CHAPTER XI
CONCLUSION AND RECOMMENDATIONS

Conclusion and recommendations will be showed in this chapter. In conclusion, the summary of each chapter from this research is presented. Some recommendations about this study can be described in the final section.

6.1 Conclusion of the Study

Nowadays, Thailand's competition in service sector has dramatically increased. With a reason of having many interesting and amazing tourist attractions, hotel industry in Thailand has mushroomed tremendously. That is why a different strategy of hotel's management plan is needed for each hotel to keep one step ahead of its rivals. As a result, a researcher pays much attention to the importance of building differences in hotel's services not only for hotel itself to rapidly appreciate the hotel's clients, but also for its clients' sake to easily access to the hotel. Moreover, they can enjoy more convenience and facilities in the hotel. In addition, IT at the present has been developed and advanced enormously and also plays a vital role in the assisting of management's system. Researcher realises how the importance of IT has and intends to apply this with service industry. Therefore, in this study, researcher intends to combine the trend of growing service's business in Thailand together with IT in order to see the improvement of the quality on reservation system for hotel industry.

A medium and independent ABC hotel has been chosen as a field study. This hotel is quite unique because the company is run by a family which has to compete with many growing international hotel chains particularly in the heart of Bangkok. In this study, researcher aims to analyse problems of management system in its reservation department. Then, an implementation of management system in this department will be conducted (details will be mentioned below). Efficiency and effectiveness in the hotel's management system will be established beneficially. Its development will strengthen, for instance, its ability to better attract its target group and compete with other hotels.

Regarding from the study, researcher concludes that problems are divided into four categories. First of all, the cancellation of room's reservation among its clients is quite high. Without a clear punishment in any kinds from the hotel, the clients book a room, no matter how, irresponsibly. For example, some clients care for booking a room only in advance without their real intention to stay in a hotel. Other clients may fancy booking a room just for their own pleasure or their curiosity to know more about what will happen next. To solve this problem and handle with care the mentioned clients, researcher initiates penalty policies for reservation by hoping that the cancellation of room's reservation in the hotel will be gradually decreased almost 7 per cent. In other words, the hotel can gained more profits after tear this tight spot approximately 3 million Baht; which equals to 50 thousand pounds a year.

Secondly, a system to collect hotel's information has been changed from paper-base system to database system because IT has been advanced and developed day by day comparing to IT in the past. However, this new central filing system relatively creates some disadvantages such as insufficiency of knowledge and understanding in the system among hotel's personnel and a loophole in the information transforming process from paper-base system to database system. These problems have directly affected on the accuracy and the completion of hotel's information, as well as, its relevancy which will have an influence on its decision process. All in all, there is still no integrity of the information collected by the database system. "Fidelio" is used to diminish all kinds of stated errors following by creating a training programme to ensure all employees in the reservation department understand how to use state of the art tool and make sure that system runs properly. Subsequently the job descriptions and the standard of procedure have been revised; these techniques facilitate hotel's staffs and personnel in every position better understanding and see it as a guideline of their operation. It also conducts hotel's employees to work in the same direction.

Thirdly, overbooking of a room can be sometimes found regarding to the system of collected information in the past. However, the paper-base system is not convenient for real-time booking. The hotel staffs do not know exactly the availability of the room when the client makes a reservation. Also, they cannot even ensure their clients which types of hotel's rooms are available and how much the room costs. This is because information cannot be kept systematically in the collected process and there

is no updated checking status. In the paper-base system, the more information it gets, the more difficulty the system has, though, there is no reliability in the information. As a result, hotel's employees necessarily accept the reservation in every order. The clients' demand of hotel's room, sometimes, is higher than its real capacity, though, they have received the confirmation of their booking. Because of their disappointment in hotel's management, they may not come back to use hotel's services again. Not only a good reputation of the hotel disappears but also its credibility among clients decreases. Moreover, when its clients spread out its ineffectiveness in hotel's services with their friends, the hotel may lose their future customers more or less. By aiming to get rid of this problem, researcher uses the same tactic in the second solution above. "Fidelio" programme is used once again and followed by structuring reservation model in order to direct hotel's personnel to operate in the same way.

Last but not least, the information and communication among hotel's staffs and personnel is lack of unity. Their communication is rarely effective and usually misunderstood. Also, their styles of using language are different. These create not only insufficiency of their misunderstanding the overall department's system both in their work themselves and other colleagues' work. Therefore, it is not easy to rotate hotel's employees to do other's work or, in short, they cannot compensate each other in case of lacking one another. In the form of bottom-up and top-down communication in a department's hierarchy, flow of communication cannot be transferred throughout. Besides, each hotel has its own way of handling room reservations by considering that 'as long as it works efficiently and effectively'. It has to bear in mind that reservation clerks sometimes go on holiday or leave their place of work with or without notice. Therefore, this kind of training and the new system should be flexible for other members of staff to move into the reservations department and can operate the systems with the minimum number of problems and less time consuming.
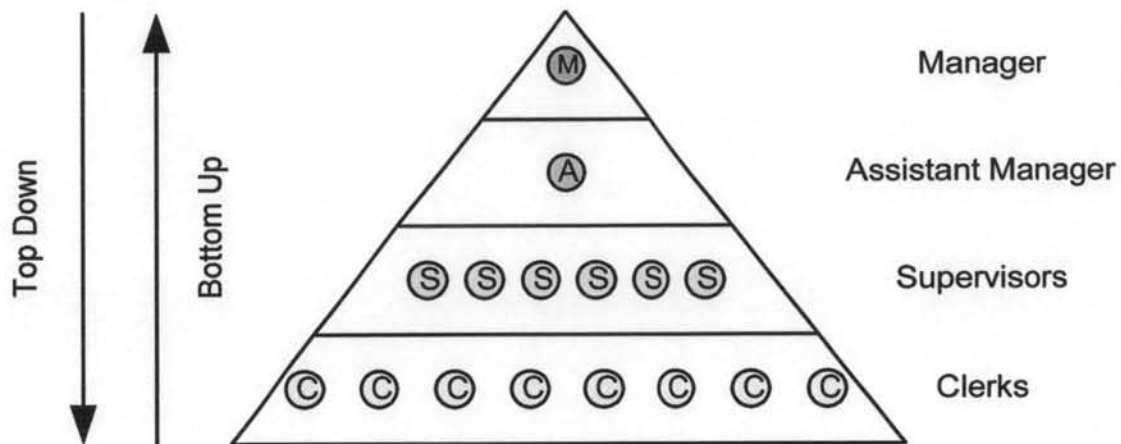
Figure 6.1: Adopting a New Information Flow within Department

There are two solutions to solve this problem which are job description and training programme. On the one hand, job description of each employee has been done clearly. In addition, it is necessary for each staff to study other employees' job description in order to understand other employees' duties, as well as, their work limitation and other's work. Furthermore, the more they know and communicate among each other, the more linkage of their work grows. On the other hand, a training course for hotel's personnel should be held usually especially in Human Resource Development (HRD). The goals of its training course are not only obtaining of employee's expertise and better understanding on their duties but also updating them about the present hotel's status, general information and also the latest and dynamic work system. The work system is changing all the time, for example, by the powerful influence of IT. This provides hotel's ability to compete with other hotels. The training programme is also useful for fixing related problems which are linked together.

Researcher also considers customer satisfaction as a way to widen hotel's approach to its clients. How to increase the customer satisfaction is to facilitate its clients by using express check-out service and adding more channel for the clients to easy access to the hotel which is a reservation of a room can be done via a Website.

Notwithstanding, the Website, at the present, which allows customers to book a room through the Website has been used by many hotels. However, in this research, service

differentiate can be seen and this makes it differs than other hotels. Besides, this medium and independent hotel likes ABC hotel has more advanced in reservation service if compare with other hotels in the same range. Reservation service via the Website is not quite popular among many medium and independent hotels. Therefore, a good image of this hotel in high-quality services can be compared with other five star hotels but its room's price is cheaper. Foreign and local tourists should consider this as an option of choosing a place to stay overnight. Moreover, this is also a business opportunity for the hotel itself.

All in all, with these factors, the hotel has more competitive advantage in business which creates efficiency and effectiveness in hotel management. Cost reduction is also one of many effects resulting from many factors above. Hotel's cost has been gradually decreased because the advanced technology helps managing hotel more convenient and makes its problems easy to fix. For instance, in case that the reservation is made in advance but the clients do not show up later on or they decide unexpectedly to cancel the room. It can be argued that the cost of advanced technology is very high in a very beginning because of spending money on such as installation, maintenance and system training. However, in the long run, there are many obvious advantages, for example, the growing of its profits, the rise of hotel's customers and the efficiency of its management. It can be said that all of mentioned above is what we call a Business Reengineering Process (BRP) of this department. There are many outcomes which can be achieved such as better quality in hotel services, smooth management as well as efficiency and effectiveness in hotel management system. These results bring about the appreciation and satisfaction of its customers leading to the clients revisit the hotel and use hotel's services again, in short, these initiate customer loyalty. Furthermore, old hotel clients may help advertising hotel's good reputation by spreading out with friends and persuading them to use hotel's services in one day. This strategy has developed better Customer Relationship Management (CRM) which reflecting on gain sales and profit.

6.2 Recommendations – The Future Organisation of the ABC Hotel

As new business practices are evolving as fast as our technologies, resistance to change has become a primary cause of business failure. The future success of a hotel will be driven in large part by the ability to foresee and capitalise on change. As we go through global transitions, the successful hotel will examine the key factors that will not only define success but also the ability to survive in coming years. These key organisational trends must be acknowledged by the successful hotel organisation: visionary leadership, globalisation, diversity, flexibility, flat structure, customer focus, zero defects, network orientation, and being in the information fast lane.

The organisation must be able to respond to increasingly globalised sales, the movement to maintaining sales offices in many countries and hotel properties across the globe, and an increasingly globalised labour market.

Diversity means the organisation must respond to a workforce that is heterogeneous sexually, racially, and chronologically; innovation and conflict/communication issues; and different styles of interaction, dress, presentation, and physical appearance.

Flexibility in the modern hotel organisation means assuring that systems, processes, and people can respond differently to different situations; fewer details rules and procedures; greater autonomy and encouragement of initiative; customising employment relationships to include telecommuting and job-sharing; and lifetime employability rather than lifetime employment.

The trend toward flatness in hotel organisations means fewer levels of management; workers empowered to make decisions; and fewer differences in responsibility. The organisation's employees need to believe in a sense of entrepreneurship that reacts proactively to market diversity. Traditional organisations that follow well-documented rules must give way to leaders who can balance a sense of discipline with one of flexibility.

If the customer is a VIP in these days, hotel organisations will be best served by focusing less on their hotel assets as measures of success and more on their customers. This involves a fundamental shift from viewing the real estate asset as the wealth creator to seeing the customer as the key to building shareholder wealth. A customer focus must reflect business decisions at all levels of developing and operating a hotel organisation. Pursuing such a course will inevitably impact shareholder wealth.

The Japanese concept of zero defects in products and services can yield tremendous benefits for a hotel business organisation. In practical terms, the hotel industry finds it extremely difficult to meet the standard of zero defects in service. Hotel services are based primarily on people, not on computers or other equipments. In the past, a business executive did not expect a consistent and predictable level of service wherever he/she travelled. Today that is the standard, not the exception, as is the expectation of sophisticated technology in hotel rooms to support business needs. With customer discrimination so acute, it is not surprising that brand loyalty is a diminishing commodity in the hotel industry.

Today's hotel organisation must recognise the need for visionary leadership. The old command-and-control model of leadership is giving way to a focus on leadership in ideas, information, inspiration, vision, and teamwork. A failing hotel organisation is over-managed and under-led.

The networked hotel organisation can facilitate direct communication across unit and property boundaries, ignoring the chain of command; cross-unit team structures; outsourcing and downsizing; strategic alliances with competitors and others; customisation; and decentralisation.

Being in the information fast lane is critical. The traditional role of IT as a back office support for accounting and bookkeeping has clearly moved to front and centre stage. IT today influences all aspects of business from corporate strategies to organisational structure. Technology was once viewed as a way to reduce costs by replacing people. That attitude has been firmly supplanted by the idea of seeking IT support for the creative work all organisations must pursue. IT must enable organisations to react

more speedily to market needs and, produce the fulfilment of customer demands both quickly and accurately. To do this it must operate on a decentralised basis. IT delivers, but it has to deliver the right information to the right people at the right time.