LEARNING OBJECTIVES

• Identify current trends that are influencing the hospitality industry.
• Examine future challenges that hospitality professionals may encounter.
• Comprehend the changing role of technology within the industry.
• Examine the prominent role of social media and its impacts.
• Explore the importance of sustainability and green hospitality.
• Recognize ethical challenges and moral decision-making practices.

CHAPTER OUTLINE

2011: A Year of Transformation
Technology and Social Networking
   E-Hospitality
   Social Networking
   Ad Targeting
   Text Message Marketing
   Shared Technological Services
Sustainability and Green Hospitality
Ethics in Hospitality
Summary

KEY TERMS

Ad targeting
Consumer Behavior
E-Commerce
E-Hospitality
Globalization
Green Hospitality
Segmentation
Shared Technological Services
Social Media
Social Networking
Sustainability
2011: A Year of Transformation

The hospitality industry must transform itself to keep up with demands set on the relationship between guest and services, which are becoming more complex with customer knowledge and increasing expectations, causing preferences to change. Changes in the past decade are creating a new environment in which hospitality services need to do more with less to secure growth and competitive differentiation in today’s economy to ultimately meet the challenges of the next decade. The modern customer has become more dynamic than ever by developing expectations built around personal needs refined from performing significant amounts of research prior to travel. Further, globalization is creating growth markets, influencing the hospitality map, and is a recent development that will need to be capitalized on. Professionals must be able to effectively adapt to these changes by closely monitoring consumer behavior to maintain effectiveness in guest services as new segments of customers from differing parts of the world with significant financial clout and unique discrepancies of needs will expand the volume of the global marketplace.

What will the future bring? Though no one can predict the future, we can hypothesize outcomes based on past and present behaviors. Now ask yourself, what current trends, ideas, and actions will likely shape the outlook of the world in which we live? If the terms technology and social media, sustainability, and ethical decision making, come to mind, then you have already begun to recognize the important key issues in the progression of modern society. It will be critical for you to become familiar with such current issues and to develop an understanding of what skills professionals will need to cultivate to manage the challenges that lie ahead.

Technology and Social Networking

E-Hospitality

E-commerce is a form of Web retailing that features the buying and selling of goods and services on the Internet, consisting of direct retail shopping (with a global reach and a 24-hour availability) and has become a multi-billion-dollar industry for world business. Multiple distribution channels are used through Web sites, third-party Web sites (such as social media network advertisements), and telephone reservation systems. There are several key aspects of e-commerce, which include the following:

- Virtual storefronts on Web sites with online catalogs
- Gathering and usage of demographic data
- Business-to-business exchange of data, buying, and selling
- The use of e-mail, instant messaging, and social networking
- Security of business transactions

E-commerce has influenced the hospitality industry to create and develop its own form of electronic commerce. E-hospitality is an innovative service known as “total solutions” where distributing, servicing, and supporting hospitality products to all sizes of organizations in the industry to offer more amenities and support services to potential guests. Hotels, for example, are now using this resource to improve availability to accommodate the needs of guests around the clock. To be skilled in ever-changing commerce technology, formal on-the-job training must transpire. There are now video blogs with brief interviews with industry experts, which discuss important topics such as online marketing, e-commerce, and sales and marketing learning materials. Some of the most prominent benefits are reduced labor costs, increases in productivity, revenue, consumer service convenience, and a competitive advantage in the market.

Social Networking

Today, social networking is a $1.8 billion industry. Web sites are now being created where students and professionals in the hospitality industry can do it all—participate in forum discussions, read/write blogs, search for/post jobs, promote events, chat, and facilitate business connections. Today, hospitality professionals can share insider information with up-and-coming students to discuss topics of interest in forums, groups, by means of private messages, or in a chat room, which may lead to new friendships, career exploration, and professional development.

Now that online social networks have become an established method of communication for many consumers, online communication is now more likely to transpire through social media than via e-mail. Social media is a marketing technique that has gained momentum over the past several years with promising projections for future success. Though Web sites such as Facebook, Twitter, YouTube, and Flickr are
CHAPTER 3 Current Trends and Future Issues

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messages and is growing in popularity with the opportunity to expand.

- 86% of the population ages 13 and up have cell phones.
- 95% of cell phones have text message capability.
- Over 90% of texts are opened and read versus only 40% of e-mails.
- There were over 1 trillion texts sent by mobile phone users in 2009.

Businesses are beginning to text coupons, new product information, company updates, sales, and Web links in a manner that is inexpensive, convenient, and transformative.

Shared Technological Services

A model is being developed to dramatically alter the cost performance landscape for the hotel industry through the sharing of many technological services such as guest room device management, concierge, point of sales, housekeeping, facilities management, and human resources and is now being used by multiple hotel companies. These services offer efficiencies and execution practices that will improve standards of delivery, quality, and performance for hospitality technology functionality for years to come.

Sustainability and Green Hospitality

Sustainability—or the capacity to maintain, support, or endure—is an ecological term that describes how biological systems remain productive through diversity over an extended period of time. The challenge to sustain is to necessitate the present without compromising the ability of future generations to meet their own needs, while balancing environmental, social, and economic demands.

The drive of human manifestation has taken a toll on Earth’s ecosystem, which is altered by population and impact per person determined by the ways in which resources are used (consumption). The depleting of natural resources and pollution have been top environmental concerns over the past several decades. There are moral, ethical, social, and political factors for taking action to improve conditions. To become sustainable, we must be able to efficiently manage the environmental, social, and economical aspects of the world in which we live.
In the second half of the twentieth century, the world population doubled, food production tripled, energy use quadrupled, and overall economic activity quintupled. Historically, there has been a significant correlation between economic growth and environmental degradation: As technology advances, the environment declines. Unless resource use is monitored, modern global civilization will collapse through overexploitation of its resource base. Sustainability efforts help to reduce the amount of resources such as water, energy, and materials that are needed for production, consumption, and disposal, through economic management, product design and the implementation of new technology.

Future business leaders must be able to balance ecologic, economic, and social concerns, which is most commonly known as the triple bottom line. Uneconomical growth is growth that depletes the ecosystem resulting in a declined quality of life. Conservation techniques such as waste reduction and energy efficacy reduce costs, liability insurance, environmental penalties, and disposable costs, and many lead to an increase in market share from an improved public image. Several key principles have been developed to guide sustainability efforts, including

- Intergenerational equity by providing future generations the same environment potential as the present
- Decoupling economic growth from environmental degradation—less resource intensive and to reduce pollution
- Integration of environmental, social, and economic sectors with developing sustain policies
- Ensuring environmental adaptability and resilience—enhancing the adaptive capability of the environmental system
- Preventing irreversible damage
- Accepting global responsibilities
- Education and grassroots involvement

Over the past several years, there has been increasing pressure on the hospitality industry to implement “green” initiatives in response to demands from the government, environmental groups, and the general public. This is commonly referred to as green hospitality. The goal of green hospitality is to improve the ability of business while increasing its positive impact on the environment. The challenges faced by the hospitality industry to sustain are the costs of increased pressure on the natural, social, and environmental resources generated by increased number of tourists in concentrated tourism destinations. Moreover, climate change threatens many of the prized tourism destinations such as beaches, islands, and coral reefs.

Expanded tourism destination development has spread travelers across the globe at the expense of natural and social environmental assets. Tourism has a major impact on local communities in tourist destinations. On the one hand, it can be a significant source of income and employment for local people; on the other, it can pose a threat to an area’s social fabric and its natural and cultural heritage, on which it ultimately depends. These destinations can be conserved if responsible planning and careful management of facilities and resources transpires. The challenge and goal for the future is to incorporate win–win solutions with travelers and tourist destinations, which will require dynamic thinking and creative solutions. The hospitality industry has developed the following goals to promote sustainability:

1. Design equipment that uses fewer resources.
2. Use sustainable food and beverage options.
3. Decrease environmental impacts while increasing profitability.
4. Integrate sustainability management systems while staying ahead of the competition.
5. Increasing the reputation of an operation to attract investment by incorporating responsible marketing and corporate social responsibility policies.

More specifically, many hotels are now developing resourceful methods to promote sustainability by implementing

- Low-flow showerheads
- Faucet aerators
- Low-flow lawn sprinkler systems
- Compact fluorescent lighting
- Energy-efficient central heating and air-conditioning units
- Bulk soap and shampoo dispensers in showers
- Recycled paper tissues
- Unbleached stationary
- In-room recycling deposit
- Organic cotton linens
- Air and water filtrations systems
- Environmentally safe cleaning products

A recent study has shown that 70% of tourists are willing to pay an extra 9% to 10% in premiums when it comes to environmentally friendly lodgings.
An innovative approach practiced by the Fontainebleau Hilton Resort and Towers in Miami Beach, Florida, is to reuse laundry detergent barrels as garbage bins. “Greening” hotel towels and linens is a resourceful conservation method now practiced where guests and housekeeping agree to leave the same towels and linens for use in rooms for multiple days, reducing water and detergent expenses; this is most commonly referred to as the linen and towel program. These techniques have been used in hotels such as The Hampton Inn, Embassy Suites, Best Western, and Comfort Inns across the nation.

Ethics in Hospitality
Ethical behavior has been and always will be a challenge for corporate executives, managers, employees, and guests alike. Hospitality, travel, and tourism is the fastest-growing industry in the world, governed by powerful corporate and political influences. As discussed in this chapter, many companies are using technology to improve productivity and reduce labor costs. However, if labor costs are being reduced as a result of technology, then that means employees are losing hours, income, and jobs.

As businesses and services expand, revenue increases, which requires meticulously detailed financial management and allocation of funds. One could ask if it is ethical to pay hospitality employees minimum wage with no health insurance, medical benefits, retirement, vacation, or sick days when they have families to support. Other hospitality employees may have jobs where tips are associated as supplemental income. However, corporate mandates instruct them to share their tips with other non-tip-generating employees and allows the company to reduce labor costs by lowering hourly employees’ pay at the expense of the staff. Where do we draw the line between profit and employee relations?

A corporate executive may implement a rule at the expense of management and hourly employees to increase revenue for company shareholders; a risk management analysis may elect to not fix a problem that will likely cause personal injury to save money; restaurant managers may offer preferential shifts to servers in exchange for personal favors; a cruise line director may deflect blame on an employee instead of taking personal accountability for a mistake; a guest may exaggerate an unsatisfactory experience to get monetarily compensated. The majority of theft in the workplace is committed by employees. Will a blackjack dealer pocket a one hundred dollar casino chip or bartender embezzle a bottle of vodka, will a hotel maid steal guests’ personal belongings while cleaning a room, or will a theme park employee scalp employee entry passes for cash? These are all dishonest actions that may compromise the integrity of the service industry. It will be critical for hospitality professionals of the future to demonstrate ethical behavior over myriad situations and circumstances to minimize corruption and maintain legitimacy within the industry.

Summary
The hospitality industry is changing at a rapid rate due to technological advancements that will require future professionals to be skilled in technology while conserving natural resources to sustain our environment. Leisure professionals will need to exceed guest expectations from a growing clientele and accommodate their ever-changing needs to stay relevant. Future leaders must be able to analyze and identify current trends to understand future consumer behavior by conducting research while maintaining ethical behavior to uphold integrity within the industry.

RESOURCES

Internet Sites
Amadeus Technology Institute: http://www.amadeus.com
Digital Visitor Social Media Solutions: http://www.digitalvisitor.co.uk
Ecole Hoteliere de Lausanne Institute of Technology and Entrepreneurship: http://www.ehlite.com
Globally Green Hospitality Consortium: http://www.globallygreenhospitality.com
Hotel Technology Next Generation: http://www.htng.org
Hospitality Trends: http://www.htrends.com
References
Review Questions

1. Discuss several ways in which technology will influence the future of the hospitality industry.

2. Describe several ways in which social networking can improve the hospitality industry.

3. List four ways in which hospitality companies can improve their online presence through social media.

4. Define e-hospitality.

5. Explain how text messaging can be an effective marketing tool in the hospitality industry.

6. Why is sustainability a future concern?

7. List several ways in which hospitality services can improve sustainability.

8. Discuss some of the challenges hospitality professionals will face to maintain sustainability.

9. List and describe five creative/innovative sustainability solutions within the hospitality industry.
10. Why is the demonstration of ethical behavior critical to future success in the hospitality industry?

11. What are the greatest challenges hospitality employees will face in the future regarding ethics in the workplace?