

## ***Readiness of upscale and luxury-branded hotels for digital transformation***

**Renée Pluymackers**

### **Original paper**

Readiness of upscale and luxury-branded hotels for digital transformation by Carmen Lam and Rob Law

### **Reference**

Lam, C., & Law, R. (2019). Readiness of upscale and luxury-branded hotels for digital transformation. *International Journal Of Hospitality Management*, 79(79), 60-69.  
doi: <https://doi.org/10.1016/j.ijhm.2018.12.015>

### **Link to original paper online**

<https://www-sciencedirect-com.tilburguniversity.idm.oclc.org/science/article/pii/S0278431918303475?via%3Dihub>

### **Project created for the class:**

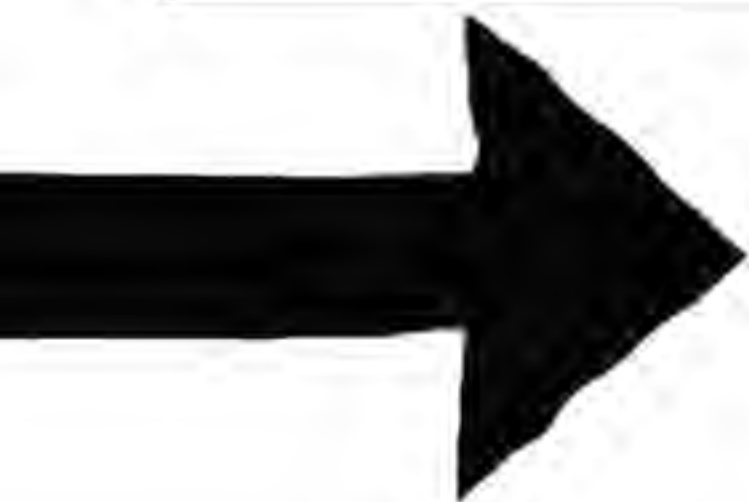
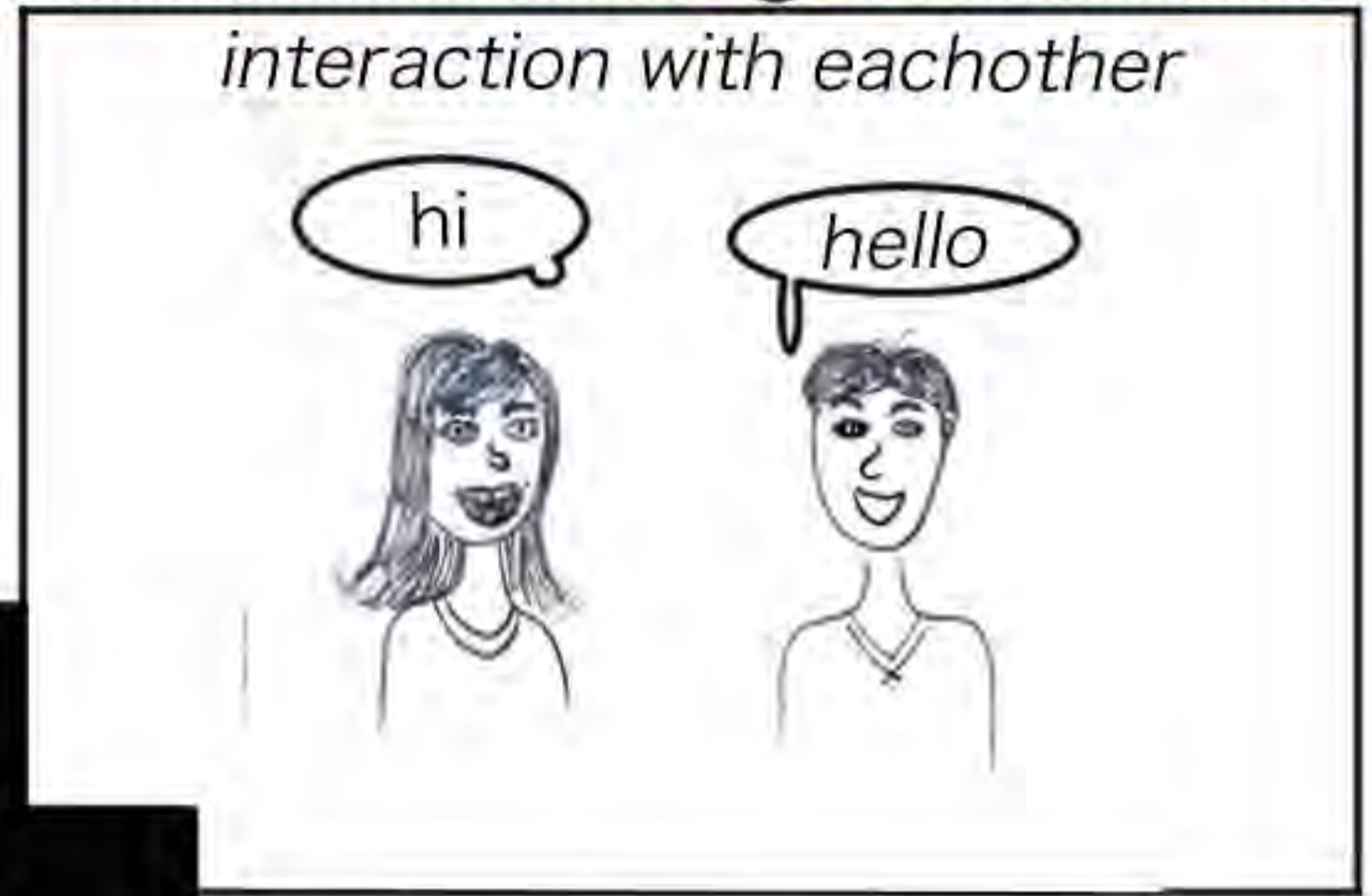
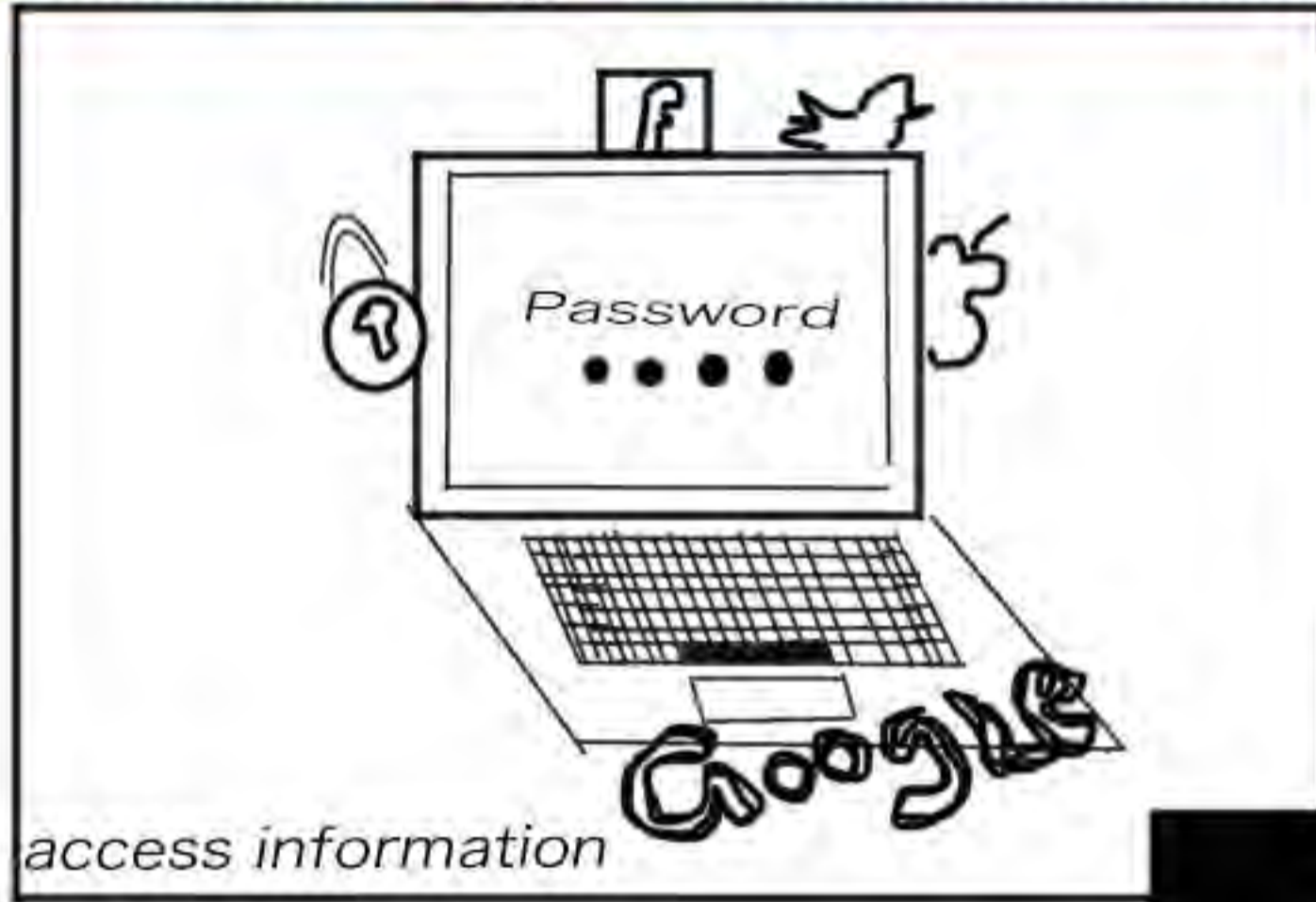
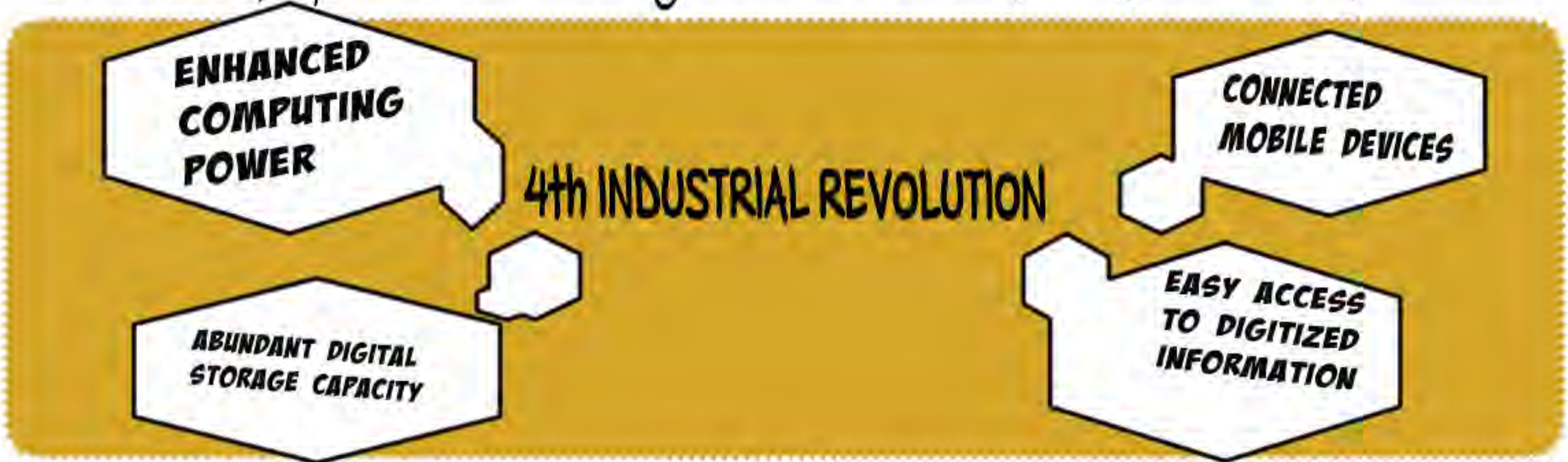
Visual Thinking and Composition, Winter 2020

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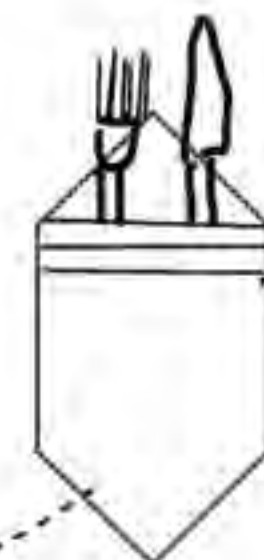
# Readiness of upscale and luxury-branded hotels for digital transformation



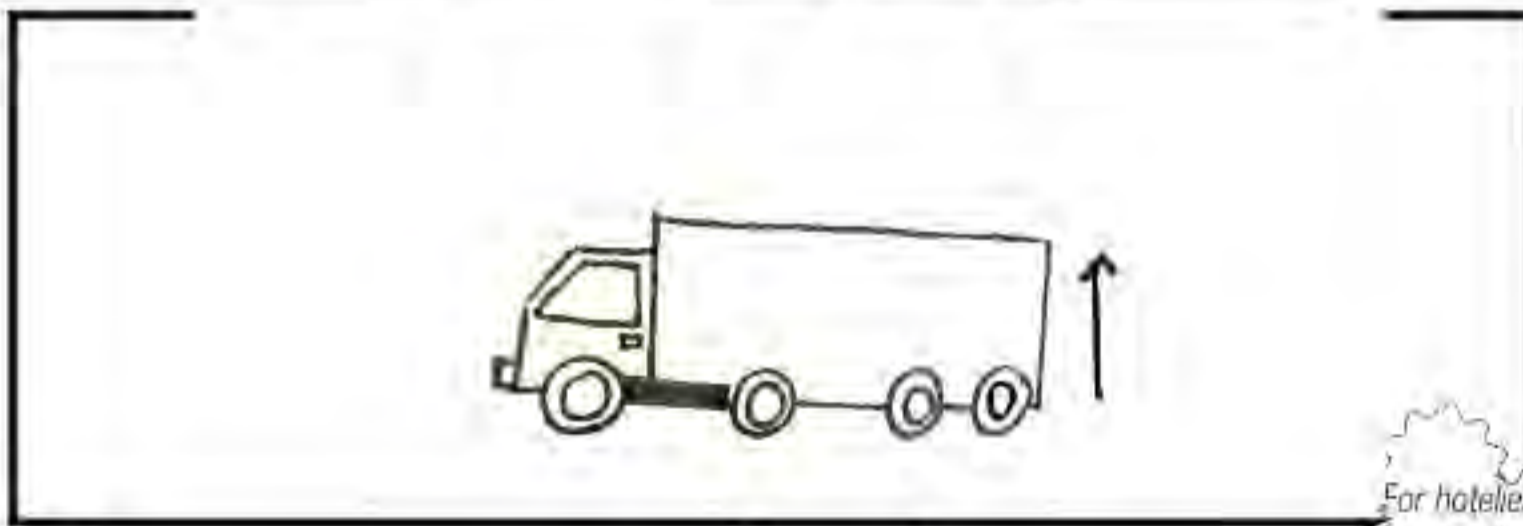
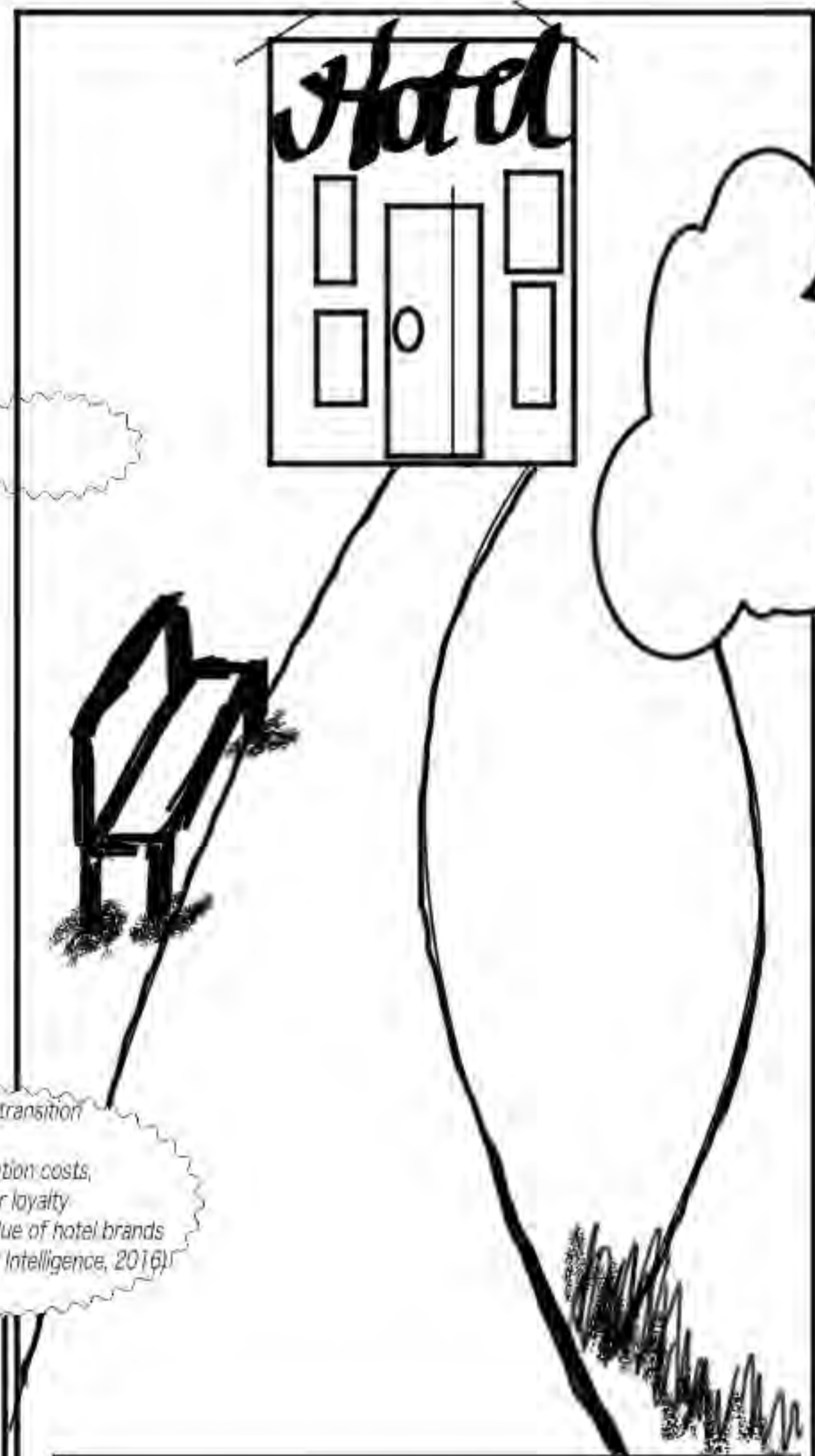
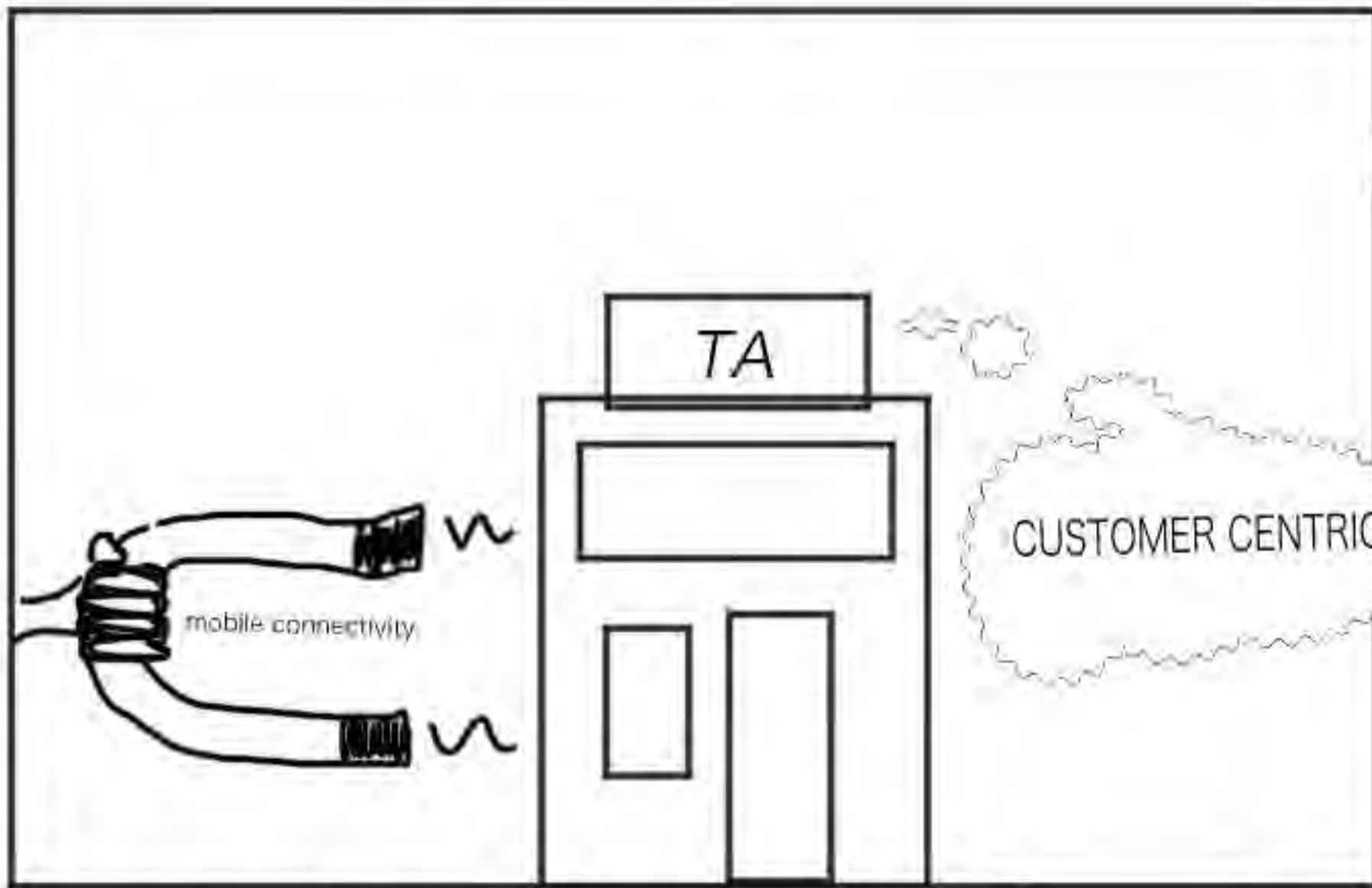
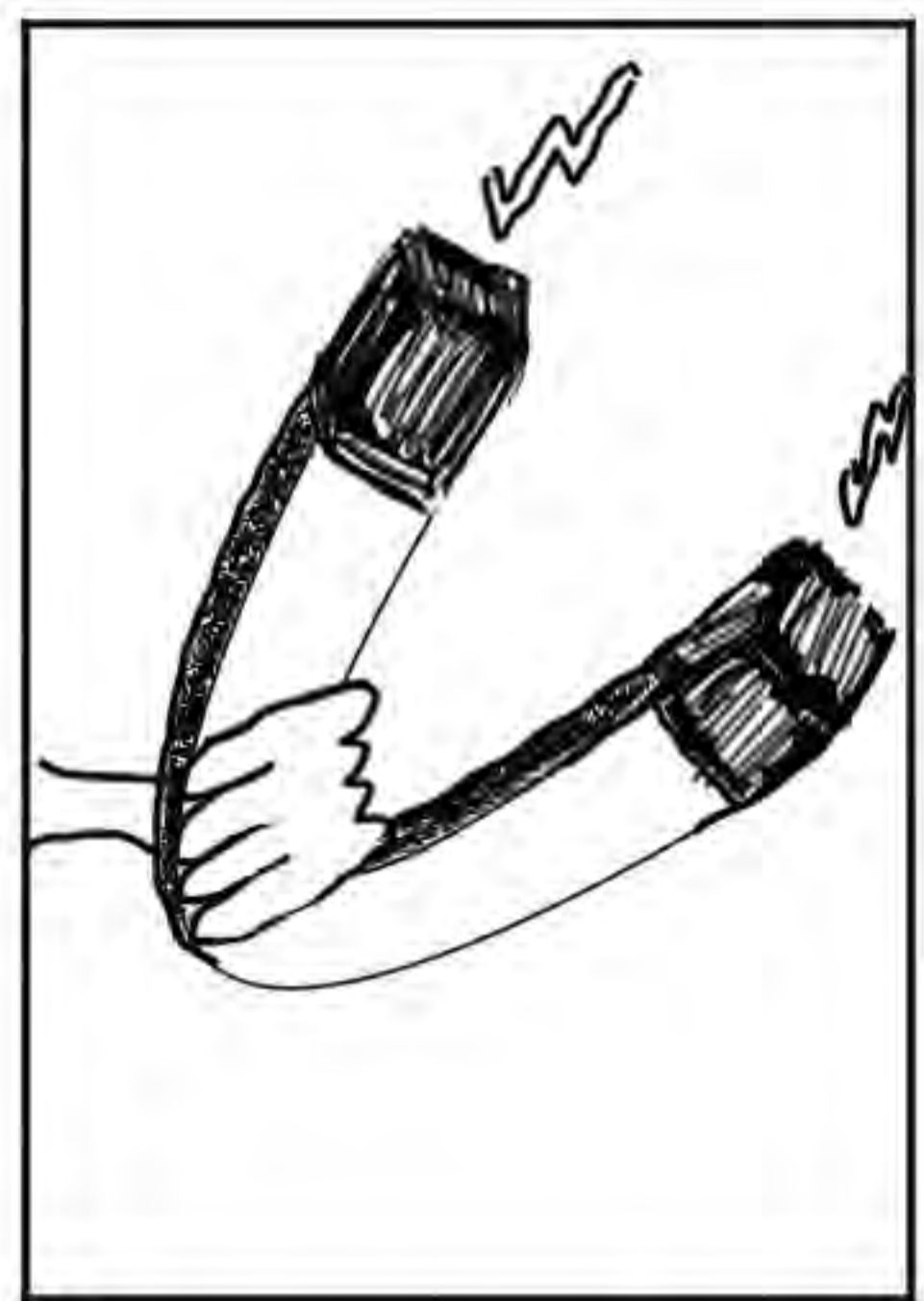
HOSPITALITY



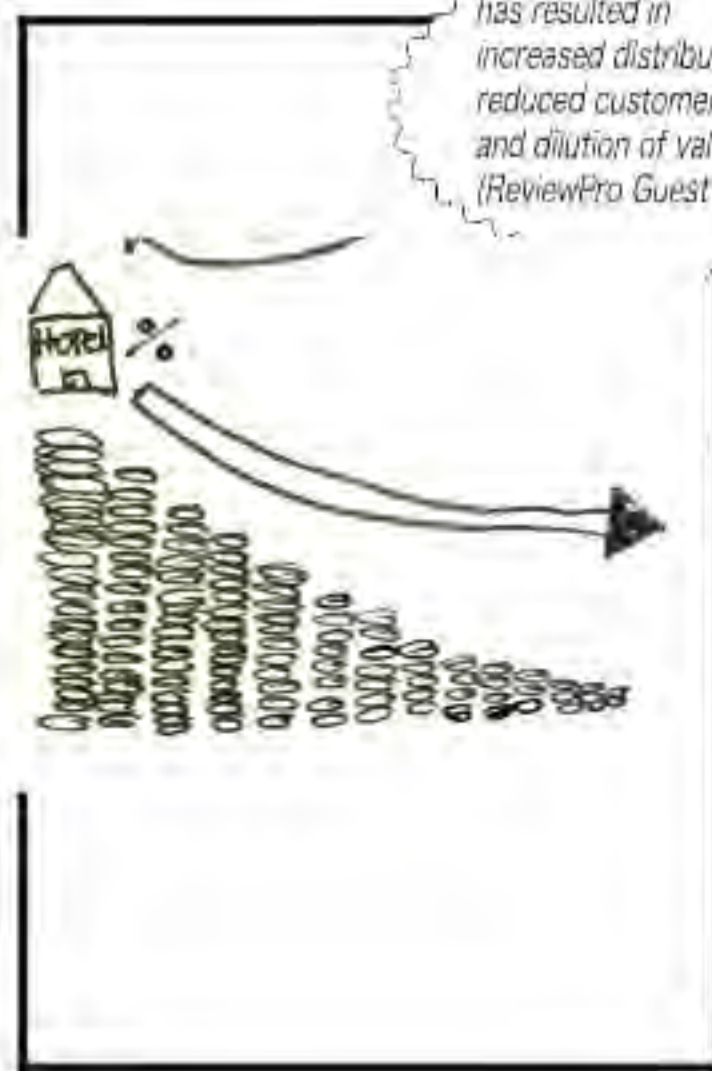
Because of the transition from the Information Age to a field of mobile connectivity, customers look for personalised, differentiated, and unique experiences from their travel service providers through any channel (Wadhwa, 2016).







For hoteliers this transition has resulted in increased distribution costs, reduced customer loyalty and dilution of value of hotel brands (ReviewPro Guest Intelligence, 2016)

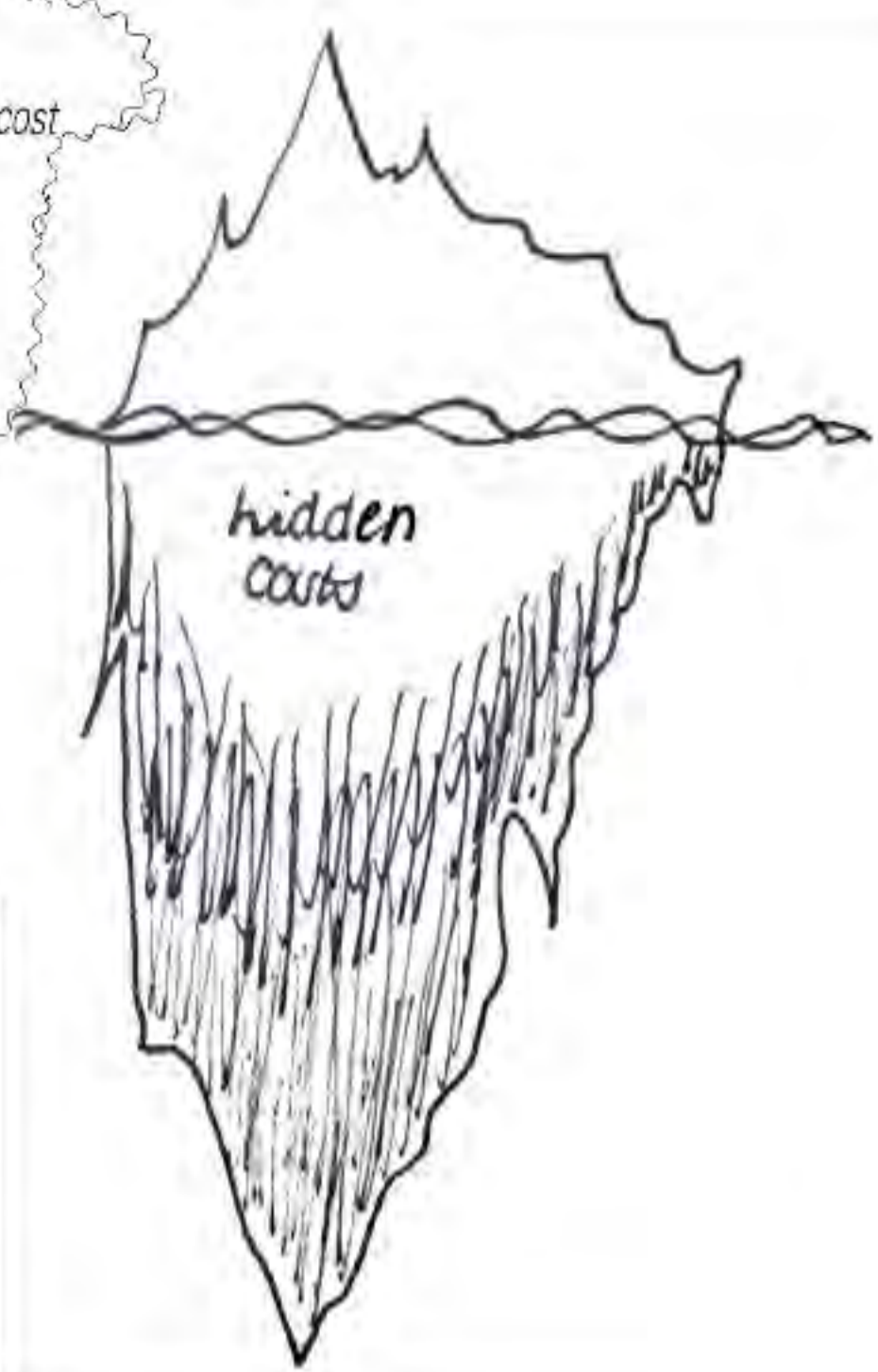


Also hotels have to defend their digital competitive positioning, nowadays hotels are distributed by online travel agents (e.g., OTAs) for 70% of the overall online market in Asia Pacific (Hutchison, 2018).

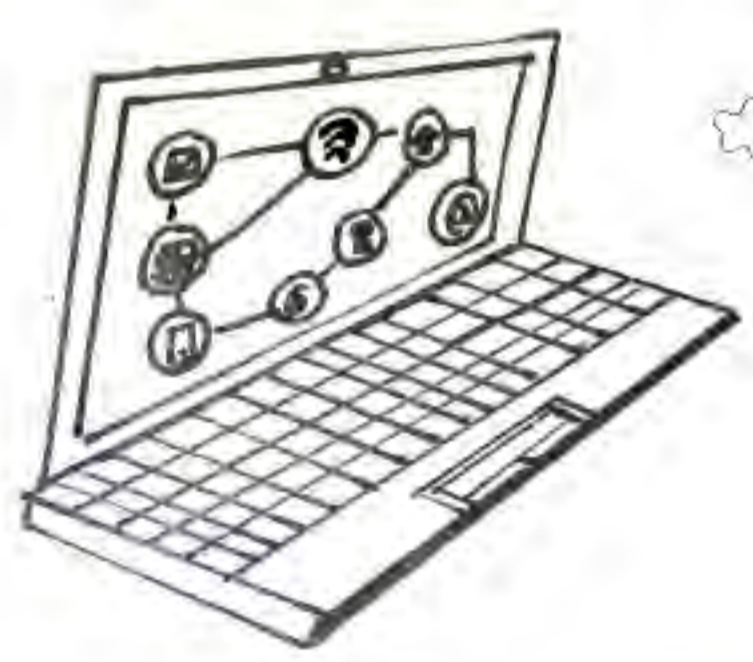




However, these campaigns carry a hidden cost of lowering their margin at the risk of commoditizing their product, further diluting brand and customer loyalty (Lam & Law, 2019)



In response, many hotel companies have attempted to recapture channel share through promotional campaigns offering special privileges to customers to book on hotel websites (Lam & Law, 2019)



Therefore, hotels must ensure applying the right technology to derive insights to manage customers during, pre-and post-stay.

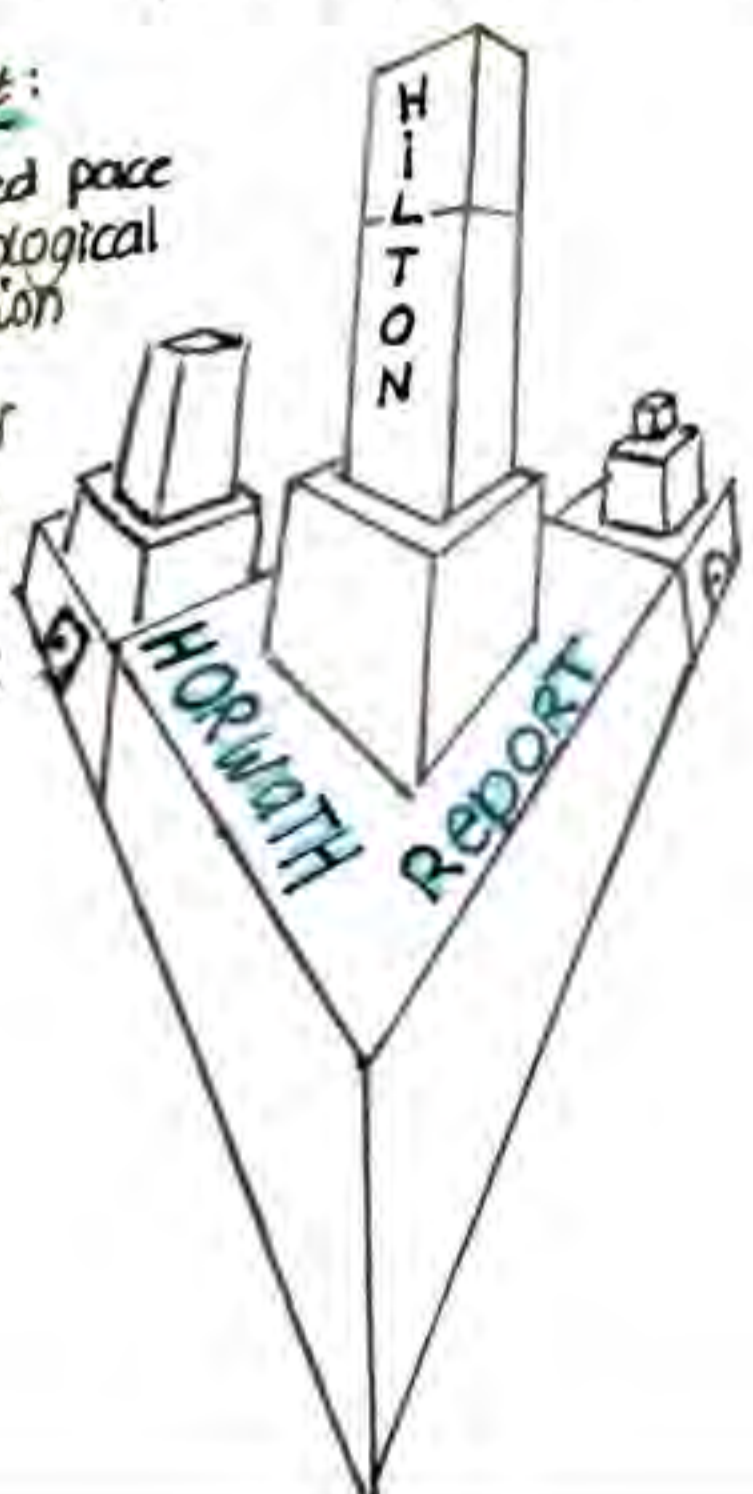
A qualitative study was conducted to explore Hotels on their current digital era situation

Added to this is 'complexity of customer's choices' to enable these choices businesses should sell in the way customers want to buy (Kanwar, 2016)

Top trends affecting the supply side of hotels

assessment:

- 1. Increased pace of technological revolution
- 2. Digital channels
- 3. Loyalty-Integrated customer experience



an assessment tool whether branded hotels are geared for digital transformation: (Lam & Law, 2019)





Also, the operational team is responsible for the customer journey which consist of:

- Customer journey**
- Dream
  - Select
  - Book
  - Prepare
  - Stay
  - share
  - Come back

Furthermore, complexities by hotels in the digital era are

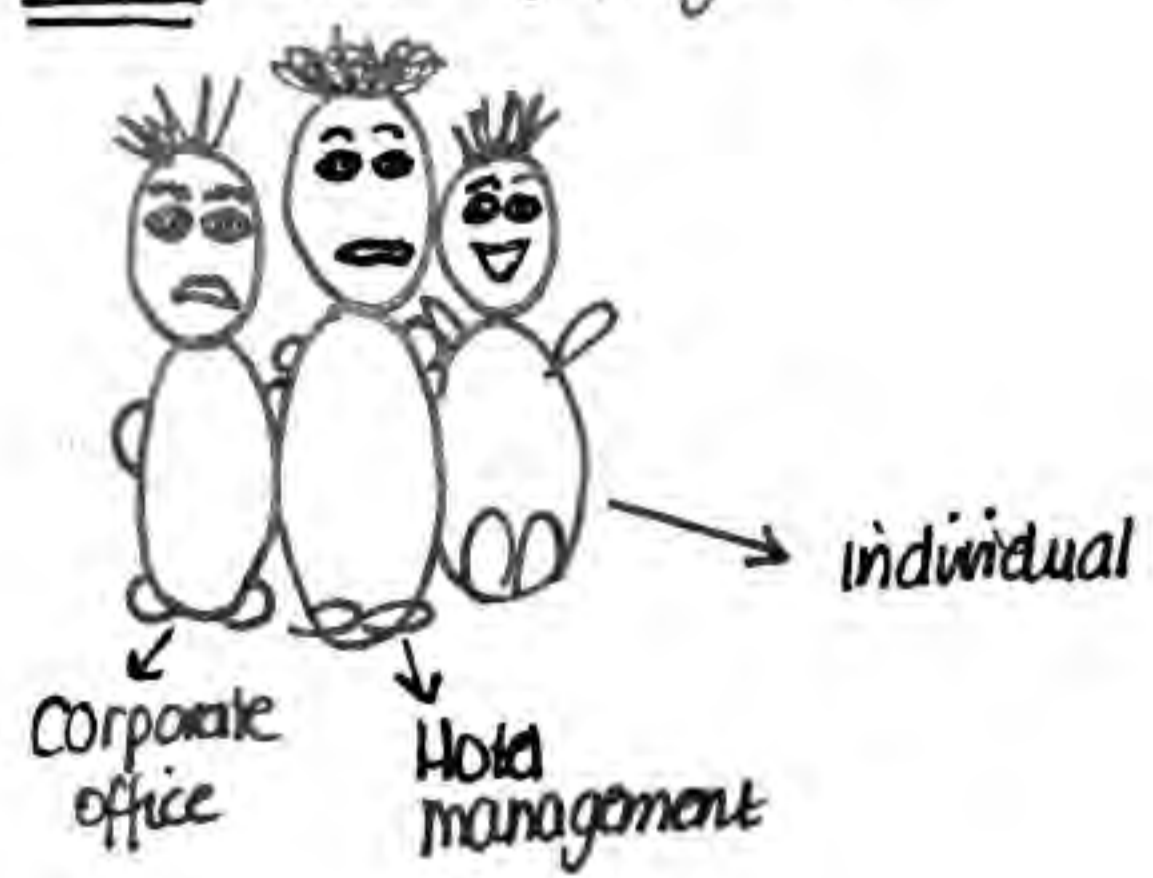
- Complexities:**
1. Volume of data
  2. additional channels  
customer feedback
  3. evolving customer expectations
  4. 3rd parties competing

which again cause commoditization of hotel brands dilution of customer loyalty and reduction of production margins

What it takes to be ready for the digital era?

Efforts of:

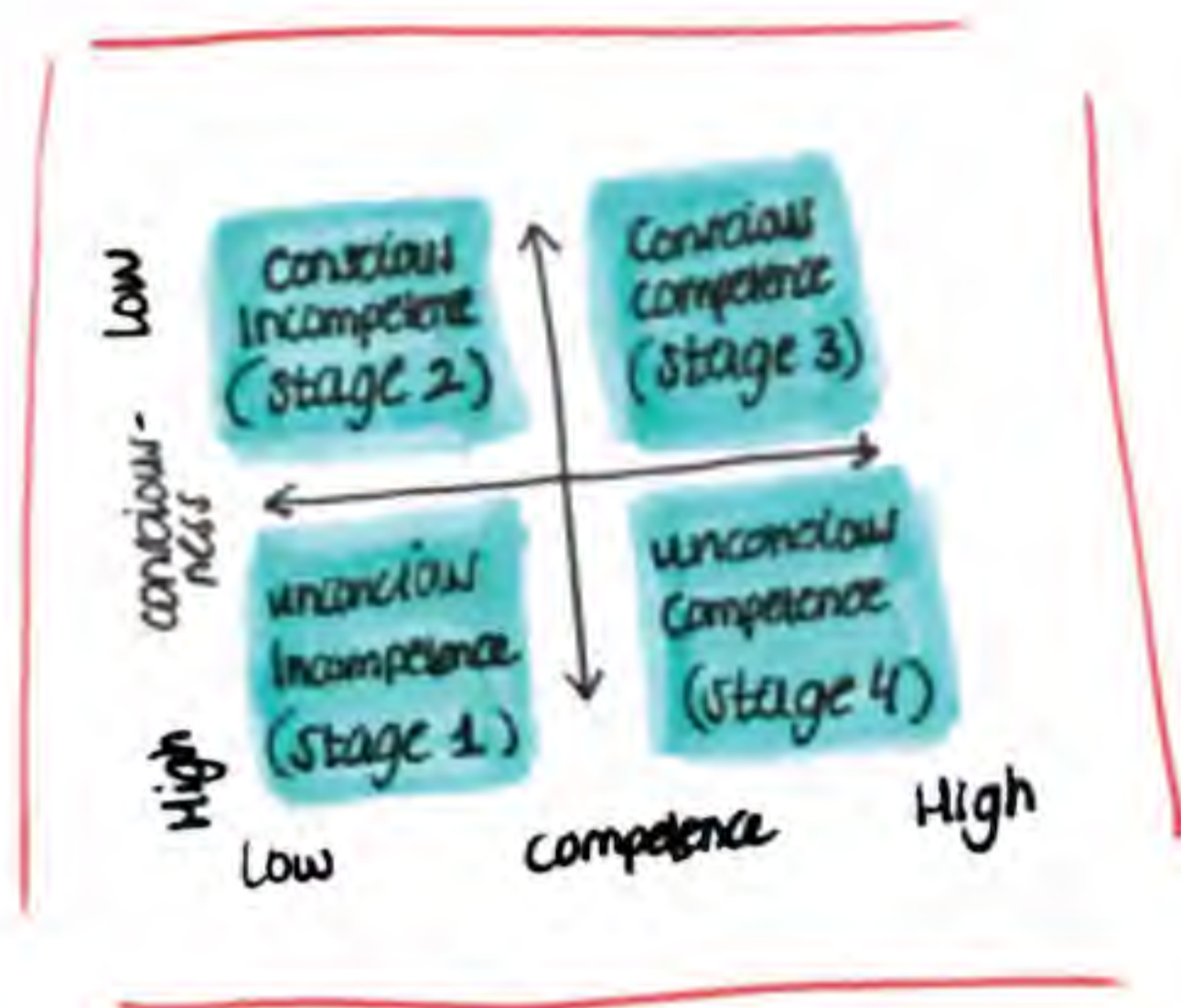
Three level of players:



All parties need to have a common approach to handle the situation, ensuring that the right systems are in place and that mindsets are aligned to gain new knowledge (Lam & Law, 2019)



To make sense of the complex organisational learning situation, Howell's Conscious-Competence model (1982) was chosen to understand how people learn new skills to handle new challenges (Lam & Law, 2019)



Stage 1: players not aware of requirements and do not have competencies to deal with the situation

Stage 2: players become aware of what needed to be done but do not know to deal with the situation

Stage 3: players are aware of what needs to be done and are making an effort to deal with the situation

Stage 4: competencies have become intuitive for players and the behaviour is part of the culture

### Methodology:

The scholars conducted an exploratory study







The IT and S&M both had little knowledge on the systems and in each other's challenges in the digital era. The IT group focused on installing technology not on desired outcome of the applications. And the S&M group was focused on short-term tangible deliverables. (Lam & Law, 2019)

## RESULTS

Also, hotels were more comfortable to be followers than innovators. Therefore, General Managers must exercise stronger leadership to realise digital transformation. (Lam & Law, 2019)

