

21<sup>st</sup> July 2005 3000 words for Food and Drink Management  
by  
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## **ARE WE RELEVANT TO THE DIGITAL NATIVES?**

In a recent speech to the American Society of Newspaper Editors Rupert Murdoch, Chairman and Chief Executive of News Corporation, revealed the changing world of news distribution and posed some wider questions that perhaps we in the hospitality industry should be addressing too.

We are aware, sometimes painfully, that traditional methodologies of presenting our businesses are now “old hat” and that the web has become pre-eminent. What is happening today to news is also happening to hospitality business too.

Mr Murdoch introduced his topic by saying, “I come to this discussion not as an expert with all the answers, but as someone searching for answers to an emerging medium that is not my native language. Like many of you in this room, I’m a digital immigrant. I wasn’t weaned on the web, nor coddled on a computer.....My two young daughters, on the other hand, will be digital natives. They’ll never know a world without ubiquitous broadband internet access”.

“The peculiar challenge then, is for us digital immigrants – many of whom are in positions to determine how news is assembled and disseminated - to apply a digital mindset to a new set of challenges”.

“We need to realise that the next generation of people accessing news and information, whether from newspapers or any other source, have a different set of expectations about the kind of news they will get, including when and how they will get it, where they will get it from, and who they will get it from”.

“Anyone who doubts this should read a recent report by the Carnegie Corporation about young people’s changing habits of news consumption and what they mean for the future of the news industry.”

“According to this report, and I quote, “There’s a dramatic revolution taking place in the news business today, and it isn’t about TV anchor changes, scandals at storied newspapers or embedded reporters.” The future course of news, says the study’s author, Merrill Brown, is being altered by technology-savvy young people no longer wedded to traditional news outlets or even accessing news in traditional ways.”

“Instead, as the study illustrates, consumers between the ages of 18-34 are increasingly using the web as their medium of choice for news consumption.”

“Forty four percent of the study’s respondents said they use a portal at least once a day for news, as compared to just nineteen percent who use a printed newspaper on a daily basis. More ominously, looking out three years, the study found that thirty nine percent expected to use the internet more to learn about the news, versus only eight percent who expected to use traditional newspapers more.”

“The challenge, however, is to deliver that news in ways consumers want to receive it. Before we can apply our competitive advantages, we have to free our minds of our prejudices and predispositions, and start thinking like our newest consumers. In short, we have to answer this fundamental question: what do we – a bunch of digital immigrants -- need to do to be relevant to the digital natives?”

## **MORE COMMERCIAL APPLICATION NEEDED**

According to a research report launched by Deloitte, the business advisory firm, the UK has the potential to become one of the world's pre-eminent technology nations. However the report, based on research carried out with over fifty of the country's leading technology influencers, also revealed the UK's vulnerability.

In particular, international competition from China and India is expected to intensify, there is the possibility of an exodus of research and development, and too few UK-headquartered technology companies seem to be attaining global scale. The risk is that the UK may fail to exploit the next wave of emerging technologies and nurture tomorrow's technology leaders.

"The question for the UK is how it can exploit what is currently a relatively advantageous position. We have a strong science base, good innovations in a number of important areas, a strong economy and a leading financial market. All stakeholders involved in the sector – the government, academic institutions, commercial companies and finance firms - need to work together to ensure that we capitalise on the next wave of technological advances now that the IT sector is maturing and consolidating fast," comments William Touche, technology partner at Deloitte.

Feedback from the technology sector on the current standard of technology education in the UK is positive, although one area of particular concern relates to commercial aptitude. Touche comments: "Our research found that while the UK is generally adept at developing world-class subject matter experts, there is a lack of commercial application. We need to focus on questions such as "what problem is this trying to solve?", or even just "so what?"

## **THE BEST IT PLACE TO WORK IN THE HOTEL SECTOR**

If a happy work force is a productive workforce then Marriott International's recent announcement that it has been recognised by IDG's Computerworld as one of the "Best Places to Work in IT" is a very good omen for continuing success.

For the third year in a row Marriott has been placed in the top 100 companies, and was the highest-ranked hotel company on the list. Computerworld complimented Marriott's career development system as well as its core competency model for its technology associates, and noted the low turnover and long tenure of staff within the company's technology organisation.

The Best Places to Work in Information Technology (IT) list is an annual ranking of the top 100 work environments for technology professionals compiled by IDG's Computerworld. The lists are compiled based on a comprehensive questionnaire which examines company offerings in categories such as benefits, diversity, career development, training and retention. In addition, Computerworld conducts extensive surveys of IT workers, and their responses factor heavily in determining the rankings.

"Marriott's culture is to 'take care of our associates' by creating a positive, rewarding work environment," said Carl Wilson, executive vice president and chief information officer. "Our information technology leadership team is committed to helping our associates become business technologists as they advance their careers with Marriott."

Marriott, with more than 2,600 lodging properties in the United States and 65 other countries, is no stranger to publicity where its use of technology is concerned. The company uses technology to shape and enable its business initiatives and for fostering a positive work environment for its IT professionals. Earlier this year, Marriott's One Yield revenue management system received CIO magazine's "Grand Enterprise Value Award" and was recognized by Computerworld as a "Best in Class" technology. In 2004, Marriott was named in CIO magazine's CIO 100 for its agile use of technology and was the highest ranked

hospitality and travel company on the 2004 InformationWeek 500 list, a ranking of the most innovative users of information technology in the United States.

## **THE SOURCE OF ONLINE RESERVATIONS**

In such a short time we have started to take online reservations for granted. The opportunity to sell rooms or generate reservations online through web-based protocols has evolved tremendously over the past few years. Many, if not most, hotels worldwide are aware and try to take an active part in online reservations which yield promising results. Nevertheless, every hotelier has to keep in mind that online reservations can in fact be made from many sources: they could have come from third party portals (intermediaries) as well as from a hotel's own website.

To properly capture online reservations requires specialist software sometimes referred to as a 'booking engine'. A hotel may make use of an online travel portal's own reservation system but exploiting its own website as an 'ultimate distribution channel' may be preferable.

Many articles coming from independent and franchised hotels recount how online reservations originating with a hotel's own website have grown incrementally over time.

Carol Fraser, General Manager of an independent hotel chain operator in North America, stated in one article that "Reservations made on our website provide the most profitable revenue..." Another article states, "Best Western International claims to have created an industry record for online bookings – single-day reservations made via the company's website hit \$1 million mark already 70 times in 2005".

A hotel really requires a reservation system that is able to capture online reservations directly from its own website. Even so, this is not the sole purpose of such a system. In addition to adding one more distribution channel (the hotel's own website) a reservation system must also enable hotel staff to react to a normal days work by permitting the input and modification of all the necessary information. For example the hotel description, room rates, inventory, promotions, packages and customer database may all need to be addressed at any time.

Does this signify that if a hotel has its own reservation system and online booking feature on its website, it automatically makes intermediaries such as travel agents and wholesalers into competitors? Not at all.

In fact, a hotel could manage room rates and its inventory for all its intermediaries including for the hotel's own website, in a more systematic, uncomplicated and efficient fashion, for monitoring and evaluation purposes. Urgent and immediate changes could be distributed in a more systematic way, as all intermediaries could also share direct access to designated information, such as updated rates and inventory availability.

Installation and application of such a system could give rise to certain amount of unease or lack of confidence. Then again, a hotelier should remember the past, in times when hotel reservation staff had to check manually to ascertain which room was Out Of Order (OOO), which was just checked-out (and therefore not yet ready to sell), and which rooms were ready for sale. A Property Management System (PMS) has helped reservation staff to do all this swiftly, accurately and efficiently. The airline industry pioneered the notable Global Distribution System (GDS) that is now widely used by hoteliers everywhere as a marketing tool. Isn't technology meant to help speed things up and make more money for us?

Pelican is an Internet-based reservation management system, designed to manage all types of bookings, made by direct guests or through travel agents and corporate clients. For Internet users, otherwise known as direct guests, the system provides instant confirmation of reservations made through the hotel's website, and will notify the hotel's Reservation Department through automatically generated e-mail messages.

Where travel agents and corporate clients are concerned, Pelican offers a feature called "*Online Contracting*" which eliminates the need for paper-based, fixed-term, contracts. It allows the hotel to set and adjust rates and allotments instantly according to seasonal period, special events, or unexpected demand.

## **SMART SCHOOL FOOD**

A scientific team led by the Institute of Food Research has just completed a two-year study of food choices made at a North London school whilst testing the viability of using "smart card" technology to monitor pupils' mealtime choices.

Project leader Dr Nigel Lambert said, "School dinners are currently a highly political and emotive social issue. The government has pledged to tackle menus, but measuring children's eating habits at school is fraught with difficulties. Accurate information is necessary to support the government's public health policies. Smart card technology could provide a practical and accurate solution."

One in five English secondary schools makes use of basic smart card systems for meal payment. This not only takes cash out of schools but also reduces queuing times. The cafeteria at Haberdashers' Aske's Boys' School routinely serves around one thousand diners aged seven to sixteen and their system was upgraded for the study. For over a year, a full electronic audit was made of every transaction that took place and each food chosen was converted to its nutrient composition.

"No questionnaires were required, nor an army of researchers, but the system succeeded in objectively recording food choice with 99% accuracy. It can also be continued long term, unlike the more usual three to seven day 'snapshot' studies", said Dr Lambert

The aim of the project was to test whether smart card technology could be used in this way, but it also produced a wealth of data on foods selected.

Senior nutritionist on the study Professor Ian Johnson said: "Not all the data has been analysed, but we can already see that despite a vigorous healthy eating policy operated by the caterers and the school, and healthy foods being readily available, the children generally preferred products high in sugar and fat. This reflects the preferences of most UK children.

"The research using smart card technology has demonstrated the ability of the system to identify individuals who persistently choose highly inappropriate meals. What a school does with that important health information presents society with an ethical issue."

Smart card systems could be used to help schools with healthy eating programmes through personalised feedback on food choices, or reward schemes for children who choose healthy options.

The technology could be applied to other cafeteria settings such as in the armed forces, universities or prisons where monitoring food choice would be beneficial.

## THE MOST COMFORTABLE NIGHT OF SLEEP...AND MORE

New bedroom initiatives are well underway at the Hilton Family of Hotels with the intention of providing their guests with not only "an overall incomparable sleep experience", but also, "progressive amenities and business tools that enable them to achieve personal fulfilment and professional success while travelling".

A recent survey of one thousand U.S. households,\* commissioned by Hilton Hotels Corporation, found that fifty percent of respondents reported capturing only six hours or less of sleep per night while travelling. This is two hours less than the average needed to function at peak performance.

"The Hilton Family of Hotels is dedicated to the entire sleep experience, focusing on the comfort, productivity and well-being of our guests while staying at our hotels so that they can achieve their goals while travelling for business or pleasure," said Matt Hart, president and chief operating officer for Hilton Hotels Corporation. "Beyond the beds, we're offering guests the peace of mind that comes with an easy-to-set alarm clock; new, larger televisions in selected brands; high-speed Internet access in every room; and other contemporary amenities that will help guests feel productive and pampered."

Each of the brands within the Hilton Family of Hotels is dedicated to try to offer guests the most comfortable night of sleep imaginable, introducing beds that feature a more retail look and feel, with a European-style of elegance. Each of the bed types have been tested to ensure comfort and durability.

Each brand will provide a particular in-room experience, which blends comfort with the innovative use of technology. For example, properties in Hilton Hotels, Suites & Resorts feature a plush-top mattress that is said to outperform a pillow-top, designed in conjunction with Serta to provide support and luxury. The mattress is posturized, meaning it is custom-designed with added coil support, particularly in the centre of the bed, where most weight is concentrated. In addition, the patented quilt design reduces tossing and turning and helps to improve circulation while sleeping.

On the technology front 19-inch televisions are being replaced with 27-inch flat-tube televisions. All hotels will offer high-speed Internet access - either wired or wireless, depending on the location. Select locations also will offer PrinterOn™ service, which enables guests to send print jobs from laptops in their guestrooms directly to the hotel's 24-hour business centre for pick-up at their convenience.

Doubletree Hotels, Suites, Resorts & Clubs has launched an aggressive product enhancement programme that, to-date has included more than \$375 million of investment by the brand's hotel owners. As a result, this quality, full-service brand has made progressive strides in reinvigorating today's travel experience by bringing to its hotel guests the comforts of home.

An example of these efforts is the *Sweet Dreams® by Doubletree Sleep Experience* - the brand's new sleep standard. Currently in the final stages of deployment is a comprehensive guest technology package at all of its hotels. When completed later this summer, guests will enjoy high-speed Internet access in all guest rooms and secure, remote guest printing services.

Hampton Hotels, meanwhile, offer complimentary high-speed Internet access in all guest rooms and padded lap desks for greater comfort while working atop the bed. After 2004, newly designed and opened hotels offer more in-room space based on a modified furniture layout.

Similarly all Hilton Garden Inn guest rooms will offer high-definition television for an enhanced in-room entertainment experience, Herman Miller Mirra™ chairs for greater comfort while working at the desk, complimentary high-speed Internet access and secure PrinterOn service. Homewood Suites by Hilton hotels are all-suites (either studio, one- or two-room suites) and offer full kitchens, grocery shopping service, high-speed Internet access and televisions with VHS or DVD players.

## **DON'T BE ALARMED!**

In future travellers who stay at the Hilton Family of Hotels won't lose any sleep over how to set their alarm clock.

In an effort to help guests be more productive, the Hilton Family of Hotels has custom-designed its own clock, featuring an easy-to-set alarm. What's more, the new clocks also feature a connection cable for MP3 players and other portable music devices, an addition Hilton made after research revealed that consumers prefer to maintain their own music lifestyles while on the road.

Nearly 250,000 new clocks will be phased in to all existing and newly opened Hilton, Doubletree, Embassy Suites Hotels, Hilton Garden Inn, Hilton Grand Vacations Club and Homewood Suites by Hilton guest rooms.

The new Hilton Family clock features a sleek design and simple digital alarm interface for buzzer, radio wake-up and snooze. The simple-to-set alarm requires only three easy steps (also printed on the front of the clock): 1. Press Alarm Set; 2. Indicate Alarm Time preferred by using increase or decrease buttons; 3. Press Enter. Additional features include:

- **Four pre-set buttons** for local radio stations designated by a graphic of the music type.
- **Connection cable** for use with guest's personal MP3 player, portable CD player, laptop and other entertainment devices.
- **Built-in stereo speakers** for radio or connected devices.
- **Large LCD screen** with dimmer that adjusts to high, medium or low.
- **Automatic daily alarm time reset**, preventing an alarm set by a previous guest from repeating.

Operationally, the hotel staff sets the time zone information only once (the clock arrives with time and calendar pre-set by the manufacturer), and the clocks automatically adjust one hour ahead for Daylight Savings Time and back to Standard Time, and adjust for Leap Year.

- Kelton Research conducted the survey on behalf of the Hilton Family of Hotels March 18-20, 2005. The survey includes responses by 1,000 consumers and has a +/- 5 percent degree of error.

## **LINKS:**

Carnegie Corporation: <http://www.carnegie.org>

CIO Magazine: <http://www.cio.com/>

Computerworld: <http://www.computerworld.com/>

Deloitte: <http://www.deloitte.com>

Haberdashers' Aske's Boys' School: <http://www.habsboys.org.uk/>

Hilton Family: <http://www.hilton.com>

Institute of Food Research: <http://www.ifr.ac.uk/>

Kelton research: <http://www.keltonresearch.com>

Marriott: <http://www.marriott.com>

News Corporation: <http://www.newscorp.com>

Pelican System: <http://www.pelicansystem.com>

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