

Chapter 13

Understanding the Importance of Property Management Practices in Indian Hotel Industry

Mohinder Chand Dhiman
Kurukshetra University, India

Manish Anand
Maharaja Agrasen University Baddi Solan, India

ABSTRACT

The proliferations of modern technologies coupled with sophisticated network protocols have unveiled new avenues for organizations and the hospitality industry is no exception in this context. Technology-based systems stand in a pivotal position to offer better service to the tourists. Hospitality industry especially hotels can take advantage of the pervasiveness of technology-based systems to advance some of their operations. This chapter seeks to assess the importance of property management system (PMS) in Indian hotels and to analyse the factors that influence a hotel's ability to adopt PMS. The study shows that there is a large variation in the importance of PMS among the hotels in the industry. The study concludes by arguing for greater impetus to promote PMS adoption among hotels due to its impact on reducing the level of leakage. The chapter further makes recommendations to hotel operators and policy makers on the use of PMS in hotels.

INTRODUCTION

During recent past property management practices has emerged an important aspect in the international hospitality industry. In fact, hospitality sector has generated huge revenue and employment opportunities in developing countries and India is

no exception in this context. Thus, it has become important for the service providers to understand user's and customer expectations and perceptions as well as the factors that influence their evaluation and satisfaction with the provided service. The enormous changes have been noticed during the recent years in systems used in terms of orga-

DOI: 10.4018/978-1-4666-8268-9.ch013

nizational structure, revenue, innovativeness and information technology etc., of this information technology has dramatically affected the environment hotel operational practices worldwide and India is no exception to this. Today, the nature of hotel industry has changed entirely to cope with the diversity of changes in requirements of guests such as reservations through internet and mobile applications and hassle free check in check out, online feedbacks.

The PMS is fully integrated with sales and catering, accounting, quality management system, central systems —reservation system; and customer information system. For most hotels the key technology is the Property Management Systems (PMS) which is defined as “a set of application programs that directly relate to hotel front office and back office activities e.g. revenue management, reservation management, room and rate assignment, check-in & out management, guest accounting, folio management, account settlement and room status management” (Kasavana & Cahill, 2003, p.4). For the last few decades, the hospitality industry has been identified as a key driver in the growth of the service industry, which in turn, is one of the three main industrial components of a developed and/or developing economy (Kotler & Keller, 2006).

Kokazand and Murphy(2008,2009) have shown that almost all hotels have a property management system however the data used by the PMS is not always “visible” or available for cross functional activities and requires a level of investment in interfaces to fully maximize the benefits of the PMS data, and related data sources e.g. Central Reservation System (CRS), and other relevant data sources.

Chand and Anand (2011) suggested that in the case of implementing property management practices, the owners seem to consider heavily on planning, information collection and pursuing goals and objectives, along with quality and control. Further, According to World Travel and

Tourism Council (2013) travel- and tourism-related activities account for over 230 million jobs, or 8.7 per cent of jobs worldwide Similarly, the hospitality industry is the largest and rapidly growing industry in India, employing over 27 million people, accounting for 8.5% of the total workforce, and generating over 5.9% of GDP (Ministry of Tourism, India, 2013)]. However, hotel organizations and managers face real challenges in attracting and retaining tourist as unable to offer a high-quality ‘service’ to the increasingly demanding and discerning tourists .

The present era is marked by the revolutionary changes in the property management systems used by the hotels. A vast variety of services ranging from GDS,CRS, Online Booking Vending machines for check in check out and epos systems have become part and parcel of today’s hospitality industry. Bardi and Hoboken (2003) suggested that PMS as a network of various hardware and software applications used to manage a hotel ; sales & marketing, human resource management, guest handling, reservations, food & beverage, electronic mails etc. Thus, it has become imperative to explore right type of property management practices to use and to ensure more guest wiz-a-wiz revenue.

The delivery of businesses today is exposed to information technologies either directly or indirectly. Hotels being a dominating component of service sector traditionally practising manual system of operation in their properties instead of using PMS. The use of PMS in a hotel operation is fast growing, thus making work easy. PMS is becoming very important for the efficient and effective operations of the hotel.

In light of the above, the decision to target the Indian hotel organisations reflects desire to add exploratory data to the emerging area i.e. property management practices in hotel industry. In this context, the present search study has been undertaken on the applied topic entitled “

This paper is an attempt to address to investigate and report the importance of property manage-

13 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/understanding-the-importance-of-property-management-practices-in-indian-hotel-industry/130103

Related Content

Challenges for Innovative Transformation in Heritage Tourism Development in India and Pakistan

Farooq Haqand Anita Medhekar (2019). *Conservation and Promotion of Heritage Tourism* (pp. 127-154). www.irma-international.org/chapter/challenges-for-innovative-transformation-in-heritage-tourism-development-in-india-and-pakistan/213400

Digital Innovation in the Service Sector: Transforming Customer Experiences

Viana Imad Hassan, Shakeel Basheer, Faizan Ashraf Mirand Simon Georges Abou Fayad (2024). *Service Innovations in Tourism: Metaverse, Immersive Technologies, and Digital Twin* (pp. 150-165). www.irma-international.org/chapter/digital-innovation-in-the-service-sector/341646

Ecotourism as a Tool for Sustainable Development in Morni Hills (Haryana), India

Lakhvinder Singh (2021). *Handbook of Research on the Role of Tourism in Achieving Sustainable Development Goals* (pp. 102-116). www.irma-international.org/chapter/ecotourism-as-a-tool-for-sustainable-development-in-morni-hills-haryana-india/262440

The Effect of Room Service, Comfort, and Reservation Process on The Performance Dimension Evaluation: The Case of Grand Mercure Hotel Gajah Mada Jakarta

Adilla Anggraeniand Meyliza Thorina (2017). *International Journal of Tourism and Hospitality Management in the Digital Age* (pp. 42-52). www.irma-international.org/article/the-effect-of-room-service-comfort-and-reservation-process-on-the-performance-dimension-evaluation/189744

Role of ICT And Tourism in Economic Growth of India

Surender Kumar, Karuna Chauhanand Abhay Kumar Srivastava (2017). *International Journal of Tourism and Hospitality Management in the Digital Age* (pp. 1-16). www.irma-international.org/article/role-of-ict-and-tourism-in-economic-growth-of-india/177119