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The Impact of technology on the lodging industry

Peter Huggins

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THE IMPACT OF TECHNOLOGY ON THE LODGING INDUSTRY

by

Peter Huggins

A thesis submitted to the
Faculty of the School of Food, Hotel and Travel Management
at
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for the degree
of
Masters of Science

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ABSTRACT

This study discusses the impact of technology on the hospitality industry, with emphasis being given to the lodging industry and the effective use of hotel business centers. The study will analyze new technology and technological advances that are impacting the needs of the business traveler, the ways in which the lodging industry is addressing these needs and requirements, and trends and changes in the hospitality industry which are impacting the business traveler. This study will also attempt to answer hypotheses made concerning long term trends for business amenities in the lodging industry. Specifically the study will address the Radisson Inn, in Rochester, NY and how the Radisson can meet the needs and requirements of its business travel customers.

Data has been gathered from a review of industry literature and research. Three test sites were examined, utilizing a questionnaire and site-visits, as part of a benchmarking study, and the data from these test sites has been presented. The data shows a long-term trend toward in-room amenities and away from centralized business centers.

Conclusions have been made as to the data and whether it supports the hypotheses made in this study concerning business amenities at hotels. Recommendations are suggested for future studies.
I wish to acknowledge the tremendous support and guidance that I received from Dr. Richard Marecki in the development and execution of this study. I want to thank Dr. Francis Domoy and Professor Warren Sackler for their assistance as members of my thesis committee. I also want to thank Professor C.J. Wallington for his assistance in proofreading this study.

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CHAPTER ONE

Introduction

Carl Hennon has been traveling all day. He has been on two different flights with a three-hour layover in Chicago. At 5:30 p.m. Carl reaches his hotel, checks in and heads for his room. He is in town to give a presentation to a new client and has been preparing his proposal all week. After telephoning his office, he realizes that he needs to make changes to his presentation. Being a savvy business traveler Carl unpacks his laptop computer and makes the necessary changes to the presentation. Now he just needs to print out a copy of the presentation and get a dozen copies made. But there’s a problem. It’s 8:00 p.m. and the hotel offices are closed. The presentation is scheduled to begin promptly at 8:30 a.m. tomorrow morning. What is he going to do?

More and more business travelers are finding themselves in this situation, as they pack their offices in their suitcases in the form of laptop computers, e-mail, and on-line access. Technological advances are now allowing business travelers to be in constant communication with their home office. This increasing emphasis on constant communication is creating an environment in which business travelers can make last minute changes to presentations and memoranda, then needing hard copies for their meeting the next day. And increasingly it is to the hotels that the business travelers are turning, in order to meet the communication and business needs. And how are the hotels going to meet these new needs? What new technologies will be used to solve the problems that business travelers face? This study will attempt to answer these questions and to design a plan for the hospitality industry.
Problem Statement

The Radisson Inn of Rochester, NY, does not currently offer a business center. As a result, this lack of business amenities inconveniences both the business travel market that the Radisson seeks to attract and the Radisson staff who are interrupted from their duties when business travelers have need of business services, such as computer access. This study will attempt to show the direct impact of new technology and the changing business environment on the hospitality industry. This report will address the new technology, the changing needs of business travelers and the new environment which the hospitality industry faces.

Background

In 1993 The Economist Magazine (Modern Wonders, 1993) put together a list of seven modern wonders of the world. This compilation stated that each of the seven “new” wonders of the world was relevant because each item was a watershed event, and that each item had a global impact on modern society.

Three of the items have had a direct impact on the hospitality industry. These three items are: The Boeing 747 jumbo jet, the microprocessor, and universal telephone service. Each item has impacted the hospitality industry in different ways. More and more people are able to travel farther and faster, with greater access to information about their destinations. And these travelers are able to stay in constant communication with
clients, their home offices, and their families. As these specific wonders have advanced in importance, the needs of business travelers have also evolved.

In the 1950s and 1960s the needs of business travelers (who were primarily male) were focused on comfort and entertainment. Three decades later the needs of business travelers have changed. For example women comprise a greater percentage of the workforce than ever before. Laptop computers are standard issue equipment for some travelers, with the subsequent need for in-room amenities such as work desks, ergonomically designed chairs, data ports for modems, and printing, copying and faxing capability. The pace of business has increased, due to global communication, and hotels have adjusted to this change by re-wiring their guestrooms to accommodate data ports and working travelers and implementing quicker check-in and check-out procedures.

In the 1950s a business traveler visiting Japan from New York needed roughly two days, or more, to arrive in Tokyo. Today, there are non-stop flights from New York which arrive in Japan just over 12 hours later. Today’s traveler can call clients en-route from the plane, fax a proposal and have negotiations well under way before even arriving in Japan. This is the new environment that the hospitality industry faces.

Purpose

The purpose of this proposal is to analyze new technology applications for business travelers and to design an efficient method for the Radisson Inn to meet the business needs of its guests.
Significance

The hospitality industry is increasingly concerned with the long-term value of their customers, and profit maximization. There are more hotels now than ever before, giving the business traveler greater choice of lodging. By understanding their customer needs, hotels are in a better position to design their properties and their systems to serve customers and to increase profits. In such an aggressive industry profitability is a factor which cannot be ignored, and the hotel that increases its profitability by introducing new technology while at the same time finds a way to meet, or exceed, its customers expectations will be the real winner. The future of the hospitality industry is also linked to the changing business climate. There are many changes occurring which the hospitality industry will continue to mirror, acting as a weathervane to the economic climate. These changes include:

1. The shift from a manufacturing economy to a service economy,
2. The growth of technology, and specifically its impact on portable computers and communication technology,
3. Employees increasingly traveling with their "office" in their suitcase
4. A growing expectation that services or presentations should be delivered immediately, with little, if any, turnaround time, and
5. A continued emphasis on companies to be leaner and more efficient.
In addition to the impact of technology on the business environment, the hospitality industry is in a period of consolidation, with property management firms merging to create much bigger firms, and large chains buying out properties in the race for market share. The age of the independent hotel is over and the 21st century will be the age of large corporations vying for market share and profit. And the companies that meet and exceed customer expectations, through technology enhancements and improved in-room amenities, will lead the business travel market.

Limitation/Scope

This study is addressing the impact of technology and the changing business environment on the Radisson Inn of Rochester, NY. As such this study will be limited by the participants interviewed, by the changing technology (microprocessors being obsolete within 6 months of issue) and by the properties selected as test sites.

Hypothesis

This study will show that hotels no longer have a necessity to provide business travelers with a business center. Increasingly business travelers are seeking simple business amenities to be provided in their guestrooms. These amenities are:

1. Comfortable work areas, with a desk and an ergonomically designed chair
2. Modem ports
3. Printing capability
4. Faxing capability
5. Copying capability
By providing these amenities in their guestrooms hotels will gain the competitive advantage in meeting their customers' needs and expectations.

This study will also address questions concerning the impact of technology on both the business traveler and the lodging industry:

1. In what ways is technology changing the face of the business traveler?
2. How is the lodging industry reacting to the changing needs of business travelers?
3. Has the continuing consolidation of the lodging industry had an impact on how hotels interact with their guests?
4. Are hotels prepared to meet the technological needs of the modern business traveler?
5. What is the future direction of the lodging industry with regard to technology?

Thesis Outline

The remainder of this study will focus on issues facing the hospitality industry, such as hotel amenities and the impact of technology on the hospitality industry, and the data collected during visits to three test sites. Chapter Two will present a review of related literature, including a brief discussion of subtopics within the theme of technology in the lodging industry. Chapter Three covers the methodology of the study, the types of questions used during the research process, and an introduction to the primary test site, the Radisson Inn in Rochester, NY. Chapter Four is a presentation of the two secondary
test sites and the responses to the questionnaire. Chapter Five will summarize the hypothesis of the study, the industry specific literature, and the data collected. Chapter Five will also present an analysis of the information and possible conclusions.

Definition of Terms

1. Business Traveler -- A person who is traveling to or from an office location while acting as a delegated representative of a company, firm or partnership.

2. Business Center – A facility located within a hotel offering copying, faxing, and printing capabilities, as well as online capability. Often these centers are staffed by hotel employees, though in certain situations they are self-service centers.

3. Hospitality Industry – In the context of this study it will be designated as a compilation of all hotels, inns and motels in the United States.

4. Laptop computer – A portable computer, frequently used by business people. These computers often weigh less than 10 pounds, carry current computer software, and have modem access.

5. Online Access – A telephone connection to the Internet, often in the form of a modem port or a computer with Internet software already installed.

6. Data port – A telephone jack designed for digital transmission, often in the form of electronic mail transmissions or Internet access.

7. Competitive Advantage – A factor or condition which allows a company or person to perform a job or task more efficiently, or which allows enables that company or person to meet the specific needs of the customer in advance of competitors.
8. Ethernet – A coaxial cable local area network that transmits electronic information extremely quickly. Ethernet access allows a user to access the Internet or e-mail without having to use a modem.
CHAPTER TWO
Review of the Literature

Introduction

The review of the literature is intended to support the concepts and theories presented in the study. There are four subtopics the literature review will address:

1. The first topic discusses hotel amenities that target the specific needs of business travelers.
2. The second topic addresses the role of technology on society, and specifically on the business environment.
3. The third section discusses how industry-wide consolidation is indicative of the future of the hospitality industry.
4. The fourth section provides insight as to how increased business travel has had an impact on the hospitality industry.

Hotel amenities which target the specific needs of business travelers

In 1996 business travelers accounted for approximately 59% of the lodging industry’s occupied rooms. And even though many of the major chains are dependent on these business travelers, few have properly addressed the technology needs of their customers with the result that hotels do not know what their customers want or require. In the past, technology issues were decided on a hotel by hotel basis. Increasingly, these decisions will be made by corporate headquarters, many of whom are writing technology requirements into their franchise agreements (Baum, 1997).
The needs of the business traveler are increasingly addressed through the creative use of technology. Guests of the Sheraton on the Park in Sidney, Australia will have access to a new technology platform called Sheraton.Net. The system is designed to allow international travelers to receive secure e-mail messages, surf the Internet, play video games, order movies, and even order room service. This service is designed to supplement the technology currently utilized by the business traveler who may already be carrying a laptop computer on the trip (Lodging Hospitality, 1998).

One area not currently being addressed by the lodging industry is in-room lighting. As business travelers bring increasing amounts of work to their rooms, these same travelers find the lighting to be insufficient. The challenge arises as mid-priced hotels renovate their guestrooms while adhering to a tight budget. As the mid-priced hotels renovate, they focus their attention on the entire room, versus emphasizing task lighting and the bathroom, where the business traveler may want or need the extra lighting. As lighting costs come down, more and more mid-priced hotels will be able to offer improved lighting (Andorka, 1997).

Answering the myriad needs of business travelers has been a challenge to certain hotel chains. Hilton emerged from an overly enthusiastic technology renovation by removing the computers and fax machines it had installed in some of its business level rooms. Instead Hilton began to focus on the basic needs – a bigger work space, multiple phone lines, and data ports. Additionally, Hilton is beginning to offer high speed Internet access through the in-room televisions. These additions to rooms emphasize the
importance of having a sufficient work space and connectivity, either to a home office or to the Internet (Blodgett, 1997).

With the preferences of many business travelers in question, one survey attempted to find out what hotel amenities are important to business travelers. In the technology area 90% of business travelers stated they prefer to work in their rooms, while just 4% preferred utilizing a business center. Furthermore 79% of respondents agreed that a good working desk is the most popular room amenity, followed by access to a fax machine, proper lighting, a phone at the work desk, access to a copy machine, and a comfortable chair (Rowe, 1996). It is worth noting that Marriott responded to the interest in having a good working space by developing an initiative known as the “Room That Works”. The guestroom workstation features an L shaped desk with a PC modem jack built into the console top. Task lighting will also be featured, as will an ergonomically designed chair (Buildings, 1996). The importance of technology is also reflected by Red Roof Inns’ development of its “Business King” room. The room is designed around the business traveler, incorporating larger desk spaces, modem hook-ups, speakerphones, and recliner chairs. This new emphasis on technology is supported by the business traveler’s strong interest in this new style room (Romps, 1997).

The 1996 survey can be compared with a similar survey initiated in 1995, when Lodging Hospitality surveyed business travelers as to their preferences in a hotel room. At that time 88% of respondents stated that a working desk was an important feature to add to a room. 35% of respondents also stated that floor lamps were important, as most
rooms don’t have enough light. A surprising note was that as far as technology was concerned, only 25% of travelers expressed interest in data ports, while 36% stated that having in-room voice mail was a primary concern, and about 30% of respondents were interested in fax capabilities (Rowe, 1995).

It is worth noting, however, that certain hotel chains seemed to be responding to their customers needs and requirements in regard to the amenities offered to their business guests. Delta Hotels and Resorts developed 15 of its 21 hotels in Canada with their Business Zone rooms. These rooms include amenities such as a work desk, a halogen floor lamp, a cordless speakerphone, a laser printer, and an ergonomically designed chair (Lodging Hospitality, 1994).

Connectivity remains the key factor for attracting business travelers. Marriott conducted a study of business travel habits and found that 56% of business travelers carry a laptop, with 80% of those computers being equipped with a modem. Some properties are attempting to cash in on this tech-savvy market by offering Ethernet connections or business centers which provide extra services for people transmitting meeting materials or presentation by modem (Barker, 1996). Other companies are enhancing their business centers with market-focused database services, allowing users to access thousands of magazines and journals, and to monitor currency and stock prices (Selwitz, 1996).

In the early 1990s certain hotel properties saw an opportunity to develop business centers to service the needs of their business travelers. Some hotels, such as the Stouffer
Riviere Hotel in Chicago, developed a partnership with Kinko’s and opened a copy center on property. Other hotels, such as the Ritz-Carlton at Water Tower Place, prefer to staff their business centers with their own employees. In both cases pressure was taken off the front desk and concierge staff, who had previously been handling guest needs (Aran, 1994). This 24-hour service was also seen as a method of generating revenue for underused space. In addition to fax and copy services, some business centers offered desktop publishing, laser printing, and audio-visual equipment rental. And certain business centers even rented laptop computers to their customers (Shaw, 1991). The growth of the business center is emblematic of the changing business environment as more and more business travelers are bringing their work on the road with them, and more and more hotels are meeting this need (Wolff, 1991).

The role of technology on society, and specifically on the business environment

The popularity of the Internet has pushed access from the home and office into everyday life. Although this popularity has risen, not everyone has decided to purchase a computer for the home or office. On-ramps to the Net can be found in cyber cafes, libraries, business centers, and hotels. Each group sees its particular on-ramp in a different light. Cyber cafes see an entrepreneurial spirit, whereas some public libraries sees Internet access as good public policy. Hotels want to provide their guests with upgraded services. And certain hotels, such as the Renaissance Washington Hotel in Washington, DC, has set up an Internet kiosk in its lobby, as well as Internet access terminals in 13 of its guest rooms for guests to access the Internet. Internet access is rapidly becoming an accepted amenity, on par with fax access and voice mail (Greene,
And Internet kiosks are becoming increasingly popular out West as well. From Seattle to Denver to San Jose airports, hotels, and convention centers are installing kiosks with high-speed access. These Internet Kiosks are spreading to other sectors in the hospitality industry, such as the airline industry, with Carrier US West having already installed 70 screens in airports, malls, and other public areas, mostly in Seattle and Denver (Davey, 1997 b).

There is an increasingly inverse relationship between a computer's processing ability and its size. Portable technology is increasingly impacting the business traveler, allowing business travelers to write and send e-mail on palmtop computers just bigger than a deck of cards. One such Personal Digital Assistant (PDA) is named the Palm Pilot. This tiny microprocessor allows the user to check e-mail and personal reminders as discreetly as the normal person checks a daily planner. Some business travelers even use the PDA to check e-mail during situations where a laptop computer would be inappropriate, such as during dinner (Davey, 1997 a). There are, however, glitches in the electronic universe, a primary one being users having multiple e-mail addresses, such as a work address, home address, and possibly a cyber cafe address. This duplication of addressing can lead to an incredible loss of productivity, as it may take the business traveler up to 10 phone calls (via modem) to retrieve all their e-mail. The recommendation has been made that business travelers stick with a primary account, regardless of the apparent usefulness of each account (Seglin, 1997).
The developments in decreased size have resulted in an increase in productivity. For example, the laptop computer has had an incredible impact on real-time information retrieval. Regional managers for Ramada Hotels can now pull up important information concerning a specific property; earlier the manager may have had to wait until returning to the home office to retrieve and then deliver that information. The laptop also provides the managers the option of connecting to the home office to retrieve e-mail concerning a property or region (Lodging Hospitality, 1994)

Interactive technology and the Internet are increasingly showing up in hotel rooms through the television. Interactive services, such as movies on demand, folio review, housekeeping services, and video room service, are increasingly popular. And these services are being followed by Internet access, interactive shopping and video games. And the benefits of these services are two fold – increased revenue for the operator and value added for the guest (Wolff, 1995).

Technology has impacted modern society in many ways. As I stated in chapter one, in 1993 The Economist magazine (Modern Wonders, 1993) compiled a list of the seven modern wonders of the world. Three of the seven modern wonders are directly relevant to this study.

In 1971 Ted Hoff invented the microprocessor (Modern Wonders, 1993). This discovery led to the development of advanced computing and marked the beginning of the computer revolution. And just as importantly, it heralded the beginning of micro
technology. It is this technology which then began to impact the business environment in such a way that the hotel industry was forever changed. Not only did customer needs and expectations change, but so did hotel operations. Preceding it, but linked to this change, was the advent of universal telephone service. Historically, the telephone, invented in 1876 by Alexander Graham Bell had a profound impact on the hospitality industry. As more and more people gained telephone access both domestically and internationally (with special emphasis on the domestic market) businesses were able to communicate more easily and more often. Business deals no longer had to await the arrival of a courier from another city, state, or region because the telephone replaced the courier. Accordingly, these same businessmen could then call a hotel to make a reservation. Even though the telephone changed the mechanics of business transactions, it did not eliminate the need for face-to-face interaction.

The third item, which is of particular interest to this study, is the advent of the jumbo jet, developed by Boeing as a stopgap measure until supersonic travel was readily available. The jumbo jet has shrunk the world. It is now possible for a businessman to travel to different parts of the country, or different parts of the world in a matter of hours. In 1993 the 1,000th 747, delivered to Singapore Airlines, had a range of 8,290 miles. The impact of this range was that a business traveler could board a plane and travel essentially anywhere in the world non-stop. The ability to move people around the world continues to have a strong impact on the hospitality industry. Just as it is easier to conduct business, and then to contact a customer about that business, it is just as easy to board a plane and fly to see that customer. And that business traveler will need a hotel room.
And that same business traveler may make this trip a dozen times this year alone, each time needing lodging (Modern Wonders, 1993).

Industry-wide consolidation is indicative of the future of the hospitality industry

Currently the hospitality industry is in a period of massive consolidation. 1997 was an active year for hotel chains to consolidate and this merger fever will likely carry on through 1998. In October of 1997 Starwood Lodging Trust purchased ITT Corporation, bringing several different hotel chains under one roof. Westin, Sheraton, and Four Points hotels are now under one roof, giving Starwood a brand array from 2 ½ stars to five stars. In this way there will be less overlapping of services in the various hotels in the Starwood family. Furthermore, the consolidation of the various hotel chains will increase their efficiency, and this increased efficiency will allow for greater profits (Sheridan, 1997). Consolidation of hotel chains will only continue, causing more and more hotels to standardize under a common set of customer requirements and standard operating procedures.

The merger and acquisitions trend seen in the 1980s seems to be showing up again in the late 1990s, with exceptions. Whereas in the 1980s the trend was simply towards “Big is Beautiful”, the consolidations of the late 1990s are more focused on economies of scale. This might then lead to the question, “If hotel companies are getting bigger, are they getting better?” In the early 1990s, when the hotel industry was losing money due to an economic slowdown and industry overbuilding, many pared their ranks and implemented employee productivity programs. This restructuring paid off as the
economy began its upswing and many hotels were ready to benefit from the increased demand. Now, as merger and acquisition fever appears to be sweeping across hotel company board rooms, there is some concern over how much benefit will there be in combining companies. Having already restructured and made themselves profitable, how much more profit will be able to be generated by economies of scale? The key is for the CEOs to involve the individual managers who will be responsible for making this new corporate marriage successful. By involving managers early on the respective companies may be able to avoid some of the frustrations which often accompany a corporate merger (Cline, 1997).

The relevance to the impact of technology on business centers is linked to the standardization process. More and more hotels are requiring that the corporate office, versus the individual property, designate technology improvements. Greater consolidation will allow these designated technology improvements to be spread to a growing number of hotels.

The upside to consolidation is that it allows for brand name awareness. In 1997 Smith Barney published an assessment of the lodging industry stating that there are too many brands mired in the middle to low brand awareness region. The report points out that name recognition makes a quantum jump when the size of a chain exceeds 100 properties. Many companies use this rationale to defend their mergers and acquisitions. Smith Barney’s assessment is that in order for hotel chains to maximize their profitability that they must grow or somehow combine with another group. It has been pointed out
that it is still more economical to simply purchase a hotel versus building a new one. Thus, while many of the chains may not see tremendous increases in profitability from efficiencies or economies of scale, they may see increased profits from greater brand name awareness (Withiam, 1997). This theme of “Big is in” is reflected in the merger of Marriott and Renaissance, Doubletree and Red Lion, and Bristol and domestic Holiday Inn. Increasingly market share is seen as the means towards greater profitability. In keeping with this consolidation, there are fewer entrants into the hotel market. The new entrants seem to be ownership entities, such as investment groups, the corporate child of the mergers and acquisitions (Withiam, 1997).

Where is the money for these acquisitions coming from? The REIT (Real Estate Investment Trust) has become the vessel of choice for financing the mergers and acquisitions of the 1990s. Many companies are focusing their attention on using funds REIT funds funneled through Wall Street to fund their acquisitions. Still other companies are focused on acquiring REIT properties so that they can develop their own property portfolio (Slatin, 1997) but even as these companies focus on acquisitions, there will be fewer and fewer management companies in the market. The companies remaining in the market are those whose emphasis is on long-term development and incentive-based management fees (Troy, 1993).

Increased business travel has had an impact on the hospitality industry.

The airline industry is a good barometer of the changing business environment. More and more business people are on the road, and increasingly, they are being asked to
do more on their trips. The airlines are being forced to create policies regarding the use of laptop computers and electronic devices during flights (Glass, 1994). The following articles discuss how the airline market reflects the increasing focus in the business world on travel, constant communication, and increased productivity. The airline industry, like the hotel industry, has to adapt to changing business traveler needs.

As airlines adapt to these changes, on-line connectivity is increasingly important, as are computer-friendly lounges for business travelers to check messages and work on projects. It is this focus on the customers needs which was the sounding call during the early 1990s. By focusing on customer needs and desires, the travel industry put its considerable focus on bringing back the profitable business travel market (Marshall, 1991).

The lodging industry is also facing significant changes in its customer base. By the year 2000 women are projected to constitute an even 50% of the business-travel market and many hotel companies have recognized this growing market segment and have designed their rooms and marketing accordingly. Increasingly hotels are upgrading their in-room amenities to include hair dryers, irons and ironing boards, room service, and bathrobes. Although men use these services in selecting a hotel they seem to look for business services when selecting a hotel. (McCleary, 1994).
Summary

Technology has forever changed the hospitality industry as hotels are increasingly designing their amenities to target technology savvy business travelers. Hotel chains are combining as profits are becoming linked to market share. The business world is becoming increasingly consolidated and well-connected because of technology advances.

In many different ways the hospitality industry is adapting to modern society as it has been changed by technology. Technology, and its ability to shape the face of the business environment, is the driving force behind the hospitality industry. As technology continues to evolve, and as the business world evolves with that technology, the hospitality industry will follow suit in order to serve the needs of its customers.
CHAPTER THREE

Methodology

Introduction

In this chapter the focus is primarily on two areas. The first is the methodology used for the study and the second concerns the three test sites. The primary test site will be introduced with an examination of the current situation of business amenities offered, problems that have arisen, and possible solutions. The secondary test sites will also be introduced, along with an explanation for their being chosen for the study.

Research Methodology, Data Analysis, and Assumptions

This study uses an evaluative research methodology, analyzing the effectiveness of current programs, both locally and throughout the country, and making recommendations for effective development of future business service amenities. This methodology is supported by the research done at the two secondary test sites and by the literature review. The data collected from the test sites and from the review of literature emphasizes current issues in the lodging industry. The business centers at the secondary test sites are recent to the respective properties within 18 months. The majority of the articles cited in the review of literature are current within the last 2 years, with no article published prior to 1990.

This study will use comparative analysis to determine the most effective use of resources and technology for the Radisson Inn to establish a business center. The data from each of the secondary test sites will be compared to the primary test site, as well as
to the information concerning trends in the lodging industry. Emphasis will be placed on long-term trends in the lodging industry and the perceived needs of the customers of the Radisson Inn.

There were several assumptions made in the methodology of the study. The primary assumption was that using an evaluative method, comparing the three test sites, was the most effective method for this study. With regard to the customers, the assumption was that the profile of the average business traveler was an individual who is on the road at least twice a month. Secondly, we assumed a traveler’s familiarity with current technology and software. In keeping with this assumption we also felt that this traveler most likely would have a laptop computer in their possession. We also made assumptions about the Radisson Inn. We assumed that the development of the business center was a priority for the property and that management had allocated funds for purchase of equipment or possible refurbishing of one or more rooms at the property.

Sample properties

This study focuses on three hotel properties in the Rochester, NY area: The Radisson Inn, The Holiday Inn Airport, and the Thruway Marriott. Each of these properties was visited on different occasions in January of 1998. The site visits for the Thruway Marriott and the Holiday Inn Airport, the secondary test sites, took place on January 23rd and January 30th, 1998, respectively, and each interview lasted for three hours. Information was gathered from the Radisson Inn, the primary test site, over several visits as part of a class on benchmarking techniques. The secondary test sites
were chosen for two reasons. The first reason was the location within the Radisson Inn’s competitive set, with the second reason being a business center currently in operation.

At both of the test site interviews there were three graduate students acting as interviewers. Alan Bruce and Amit Verma accompanied me, and together we interviewed the hotel representative, toured the property, and inspected the business center. I acted as the primary interviewer, with Alan Bruce focusing on technology-related questions and Amit Verma focusing on business and finance-related questions.

Research Instrumentation

The primary research instrument for the study was a questionnaire. Sixteen questions were asked under three subtopics: Operations, Technical, and Financial. These questions were directed towards the current business services of each test site, and any future developments the test site may be planning. During the interviews I acted as the scribe, taking notes and then organizing the information into a legible form. This information was organized by section heading and prepared for review by representatives of the primary test site.

A list of questions was submitted to the office of the general manager of each property one-week prior to the site visit. Submitting the questions in advance and following up with a site visit the interview team allowed the general manager time to prepare answers to the questions, and then to expand on those answers during the site
visit. As the primary interviewer I also questioned the general manager on issues that were not on the formal list of questions but that arose during the site visit.

**Sample Questionnaire**

**Operations**
1. How would you describe the type of business services that you provide your business guests?

2. What are the needs that you perceive your guests to have?

3. How busy is your business center, and are there specific types of customers who use it?

4. What are the hours of operation for your business center, and how flexible are those hours?

5. Is your business center property owned or contracted out? How is the center operated in relation to your other services?

6. What type of staff resources does your business center provide, and what are their training requirements?

7. What type of service resources does your business center offer? (E.g. mailing service, work assistance)

**Technical**
1. What types of equipment does your business center offer?

2. Do you have other types of equipment on hand to loan or rent to your business guests not currently located in the business center?

3. What are the capabilities of your equipment?

   (E.g. copy options, color copies, computer capabilities, type of printing, access to the Internet, networking)

4. What types of software do you have installed on your computers? Any file translation software? (E.g. Mac to PC)
Financial
1. In general, how do you charge business center users? (E.g. per hour, per copy, complimentary service)

2. Does the business center turn a profit or is it run purely for guest convenience?

3. In general, what is the annual budget/investment for the business center?

4. Do you provide in-room business services? Do you provide office space for rent?

Introduction to the Radisson Inn, Rochester, NY

The Radisson Inn is located at 175 Jefferson Road in Rochester, NY. The property is adjacent to the Rochester Institute of Technology and consists of 171 guestrooms and 10,000 square feet of meeting space. This study was developed from a project initiated during a class studying benchmarking procedures during RIT’s 1997-1998 winter quarter. The class was a joint venture, teaming the management staff of the Radisson with graduate students from the Food, Hotel & Travel Management program. Sue McNaughton-Santini, the Director of Sales for the Radisson, joined the team of Alan Bruce, Amit Verma, and Peter Huggins. Our focus was to find similar sized properties that had a business center and enter into a benchmarking relationship, exchanging information on development, use, and short and long term impact of the business center on that hotel.

Current Situation of Business Services at the Radisson Inn

Demand for Business Services

Although the guest demand for business services has never been formally measured, the Radisson is a business hotel with 90% of weekday guests being business
customers. Since the trend in the lodging industry is towards properties catering to the needs of the business traveler, increasingly this means offering both in-room amenities, such as a working desk and proper lighting, and on-demand business services such as faxing and photocopying services.

Copy Service

Small to medium copying jobs are handled by the front desk staff for a fee of ten cents per page. Guests with large or unusual jobs are directed to a Kinko’s Copy Center located a few miles east of the Radisson on Jefferson Road. Complimentary transportation to Kinko’s is provided as necessary.

Fax Service

The front desk staff handles sending and receipt of faxes. While there is no charge for received faxes there is a charge for outbound faxes of $1.00 for the first two pages and $1.00 for each additional page. The faxes are sent by the front desk staff rather than by the guest.

Computer Service

There is no mechanism to provide guests with access to a computer or printer. If there is a need, guests may use the computers of staff members. The computers of staff members have appropriate business software.
Mailing and Delivery Services

All major types of mailing and delivery services are available. Guests must inquire with the front desk staff for information on these services.

Speakerphones

Speakerphones are provided in business rooms and can be made available throughout the property as necessary.

Audio-Visual Equipment

An outside vendor provides most audio-visual (AV) equipment. A business center at the Radisson will not affect this relationship.

Billing of Services

Charges for business services can either be paid at time of service or billed to the guest’s account.

Problems with the Current Situation

There are two problems with the method the Radisson uses for providing business services: Staffing and Ad Hoc services.

Staffing. Currently the hotel staff is pulled away from their duties to assist guests with business needs. The front desk personnel are distracted from their duties by providing fax and copy services. Guests needing to print reports or memoranda disrupt
the executive office staff (the sales and general manager’s office) with requests to use their computers. Allowing guests to use staff computers also raises concern for the security of staff members’ data, and the inadvertent installation of computer viruses.

Ad Hoc Services. While business services are offered at the Radisson, they are not offered in a centralized format that is readily apparent to the guest. Increasingly it is expected that hotels offer business services in the centralized format of a business center.

Plan for the Implementation of a Business Center at the Radisson Inn

The implementation plan includes the availability of a business center as well as room enhancements. There are two possible locations for setting up a business center:

1. The “Board Room” located directly across the lobby from the front desk
2. A renovated guest room

Advantages and disadvantages of the “Board Room” Location

Advantages.

1. Security: A see-through glass door is already installed, allowing the front desk staff to keep the guests and equipment under constant supervision.
2. Visibility: Situated near the front desk, it will allow the staff to monitor the guest traffic in and out. This will help in making day-to-day observations regarding time of day usage, and overall usage.
3. Supervision: Front desk staff will be able to maintain a close watch on the business center in case a guest is in need of assistance.
Disadvantages.

1. There will be a loss of revenue as a result of the room being taken out of inventory.
2. The size of the room is not large enough to accommodate many guests simultaneously.

Advantages and Disadvantages of the Guest Room Location

Advantages.

1. More space to accommodate larger number of guests

Disadvantages.

1. There will be a loss of revenue as a result of the room being taken out of inventory.
2. Direct supervision will not be possible.
3. Given its lack of visibility, it will be slightly more difficult for guests to locate the business center.

Suggested Services to be Provided in the Business Center

1. 24-hour service. The center would be self-serve with front desk staff intervening only if a problem is encountered. As such the center would be available 24 hours a day.
2. Access to business center using a guestroom key. This would require the lock on the board room door to be re-tooled.

3. Tabletop copier at a cost of $1,700. There would be no charge for the use of this copier as it is meant only for small copy jobs. It is intended to take the burden of small copy jobs off the front desk staff. Medium sized jobs, however, would still be run at the front desk for a fee.

4. Fax machine at a cost of $450, plus swipe card equipment. The fax machine would be used only for outgoing faxes. It would be activated by a calling card reader or manual entry of a calling card number. The property’s PBX would most likely have to be reconfigured for this type of use.

5. Telephone, with speakerphone capabilities. Designated one of the speakerphones currently available for guest usage.

6. Personal computer with business software at a cost of $3,000. It is important to include virus protection software on the computer. Even though neither of the surveyed properties had password protected computers, this may be an issue to consider.

7. Internet connection at a cost of $50 per month. It is necessary for the computer to have access to the outside world. The trend in business is such that guests will need to keep in constant electronic contact with their companies as well as their customers. This type of service will become increasingly more important over the next few years.
8. Two color printers at a total cost of $800. One printer will be attached to the personal computer and the second printer, plus desk space, will be available for a laptop computer.

Possible Miscellaneous Services

1. Overhead transparencies provided by the front desk staff.

2. Stationary supplies located in the business center. e.g. Radisson note pads and pens.

3. A supply of pre-paid calling cards at the front desk to be used in the swipe-card fax machine.

Business Center Issues for Follow-up

1. Is there enough power to the room? There must be sufficient electrical power for two computers, two printers, a copier, a telephone, and a fax machine.

2. Will the room need cosmetic refurbishment? Examples are minor painting, picture rearrangement, carpet cleaning, etc.

3. What kind of furniture will have to be provided, and where will it come from? Does the Radisson have appropriate furniture in storage or will new furniture have to be purchased?

4. Will the equipment require service contracts?

Possible Guest Room Enhancements

1. A working desk and ergonomically designed chair for comfort and ease.
2. Power plugs easily accessible to the desk, possibly at desktop level.

3. Two telephones, with data ports connecting to a second telephone line. One of the telephones should be located on the desk.
CHAPTER FOUR

Tabulation and Analysis of the Data

Introduction

Responses to the questionnaire will be covered in this chapter. Included in the data is information about the respective properties (which was not included on the questionnaire), such as how long the business center has been in operation. A sample of the questionnaire was provided in Chapter Three.

The responses were in line with many of our methodological assumptions about the business traveler profile and also about the importance of the business center to the property. The business traveler who uses the business center is someone who is well versed in technology, and who is in need of faxing and photocopying services. Furthermore the properties stressed the importance of the business centers as an amenity which allows them to not only bring in more business travelers, but also to charge a higher guestroom rate.

Site Visit Number One

Marriott Thruway, Rochester, New York

Site Visit on January 23rd, 1998

I met with Denise H. Peruzzini, Director of Operations, Marriott Thruway and Derek Thompson, of CMI Communications, who represented the business center.
The business center opened in April of 1997.

By opening a business center The Marriott Thruway was responding to the business travelers needs.

1. Guests are requesting secretarial, clerical help from the front desk staff.

2. The front desk staff efficiency is impeded and are unable to help other guests.

Marriott outsourced the business center to CMI Communications, an AV firm that handles all of Marriott’s in-house AV needs.

**Business Center Hours of Operation**

- Monday to Thursday: 6:30 am to 11:00 pm
- Friday: 6:30 am to 5:00 pm
- Saturday: Closed
- Sunday: 5:00 pm to 11:00 pm

On Saturday, if CMI staff is on site for an event they will be able to provide guests with assistance as needed.

**Business Center Amenities**

1. Copier
2. Fax machine
3. Clerical/Admin supplies
4. Computer, Online access
   - Windows 95, Office 95, Norton Anti-Virus
Upgrade software as often as possible

No access for MAC users

The business center staff will work with guests on specific projects. However, if the staff is unable to handle a guest’s needs, they will direct guests to the nearest Kinko’s, located on Jefferson Road. The business center is also unable to process color copy/printing requests. Again, the business center staff refers guests to Kinko’s.

Traffic

90% of the time the customer usage is quick “in-and-out” business.

In order of use:

1. Copying: 50%
2. Faxing: 40%
3. Computer: 8%
4. Other: 2%

Billing

There is reduced pricing for guests. Guests receive 20 free copies, in total, as well as discounted faxing. The bill for services rendered may be placed on the guestroom account. In this case the Marriott reimburses the business center for the amount charged to the guestroom account. Accounting codes are utilized in this situation, so that the hotel staff knows which charges are room-related and which charges are for the business center. Guests may also pay the business center directly for services rendered.
Staffing

CMI handles the staffing of the business center directly. There are four staff people who run the business center. The Marriott has no input on the staffing of the business center, or on the training any staff members may or may not receive. The staffing is primarily secretarial in nature. The business center has secretarial staff on duty Monday to Friday in the morning until lunchtime. In the afternoon the owners of CMI replace the secretarial staff for the rest of the day.

Finance

The business center is almost a losing proposition for the Marriott. Neither the Marriott nor CMI is making a profit on the business center. CMI has an agreement with the Marriott for the business center. CMI agrees that they will share a percentage of the business center profits with the hotel only after achieving a pre-arranged dollar amount per day. This arrangement is separate from the AV contract, which specifies a 67% to 33% sharing structure in favor of CMI.

The Thruway Marriott is a franchised property and is owned by the EJ Delmonte Corporation. Accordingly, any requests for changes to the property must be directed to EJ Delmonte’s corporate offices.
Investment

CMI faced a high initial investment on equipment. Following that initial investment staffing becomes the issue. The Marriott renovated a game room for the business center. The room is 10 feet by 15 feet in diameter.

The Marriott lost money initially due to loss of profits from the game room. However the Marriott recognized that a business center is an essentially amenity that must be offered to the business traveler. Although Marriott is not clearing a profit on the business center, Ms. Peruzzini conceded that the business center adds to the total guest experience. The business center is seen as a must have, “an expectation” by the business traveler.

New Technology

Marriott Corporate, as distinguished from the Thruway Marriott, is working on a new development entitled the “Room That Works.” This is a specialized desk allowing for more computer work. The desk is built in sections that would bend in an “L” shape, allowing for more functional workspace, and would allow for easier use of a laptop computer. Furthermore the development includes a more comfortable, ergonomically designed chair, replacing the standard high back chair. Finally, there will be a modem port located in base of the desk lamp, allowing for easy use.

The “Room that works” will be located in the standard King rooms. There are approximately 66 of the King rooms that will be converted into the “Room that works”
concept. The Marriott has a two-and-a-half to three-year time frame for room renovation and conversion. Eventually every room in the property will have data ports. However, the Marriott is facing difficulty with re-wiring due to the unusually difficult building infrastructure, consisting of poured concrete. In addition to the re-wiring renovations, the Marriott is working on renovations to the guestroom bathrooms.

Guest Rooms

Some guestrooms are designed with Murphy Beds, which can be converted into meeting rooms for small groups or breakout rooms for larger groups. The concierge level lounge offers the use of a copier/fax/printer, which is not available in the guestrooms.

The Marriott is trying to sell guestrooms at a 70/30 Transient to Group ratio.

Site Visit Number Two

Airport Holiday Inn, Rochester, New York

Site visit on January 30th, 1998

I met with Sarah Reel, the Administrative Assistant to the General Manager.

The business center was opened in the summer of 1996 in response to customer requests for access to business services. The business center, while not generating a profit, is deemed to be a valuable amenity to the property, and one that guests appreciate.
“Applied Audio” handles some of the AV and DJ services for the Holiday Inn.

Business Center Hours of Operation

The business center is a self-service operation. It is a secure room that is locked 24 hours a day. A guestroom key will access the business center from 5:00 a.m. until 11:00 p.m. daily, after which guests must request a special pass key from the front desk staff.

Business Center Amenities

1. A TV and a VCR, plus lounge chairs
2. Fax and Telephone, including speakerphone and conference capabilities
3. A small black and white copier
4. Two printers, one color, and one black and white.
5. A computer with a color monitor
6. Software, including Office 97, Windows 97, and Internet access, for which the user must have their own password account
7. Laptop accessible
8. No MAC support

The Holiday Inn Has a FedEx drop box, with UPS making regular stops to pick-up and deliver packages.
Traffic

The business center appears to get usage from guests who are students visiting local colleges, as a study area, and from light business traffic. However, there has been no measurement of traffic or specific item usage.

Billing

The fax machine and telephone require the use of a calling card. The copying services in the business center are complimentary to guests. The front desk staff usually handles larger copy jobs. These copy jobs are priced at $0.25 per page, if the guest is charged at all. More often than not the guest is charged at $0.10 per page. Furthermore Priority Club members have free copy services regardless of size. Should guests need extremely large or complex copy or printing services they are directed either to Kinko’s or to a local copy center located near the Holiday Inn.

Staffing

The business center is a self-service operation and requires no staffing. However, the front desk staff keeps the business center stocked with supplies. They are also trained on the equipment in case of questions or problems and can provide light troubleshooting advice. The front desk staff does not provide clerical assistance to guests.

Finance

Currently the business center is not making a profit. The business center costs are not closely monitored and so, while it could be a profitable operation, this has not been
the emphasis. The emphasis has been on meeting guest needs and expectations for on-demand business services.

Any hardware and software upgrades must be approved by the Holiday Inn front office and by the chain corporate office.

**Investment**

The Holiday Inn sets a monthly budget of between $40 to $60 for supplies, and costs. The business center formerly housed the Banquets Department Office. The dimension of the room is 10 by 12 feet. As the space was not directly generating revenue, there was no loss of short-term profit.

**Guest Rooms**

There are three different types of guestrooms available at the Holiday Inn, suites notwithstanding. These are Executive rooms, Standard guestrooms, and Parlor rooms.

There are 21 Executive rooms available to business travelers. These business-friendly rooms are furnished with a work desk and an executive style chair on a roll mat. There are two telephones in the room, one at the bedside and one on the work desk. Both telephones have an extra modem port. The Executive room also features a King-sized bed, a sofa bed or a recliner, and in-room amenities such as a television, a coffee maker, a hair dryer, and an iron and ironing board.
The Standard guestrooms do not include any special business amenities. These rooms are furnished with standard room amenities such as two double beds, a round leisure table, a telephone, and a television.

The Parlor rooms are designed to be used both as a small meeting room and as a guestroom. The Parlor rooms are furnished with a fold-up Murphy bed, a pull-out sofa bed, a standard sized work desk, and a telephone.

In addition to the standard television channels Holiday Inn provides a special television channel to handle guest needs and requests. Holiday Inn Channel has a guest questionnaire, which prints out immediately at the front desk.

The Holiday Inn also offers a Priority Club Lounge. The hours of operation for the lounge are:

Monday to Friday, 6:30 a.m. to 9:00 a.m.
Monday to Thursday, 4:00 p.m. to 7:00 p.m.

In the morning continental breakfast is provided for members. In the evening there are light snacks and soft drinks provided. There is also an express drop box for key/check-out. The lounge is used primarily for networking and relaxing. There are no business amenities provided.
Figure 1. A comparative analysis of business amenities offered by each of the test sites.
<table>
<thead>
<tr>
<th>Hours of Operation</th>
<th>Business Center Amenities</th>
<th>Room Amenities</th>
<th>Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radisson Inn</td>
<td>Copier</td>
<td>Standard guest room amenities</td>
<td>No current billing process for fax, copier, computer usage.</td>
</tr>
<tr>
<td></td>
<td>Fax machine</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Computer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Printer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td>-Fax/Copier available through front desk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Staff equipment used on a as-needed basis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marriott Thruway</td>
<td>Copier</td>
<td>Developing new service called &quot;Room that works&quot;</td>
<td>Two methods of payment:</td>
</tr>
<tr>
<td>(M-R: 6:30 a.m. - 11:00 p.m.</td>
<td>Fax machine</td>
<td>-L shaped desk allowing for better use of laptop computers</td>
<td>1. Charges can be placed onto guestroom invoice</td>
</tr>
<tr>
<td>Friday: 6:30 a.m. - 5:00 p.m.</td>
<td>Computer</td>
<td>-Ergonomic chair</td>
<td>2. Charges can be paid for at business center</td>
</tr>
<tr>
<td>Saturday : Closed</td>
<td>Printer</td>
<td>-Modem hook-up at base of desk lamp</td>
<td>-Charges incurred on faxing, copying, computer use, and office supplies</td>
</tr>
<tr>
<td>Sunday: 5:00 p.m. - 11:00 p.m.</td>
<td>Windows 95</td>
<td>-Will be located in 66 King rooms</td>
<td>-Reduced price copying/faxing for guests</td>
</tr>
<tr>
<td></td>
<td>-Internet access</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Office supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td>-Business center is contracted out to local audio-visual company</td>
<td>Rooms currently being renovated. Property is on a 2-3 year time frame for renovation and conversion.</td>
<td>Charges on guestroom invoice tracked by accounting codes</td>
</tr>
<tr>
<td></td>
<td>-Staffing handled by AV firm</td>
<td></td>
<td>Hotel pays business center after guest pays the room charges</td>
</tr>
<tr>
<td>Holiday Inn Airport</td>
<td>Copier</td>
<td>21 &quot;Executive Rooms&quot;</td>
<td>No charge for business center facilities</td>
</tr>
<tr>
<td>Daily 5:00 a.m. - 11:00 p.m.</td>
<td>Fax machine</td>
<td>-Work desk with executive style chair on a plastic roll mat</td>
<td>-Fax usage must have a calling card</td>
</tr>
<tr>
<td>After hours access available through front desk staff</td>
<td>Computer</td>
<td>-2 telephones per room, each with a built-in data port</td>
<td>Large copy jobs handled through front desk, at $0.25 per page, or referred to Kinko’s</td>
</tr>
<tr>
<td>Locked office, with glass door for visibility and security</td>
<td>Windows 97</td>
<td>King size bed</td>
<td>-However discounts given for guests</td>
</tr>
<tr>
<td></td>
<td>Printers (2) – color, b/w</td>
<td>Sofa or recliner</td>
<td>-Priority club members receive free copying</td>
</tr>
<tr>
<td></td>
<td>TV/VCR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 lounge chairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Office supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td>Self-service business center with access through room key</td>
<td>Staff trained on equipment in case assistance is needed</td>
<td>Budget $40 to $60 per month on supplies and costs</td>
</tr>
</tbody>
</table>

*Hotel Property A currently does not have a business center, and is in the process of moving towards a formal business center arrangement.*
CHAPTER FIVE

Summary, Conclusions and Recommendations

Introduction

This study presents the impact of technology on the lodging industry. Several questions were asked in the introduction. How are hotels adapting to the changing needs of their business traveler guests? What new technologies are going to be used to solve the problems faced by business travelers? This study attempted to answer these questions through direct research of related properties and by researching industry trends. The data from the test sites and the industry trends examined in the review of literature present a clear vision of the long-term direction of the lodging industry. The Radisson Inn, the primary test site in this study, does not have a business center. This study presents solutions to effectively solve that problem.

Summary of the Review of Literature

The review of literature presents 33 articles that focus on themes and areas of interest in the hospitality industry. There are four subtopics addressed in the literature review:

1. Hotel amenities which target the specific needs of business travelers.
2. The role of technology on society, and specifically on the business environment.
3. Industry-wide consolidation of the hospitality industry.
4. Impact of increased business travel on the hospitality industry.
An emphasis was placed on surveying literature that not only provided insight on the issue of technology in the hospitality industry, but also on the age of the articles. 18 of the 33 articles were published between 1996 and 1998, with no article published before 1990. Technology is rapidly evolving, and the hospitality industry has had to evolve just as quickly to meet the needs of its customers. The research is supported by this emphasis on current information, allowing the site visit data to be realistically compared to current trends in the industry.

Summary of the Methodology Used

This study used a comparative research methodology in analyzing not only the information from the review of literature, but also the data from the three test sites. The methodology used in this study emphasized this comparison of similar test sites in the Rochester, NY lodging market. Furthermore, the three test sites are in the same competitive set and are competing for a similar group of business travelers.

Meaning of the Results

The hypothesis of this study is that business travelers prefer simple in-room amenities to a formal business center. Business travelers are interested in comfortable in-room amenities, including a work desk, proper lighting, modem ports, and printing, faxing and photocopying capability. Based on data from the review of literature and the on-site visits, this study supports this hypothesis and goes on to make recommendations concerning the future of the lodging industry with regard to the business traveler.
One of the common themes discussed in the review of literature is the impact of technology on size. Technology hardware is getting smaller and smaller. Laptop computers are becoming lighter and lighter, enhanced by even smaller palmtop computers, and the business traveler has become a barometer of this change. Increasingly business travelers are taking their offices on the road with them in the form of laptop computers, e-mail software, and fax machines. In the early 1990s the lodging industry reacted to this changing business environment by creating nearly autonomous business centers in their hotels. Some hotels even opened a Kinko’s Copy Center in an attempt to cash in on the increasingly lucrative business travel market. Their conclusions were both simple and complex. Business travelers wanted little to do with hotel business centers. Hotels found themselves in a losing proposition, having tied up valuable resources to serve a market that seemingly wasn’t there.

By the mid-1990s hotels began to implement what is becoming the future of the lodging industry. Hotels began to implement in-room amenities such as modem ports, working desks, fax machines, and even computers. Business travelers have reacted positively to in-room amenities, though with an emphasis on simplicity. Given that many business travelers bring their laptop computers with them, hotels that provided in-room computers found themselves with the same guest complaints, that there was no desk space for their laptop computer.

The data from the Marriott Thruway and the Holiday Inn Airport confirms this emphasis on the business travelers’ dislike of the business center. In both cases the
centers are underused and are a drain on profits for the property. In both cases the responses have been very favorable to in-room amenities such as a working desk, improved lighting and telephones with built in modem ports. Both the Holiday Inn Airport and the Marriott Thruway have either implemented in-room amenities or are in the process of doing so.

The results of this study provide clear guidance for the Radisson Inn as it attempts to meet the ever-changing needs of its customers in that business travelers have indicated a need for in-room amenities, with some emphasis placed on the printing, faxing or photocopying of documents. The Radisson Inn is best served focusing its energy and funds on re-wiring the guest rooms and providing their business class room with working desks, proper lighting, and multiple telephone lines. For those travelers who need to print reports or documents, the hotel could consider a printer kiosk, in the same way that some hotels and airports have Internet kiosks. The Radisson Inn could then meet the needs of its customers and also free its staff from having to face constant interruption and security issues.

Usefulness and Limitations of the Results

The results of this study are useful because they point to the constant battle in the hospitality industry: serving the customer versus increasing the profit of the hotel. Hotels that do not keep their fingers on the pulse of the customer will find themselves spending a great deal of money on a business center that is not used.
This study is also limited in its scope in that it only addresses the lodging market in the Rochester, NY market. Furthermore the study only targeted three properties on the same service level. In order to be of greater significance the study must increase its sample population to include hotels in cities with similar demographics. Examples of these cities are Buffalo, Syracuse, and Ann Arbor, MI.

A final limitation is the speed at which technology shifts. Computer chips are obsolete six months after they are released, and computer hardware is nearly obsolete as soon as it arrives in stores. It is in this environment that the lodging industry is attempting to understand and position itself. As hotels attempt to cater to the needs of the business traveler, there will be more general managers asking how they can meet these needs, given the speed of technology.

**Recommendations for Improvements**

This study is limited not only by the scope of the research, but also by the methods used to analyze the data. As the study grows in size one area of improvement is to provide statistical analysis of the data. The focus of the study would be on topics such as the impact of frequent travelers, percentages of business travelers bringing computer technology on the trip with them, and the frequency and volume of services such as photocopying and faxing.
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