnover, as well as the acceptance of tourism development in the local community.

Today the basis for the development of tourist destinations is not only the quality and variety of spaces that attract tourists, but also the hospitality industry<sup>5</sup> which affects the creation of a specific tourism product through its own development. The question that arises when planning the development of a tourist destination is: What is it that influences the tourists to opt for a certain tourism destination?

Table 1. Characteristics of tourism development in selected destinations

TYPE OF TOURIST DESTINATION	CHARACTERISTICS OF TOURISM DEVELOPMENT
URBAN DESTINATION	<ul style="list-style-type: none"> <li>• culture</li> <li>• religion</li> <li>• history</li> <li>• congress centres</li> <li>• business centres</li> </ul>
COAST DESTINATION	<ul style="list-style-type: none"> <li>• beaches, sea</li> <li>• sports activities</li> <li>• nature</li> </ul>
MOUNTANEOUS DESTINATION	<ul style="list-style-type: none"> <li>• mountaneous sports</li> <li>• hiking, trekking</li> </ul>
RURAL DESTINATION	<ul style="list-style-type: none"> <li>• farm chores</li> <li>• domestic products</li> <li>• recreation</li> </ul>
CULTURAL- HISTORICAL DESTINATION	<ul style="list-style-type: none"> <li>• culture and history</li> <li>• religion</li> </ul>
SPA DESTINATION	<ul style="list-style-type: none"> <li>• rest and recovery</li> <li>• treatment</li> </ul>

Source: S. Štetić, D. Šimičević (2009), *Menadžment turističke destinacije*, Srpsko geografsko društvo, Beograd

Tourism destination image is a product of its attributes that also affect the creation of a certain type of destination. Special role and importance is attached to equipping, i.e. the amenities at the destination

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5. Lj. Kosar, (2011): *Hotelijerstvo*; VHS, Belgrade 2011

for tourists' reception, accommodation and stay. A hotel company is an irreplaceable host to every tourist in these moments.

Product positioning is one of the most effective marketing tools, and when considering a hotel company it is also the essential task of every good host (hotel manager).

The positioning of tourism products as a marketing communication in order to highlight the attractiveness of a hotel company has great significance for the development of both the tourist destination and hotel industry in this tourist destination.

### **The future development of a hotel company**

*'Always online'*. This way of life has become common, especially in business world. This greatly contributes to the alienation, which is in contrast to the development of tourism and its aspirations. This also leads to the occurrence of stress, especially in the category of the younger business population. Therefore, tourism should also be an important way toward socialization and creation of a recovered person. Exactly this need to work and rest simultaneously affects the creation of a specific offer of space and the hotel- catering industry.

According to the research conducted in the United States, Generation X is just the one that should determine the qualities and contents of a hotel company for the need of tourists. Who is *Generation X* made of?<sup>6</sup> This is the most important group of the population in the United States which forms public opinion, consumer society with permanent sources of income, the group that is actively involved in both, business life and consumption of tourism services. Given that this is a large group of people who form public opinion, taste and lifestyle; this is also the most important group for the whole tourism industry. Therefore, this is a group of population that form the taste for a hotel company and its qualities. Therefore, in the U.S. market extensive analyses of Generation X preferences are carried out in the field of tourism. The hotel industry strives to incorporate these preferences into its tourism offer with the aim to successfully position its products in the market. As this is the generation that uses all the benefits of new technologies this must be especially taken into account.

Throughout the region, tourist facilities were built without proper planning concerning the ecology and vulnerability. Built facilities are often located in dangerous areas due to lack of environmental

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6. According to the online encyclopedia, this is the generation born between 1964 and 1976 that usually have their families and stable workplaces.

management and lack of adequate standards of construction or regulation in respect of hotel infrastructure and settlements.

### **The importance of new technologies for the development of a national hotel company**

Tourism and its intensive growth have influenced the alteration of its operation strategy. Satisfying tourist needs impacts on orientation to offer services on a global plan. Merging in the form of strategic partnership is practiced nowadays, aimed at market expansion and product globalization. Automation and computerization have encompassed all human activities. They have an effect on technology used in tourist business operations, too. The need to integrate those systems and to create global distribution network has also appeared. The objective of their creation is to join services that are found on a market while forming a tourist product. The inception of global distribution systems (GDS) enables reservations of a large number of services and products, which are used on tourist market.

The significance of introducing computerization onto the tourist market was adopted, first of all, by airline companies and tourist agencies. A considerable growth of travelling and a role of air traffic started to be revealed in the 1960s. The second half of 60s and the beginning of 70s<sup>7</sup> were labelled as liberalization, competition and a substantial increase in the number of travelling.

An intensive growth of traffic and a large number of tourist movements have brought to the need to construct booking systems. Nowadays, business operations of airline companies cannot even be imagined if a GDS is not used.

The system of “open sky”, deregulation and competition lead to an extremely large number of tariffs, which cannot be efficiently monitored if permanent information are not available. Thousands and thousands of tariffs are being published in the USA market during only one season.

Larger airline companies on the European ground have also developed their own systems. However, these processes were much slower than those on the American market.

The Internet covers the whole world. It is a dynamic medium that enables continuous updating of information forwarded in the presentation. It also provides great opportunities for interactive communication. An observer is able to follow the presentation actively and acquire the necessary information effectively. Unlike newspapers,

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7. S.Štetić (2011): Bussines Tourism, LI, Belgrade

information retrieval and browsing is much faster. Unlike radio or television, there is no need to passively wait for the necessary information sometimes for hours.

Primarily, the Internet combines good features of traditional media supplementing them with its own specific characteristics. Information is available in three forms: written, audio and visual. However, the main part of the information is transmitted in writing due to lagging of technology behind the real needs. Audio-visual contents are mainly used as a supplement to the written text and as an important factor of attractiveness in the presentation on the Internet. The price is several times lower in regard to the size of the presentation and audience massiveness, compared to a newspaper advertisement, or presentations on radio or television. It should be taken into consideration that the audience is not limited to the local market newspapers or people who can watch a television channel, even satellite – especially if the cost of advertising via satellite TV channels is taken into account.

Over the last few years, the Internet is rapidly evolving and from a purely textual medium it becomes a real multimedia medium for the transmission of information. In addition to informativeness, attractiveness appears as a next important factor of the Internet presentation. Successful presentation on the Internet is becoming increasingly conditioned by the attractive visual appearance, so that planning and design are imposed as mandatory processes when creating the Internet presentations.

According to the previous data, more than a half of tourism services (51%) that are booked via the Internet have been made through the "*Website*" of travel agencies. We must bear in mind that the basis for the first presentations of tourist services was the methodology of GDS. With a desire to make such an offer of tourism package which tourists will buy, travel agencies create their presentations and include themselves in "Flight through the Internet." What kinds of tourist services can be used on the Internet?

1. With the options of GDS whose users are travel agencies, they create and offer their services through websites of these systems. Mega agencies such as *American Express Carlson Wagonlit Travel* and *Rosenbluth* use all the advantages of booking and selling their services via the Internet through GDS.
2. "*Online Travel Agencies*" performs direct booking and issues boarding pass. In 1999 these agencies get a new name *Electronic Reservation Service Provider* (Ersp). Their participation in the work of

GDS is significant in *Amadeus*, *Appolo*, *Sabre* and *Worldspan*. Depending on the services they provide, they are classified into different categories<sup>8</sup>.

3. Direct sales via the Internet are becoming increasingly popular, which affects the involvement of an increasing number of suppliers. Tourist services and their direct sales are performed by almost all segments of the tourism market.

- a) Through their websites airline companies perform direct sales using the Internet as a possibility of placing special services for their "*frequent flyer*" clients. Also, "*multi-airline travel Web sites*" are launched by the strongest U.S. airline companies.
- b) The largest hotel companies (*Hilton*, *Marriott Hyatt* and *Holiday Inn*) launch their websites for direct sales.
- c) *Rent-a-car* companies invest great many resources in promotion via the Internet with the aim to maximize sales and survive in the market.
- d) Tour operators, travel agencies and ship companies (*Cruise lines*) are very present in the "World network". *Royal Caribbean* first joined the network and was followed very aggressively by *Carnival* and *Holland America*. Unlike them, *Norwegian Cruise Line*, *Disney Cruise Line*, *Renaissance* and *Princess* invest more in information about the quality of their offer pointing to the travel agencies through which their services can be booked.

4. A special type of sites that is used to search the Internet travel services are *Yahoo*, *Excite* and *Infoseek*. The number of browsers is increasing every day so that they are also included into the offer of the tourism market.

### **The importance of clusters in the development of a national hotel company**

If we agree that a hotel company is neither alone nor isolated in space, but that it is an integral part of the tourism market, then we can say that it is the basic component of the tourism product development. We must also point out that a hotel company cannot successfully survive in the modern tourist market without connecting and strengthening the position in both, the domestic and foreign tourism market.

Creating clusters in tourism represents an active approach to connectivity. These connections must occur not only at the local and

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8. Some of the most important are: Get There.com, Sabre's BTX, XTRA Online, Biz Travel.com, Trip.com, Expedia, Travelocity, Preview Travel, Cheap Tickets.com, Price-line.com. *Their number is constantly increasing.*

regional, but also at the national level. Therefore, clusters will represent spatially concentrated and interrelated economic and other stakeholders in the tourism industry. Thus, the inputs of complementary activities join together in creating a special location for their actions.

Choosing the right elements and segments of a cluster we create the basis for competitive advantages of tourism products, namely a hotel company in this case. If we realize that we are not alone, that we are not the best but that we can be different from others, then creating a cluster in tourism will also be the basis for positioning our tourism products in the market. On this occasion, we must bear in mind that proper identification of clusters can be the basis for successful positioning of a national hotel company.

What does this mean for a national hotel house? What must we do in order to make clustering successful for a hotel company? When creating clusters, we primarily need to:

1. carry out mapping
2. identify connections, and
3. consider the existing and potential clusters.

The overview of the spatial concentration of economic entities in the field of tourism (especially in the hospitality industry) in all parts of the country will help us in separating similar tourism offer, as well as the most developed tourist offer. Besides, all the complementary activities involved in the creation of tourism product will be recorded, which affects their relationship with the hotel company.

The existing horizontal and vertical linkages of economic entities in the hospitality industry are the basis for further networking of information links with other types of business relationships that affect the creation of high-quality tourism products. The basis for closer relations of all the subjects of hotel-tourism economy is created through clustering. The resulting clusters will present an information network of tourism offer and demand from which we should gather information to create an appropriate product of our national hotel company.

### **Technology in the presentation of a national hotel company**

New information technology has a strategic importance for the operation and development of the whole national tourism industry. The hotel industry is technologically intensive, which means that its dependence on the development of information systems is extremely large. Modern business operations in the hotel industry and the creation of adequate tourism product of a national hotel company include:

- information technology as an essential resource of management,
- the base for the creation of new products and services,

- creation of a specific product of a national hotel company,
- their own website,
- the possibility for on-line sales,
- increase in the quality and volume of sales,
- differentiation of prices,
- decrease in sales margins which also affects price reductions.

The implementation of new information systems is not only in the function of technological capabilities, but also in the function of management and right decision-making on business operations in a national hotel company. Communication via the Internet is massive, fast and cheap. Many services on the Internet (*News, e-mail, etc.*) allow the message to quickly reach the other side of the world. Precisely, those features of the Internet as medium offer realistic and almost unimaginable possibilities for attractive and less known hotel companies to become interesting to many potential tourists, the Internet users seeking for new tourism challenges.

Today the Internet is definitely the most popular and the most prospective medium for communication and information transfer. Everyone wants to find his presentation on the network to be available on all continents. The hardest job is to make a presentation that will stand out among millions of others and draw our attention with its attractiveness. At the same time it must comply with the constraints imposed by the technology and make the presentation that meets the requirements of informativeness, attractiveness and functionality. In doing this, ideas, originality, creativity and, of course, ability to put it all into practice have a crucial role. Special types of sites used to search tourism services, such as *Priceline, Expedia, Travelocity, Orbits, Lodging.com, Business Travel, Hotwire, WorldRes, Hotels.com, etc.*, have exceptional importance for marketing tourism products.

### **Positioning of a national hotel company**

At market segmentation, it must be kept in mind that different hotel facilities correspond to different types of tourists, which means that finding the right market is extremely important for a national hotel company. As it is known, positioning is the communication strategy that naturally follows after the market segmentation.

Efficiency in positioning is achieved through creating the image of a national hotel company as an ideal accommodation facility, where tourists will fulfill their expectations and fulfill their tourist need. However, there are other accommodation capacities with the same, similar, or better image. Creating *different tourism product* and placing

*a unique experience* can gain curiosity of potential guests. Therefore, a national hotel company has to be different, even better.

If we want that a national hotel company has a prominent place on the tourism market (and to be highly placed), we need to know and recognize all of its attributes. Spotting and highlighting the attractive factors of national hotel company will have considerable impact on the level of its placement possibilities.

The process of positioning a national hotel company is very complicated and complex. This process should begin with the selection of the market in which we want to promote and place our national hotel company. The basis is the creation of *criteria for success*, which must be based on the needs, desires and perception of the selected market. Taking into consideration the main features of the observed market, making criteria for success should be based on some relevant facts:

1. What is important for the observed market in relation to the selection of accommodation capacities?
2. How does an observed market experience our tourist destination?
3. How does the observed market perceive competition in general and the specificities of competition for accommodation facilities?
4. Which attributes should a national hotel company use in order to be distinguished from other hotel companies?

The complexity of the tourism industry, as well as a great number of services that constitute its basis, impact the importance of linking the strategy and development policy of a national hotel company. In addition, it is extremely important to detect those elements that are important for the quality management in the development of the national hotel company. Therefore, the concept of quality that has emerged in the production process is now accepted in a partially altered form, as the quality of the whole process of creation which tends to reach the planned goals. That is why quality management is not only part of the production or management, but quality has to be woven into the culture of work and life, and must be the responsibility of all employees. This way of thinking *that quality should be the style of work and life* is also the basis for the development of each segment of tourism business operations, and mostly of a national hotel company.

### Instead of a conclusion

A national hotel company must set a long-term placement strategy in the domestic and international tourism market. This must be a continuous marketing and intercultural process. A unique philosophy of business activities must be formed in order to position a national hotel company properly. On this occasion, we must take care of customers (tourists), organization and placement of a hotel company tourism offer.

As new technologies entail very short deadlines for restructuring and reflection (contemplation?), they seek extremely fast responses to all changes in the environment especially innovations in the market, the national hotel company must be prepared for this. Through tradition, quality products and services, offer assortment, organization and communication with guests, a national hotel company should adequately respond to the requests of large number of tourists belonging to different economic categories and cultural groups.

We will see whether a national hotel company will be able to, and whether it will respond to these demands. The time is a limit for everything, even for us. The world does not wait, but it advances in huge steps. I am afraid that, while we sit and contemplate, others really work hard and collect currency inflow from tourism.

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