

## Adoption of Ict in the Tourism and Hospitality Sector In Zimbabwe

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### ABSTRACT

*Information Communication Technologies (ICTs) have revolutionised the travel industry in the last decade. eTourism reflects the digitalisation of all processes and value chains in the tourism, travel, hospitality and catering industries. It emerges as a term describing the entire range of applications of ICTs on tourism and the implications for the tourism value chain. Major opportunities and challenges have emerged and need to be addressed by all industry players. However, the level of eTourism developments varies between regions, countries and continents. The key objective of this research has been to examine the Adoption of ICT in the tourism industry mainly looking at Meikles Hotel in Zimbabwe .In particular the research examines the level of ICT diffusion in tourism enterprises .The tourism sector is experiencing an acceptance of ecommerce to the extent that the whole industry structure is changing .The web is used not only for information gathering but also for ordering services .A new type of user is emerging one who acts as his or her own travel agent and build a personalised travel package .This research focuses on evaluating the current status of Meikles Hotel Zimbabwe in order to study the adoption of ecommerce applications on the hospitality sector.*

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### I. Introduction

The tourism industry requires a diverse range of information and lends itself well to the support offered by developing multimedia, communication technologies and information systems .The internet provides an extra ordinary connectivity and the ability to communicate efficiently and effectively with customers at a reasonable cost .Its potential to generate more revenue is not questionable but is acknowledged as something the tourism industry in developing countries need . The implications of the Internet and other growing interactive multimedia platforms for tourism promotion are far reaching and alter the structure of the industry. This research aimed to explore the impact of ICTs and the Internet in particular for the future competitiveness of the tourism and hospitality industry. This paper explores the current state of eTourism development and examines the use of the Internet in the sector.

The rapid development and commercialization of Information and Communication Technologies (ICTs) for the travel and tourism industry has prompted hotels and other enterprises in this sector to increasingly adopt these technologies. This is based on the expectation that the new ICT based technologies and processes would lead to an improvement in their operating efficiencies and customer service levels. The ICT based products and processes help the hotels to enhance the operating efficiency, improve the service experience as well as provide a means to access markets on a global basis. While ICTs were used in the hotel industry from the late seventies in the form of Computerized Reservation systems and Global distribution systems, it was only in the 90s that the ICTs began to make a difference in the hospitality sector Nowadays the internet has turned into an informative channel providing both individuals and organisations with different types of information making them aware of new tourism and travel opportunities and offers enabling them to compare the offers ,have online purchases and provide feedback .It has also turned into a source for travel agencies and organisations to promote their services and products to their potential customers . As the internet is being used worldwide it was important for Meikles hotel to implement hence the creation of its web site [www.meikles.com](http://www.meikles.com)

### Meikles Hotel

Meikles Hotel is situated in the heart of Harare and overlooks the historic landmark and colourful flower gardens of Africa Unity Square. Consistently voted as one of the best hotels in Zimbabwe, Meikles Hotel is a proud member of The Leading Hotels of the World, a prestigious hospitality organisation which represents some of the world's most acclaimed hotels, spas and resorts. Established in 1928, the organisation exists to meet the needs of discerning travellers and for a hotel to be recognised by this body, it needs to exceed every expectation and achieve exacting standards of excellence.

Meikles Hotel has won the prestigious Association of Zimbabwean Travel Agents (AZTA) award for Best City Hotel in Zimbabwe for an astonishing 15 consecutive years. This award is voted on by AZTA members and is based on feedback given to travel agents by their many clients across the world.

## **II. Literature review**

The literature review focuses on the impacts of ICTs on tourism and the eCommerce developments in Zimbabwe. It also includes a brief section on Tourism in Zimbabwe which provides the contextual environment that determines the requirements for eTourism in the country.

### **2.1 ICT Developments and eCommerce in Zimbabwe**

There are various factors that have affected the adoption of ecommerce in Zimbabwe ,these include : Software development tools are still evolving .It is difficult to integrate Internet and e-commerce software with some existing (especially legacy) applications and databases .Special web servers are needed in addition to the network servers, which add to the cost of ecommerce

Internet accessibility is still expensive and or inconvenient .Powertel Communications, a government owned internet provider, is one of the 12 POTRAZ licensed Internet Access Providers in Zimbabwe. In June 2012 Powertel slashed mobile broadband price from \$50/month to \$30/month .The price of the modem was also reduced from \$45 to \$30.Every Zimbabwean cannot afford these prices.

Security and privacy concerns deter customers from buying online. People do not yet sufficiently trust paperless, faceless transactions .Payment security and privacy concerns are one of the major non technological barriers that prevent consumers from completing transactions online Lack of trust in e-commerce and in unknown sellers hinders buying. Online fraud is also increasing.

Some customers like to feel and touch products. They are afraid that if they purchase without actually touching the products they might not get exactly what they ordered. Also, customers are resistant to the change from shopping at a brick-and-mortar store to a virtual store.

The lack of standards in technology and its applications eventually increases the cost of system integration for effective and efficient management in distribution, operation and communication worldwide. Large hospitality corporations have invested to transform their systems into a total network system; however, small and medium-sized tourism enterprises (SMEs) struggle to integrate the systems due to a shortage of financial sources

### **Factors Determining the Adoption of ICTs In Zimbabwean Hotels**

There are a number of factors that affect the the adoption of ICT in hotels these will be discussed below. In the hotel industry, the geographic location of a hotel has a major impact on its operations and profitability. The geographical location of a hotel would greatly determine the profile of it's visitors, the size of it's market and the level of competition that it has to face. A hotel will therefore be more inclined to adopt ICTs if it expects the ICT based facilities to either provide greater competitive advantage or to blunt the advantage enjoyed by its competitors considering the characteristics of its customer profile, its market size and the intensity of competition that it has to face. Thus based on the profile of a hotel's visitors, the size of the market, or the intensity of competition, hotels may differ in their levels of ICT adoption propensity.

The market size, in terms of the number of tourists who visit the location, will also be a significant factor that affects ICT adoption , since hotels in smaller underdeveloped destinations may need to use the internet and other ICT based technologies like the GDS to a greater degree to reach out to the global population than hotels located in developed destinations.

The competition level among the hotels in a location, can also influence the adoption of ICTs . The general occupancy rate in the location is an indicator of the competitive intensity among the hotels in a location. High levels of occupancy rate at a location imply that the competition is low, and the hotels can expect to get their rooms filled with relative ease while low levels of occupancy point towards higher levels of competition to attract customers between the hotels in the location. High levels of competition may prompt the hotels to aggressively use ICT based technologies both for attracting customers as well as to increase the efficiency of its operations.

The size of the hotel has an important effect on ICT adoption. Effective adoption of several ICT technologies requires a substantial investment of resources. Lack of resources may affect the inclination of small hotels to adopt costly ICTs and therefore large hotels can be expected to be more inclined to ICTs. Further the risky nature of investing in new technologies may prompt small hotels to wait till the technology has stabilized before investing in it.

Another aspect of the hotel size that can influence adoption of ICTs is the inclination to change within the organization. Large hotels have been found to be more resistant to change than small firms. This fact tends to suggest that large hotels are less inclined to adopt ICTs than small hotels as long as the investment required is not a consideration.

The scope of activities that the hotel is engaged in can also influence adoption of ICTs. Since ICTs enable an effective integration of activities of an organization, hotels with varied lines of activities would find more use in the adoption of ICTs than hotels with a relatively lesser span of activities.

## **2.2 Information and Communication Technologies (ICTs) in the Tourism sector**

The internet has become a key application in the tourism industry. Tourism providers have been using the internet to communicate, distribute and market their products to potential customers worldwide in a cost- and time-efficient way. In fact, the individual company website had become the most important platform for e-commerce, followed by electronic markets. The main focus of e-business processes in the tourism industry has been on customer facing activities and services, i.e. primarily e-marketing and e-sales. Online booking and reservation services were widely accepted among consumers and business travellers already in 2005. Similarly, online purchasing had become a relatively well-used application in the tourism sector.

Tourism has closely been connected to progress of ICTs for over 30 years. The establishments of the Computer Reservation Systems (CRSs) in the 1970s, Global Distribution Systems (GDSs) in the late 1980s and the Internet in the late 1990s have transformed operational and strategic practices dramatically in tourism. The tourism industry at first focused on utilizing computerized systems (e.g., CRS, GDS) to increase efficiency in processing of internal information and managing distribution. Nowadays, the Internet and ICTs are relevant on all operative, structural, strategic and marketing levels to facilitate global interaction among suppliers, intermediaries and consumers around the world. In this section, we will provide the concepts and definitions of the key terms related to the Internet and ICTs.

### **2.2.1 Electronic tourism (e-tourism)**

It is the application of ICTs on the tourism industry (Buhalis, 2003). Buhalis (2003) suggests that e-tourism reflects the digitisation of all processes and value chains in the tourism, travel, hospitality and catering industries. At the tactical level, it includes e-commerce and applies ICTs for maximising the efficiency and effectiveness of the tourism organisation. At the strategic level, e-tourism revolutionises all business processes, the entire value chain as well as the strategic relationships of tourism organisations with all their stakeholders.

E-tourism determines the competitiveness of the organisation by taking advantage of intranets for reorganising internal processes, extranets for developing transactions with trusted partners and the Internet for interacting with all its stakeholders and customers. The e-tourism concept includes all business functions (i.e., e-commerce, e-marketing, e-finance and e-accounting, eHRM, e-procurement, e-production) as well as e-strategy, e-planning and e-management for all sectors of the tourism industry, including tourism, travel, transport, leisure, hospitality, principals, intermediaries and public sector organisations. Hence, e-tourism bundles together three distinctive disciplines: business management, information systems and management, and tourism.

### **2.2.2 Computer reservation system (CRS)**

It is a database which enables a tourism organisation to manage its inventory and make it accessible to its partners. Principals utilise CRSs to manage their inventory and distribute their capacity as well as to manage the drastic expansion of global tourism. CRSs often charge competitive commission rates while enabling flexible pricing and capacity alterations, to adjust supply to demand fluctuations. Airlines pioneered this technology, although hotel chains and tour operators followed by developing centralised reservation systems. CRSs can be characterised as the “circulation system” of the tourism product.

### **2.2.3 Global distribution systems (GDSs)**

Since the mid 1980s, airline CRSs developed into GDSs by gradually expanding their geographical coverage as well as by integrating both horizontally, with other airline systems, and vertically by incorporating the entire range of principals, such as accommodation, car rentals, train and ferry ticketing, entertainment and other provisions. In the early 1990s, GDSs emerged as the major driver of ICTs, as well as the backbone of the tourism industry and the single most important facilitator of ICTs globalisation (Sheldon, 1993). In essence, GDSs matured from their original development as airline CRSs to travel supermarkets. Since the late 1990s GDSs have emerged as business in their own right, specialising in travel distribution.

### **2.2.4 Intermediaries**

Intermediaries (brokers) play an important role in commerce by providing value-added activities and services to buyers and sellers. The most well-known intermediaries in the physical world are wholesalers and retailers. Traditionally, intermediaries of the travel industry have been outbound and inbound travel agencies and tour operators. However, the Internet restructured the entire touristic value chain, forcing the existing intermediaries to take up the new medium and to develop corresponding business models.

### **2.2.5 eTravel agencies**

ICTs are irreplaceable tools for travel agencies as they provide information and reservation facilities and support the intermediation between consumers and principals. Travel agencies operate various reservation systems, which mainly enable them to check availability and make reservations for tourism products. Until recently GDSs have been critical for business travel agencies to access information and make reservations on scheduled airlines, hotel chains, car rentals and a variety of ancillary services. GDSs help construct complicated itineraries, while they provide up-to-date schedules, prices and availability information, as well as an effective reservation method. In addition, they offered internal management modules integrating the “back office” (accounting, commission monitor, personnel) and “front office” (customers’ history, itinerary construction, ticketing and communication with suppliers). Multiple travel agencies in particular experience more benefits by achieving better coordination and control between their remote branches and headquarters. Transactions can provide invaluable data for financial and operational control as well as for marketing research, which can analyze the market fluctuations and improve tactical decisions

Hotels use ICTs in order to improve their operations, manage their inventory and maximise their profitability. Their systems facilitate both in-house management and distribution through electronic media. ‘Property management systems (PMSs)’ coordinate front office, sales, planning and operational functions by administrating reservations and managing the hotel inventory. Moreover, PMSs integrate the “back” and “front” of the house management and improve general administration functions such as accounting and finance; marketing research and planning; forecasting and yield management; payroll and personnel; and purchasing. Understandably, hotel chains gain more benefits from PMSs, as they can introduce a unified system for planning, budgeting and controlling and coordinating their properties centrally.

Hotels also utilise ICTs and the Internet extensively for their distribution and marketing functions. Global presence is essential in order to enable both individual customers and the travel trade to access accurate information on availability and to provide easy, efficient, inexpensive and reliable ways of making and confirming reservations. Although Central Reservation Offices (CROs) introduced central reservations in the 1970s, it was not until the expansion of airline CRSs and the recent ICT developments that forced hotels to develop hotel CRSs in order to expand their distribution, improve efficiency, facilitate control, empower yield management, reduce labour costs and enable rapid response time to both customers and management requests. Following the development of hotel CRSs by most chains, the issue of interconnectivity with other CRSs and the Internet emerged. This reduces both set-up and reservation costs, whilst facilitates reservations through several distribution channels

### **2.3 Tourism in Zimbabwe**

In the past, tourism contributed significantly to the GDP of Zimbabwe, and created many employment and business opportunities for locals in the 1990s. But it has faced a great decline since 2000. A number of Zimbabwean tourist attractions are marketed online by South African companies and they have created an impression to some international tourists that they are located in South Africa.

E-tourism has always seemed like a no-brainer for Zimbabwe, as money can be paid direct to hotels and suppliers. But obstacles like the lack of access to communication in remote areas, uncertain electricity availability, high cost of bandwidth, the lack of integrated, real-time reservation systems and local online payment gateways have thus far stymied progress.

However, with the arrival of voice and data-oriented telecommunications in some remote tourist areas, there is more access to information via websites by foreign tourists looking for a good holiday resort. In other parts of Africa, arrival of cheaper bandwidth has lessened the barriers to communication and the world's Online Travel Agencies like Expedia are showing a real interest in the continent.

Ten years ago no-one was talking about online tourism. The tourism trade tended to focus on going to big trade events like World Tourism Markets, with brochures for B2B selling, and doing support advertising in key markets. The travel agents tended to suggest where people went and to some extent picked the destinations.

As a result, a great deal of the revenues went to large, international hotel chains and not much of the money was retained locally. Now 56% of travel globally is booked online and the rise of the Online Travel Agents has been unstoppable. These OTAs, as they are known in the trade, include Expedia, Travelocity, Lastminute.com and Bookings.com - who have significant market share in Africa. Expedia has actually opened an office to focus on Africa.

In 2005, less than 2% of tourism revenues in Africa came from online booking. In 2010, buoyed by the World Cup, that percentage rose to 5% and looks set to go to somewhere between 15-20% by 2015. The World Cup may have been a one-off boost but it accelerated the growth of online tourism in South Africa. 50% of Americans read an online review before booking internationally and that's usually either Trip Advisor or Facebook. (Trip Advisor is now owned by Expedia).

Most international travellers have credit cards and increasingly expect to be able to book online for anything from the smallest travel lodge to the largest hotel chain. So what are the barriers? The missing piece was e-commerce. There used to be no route for doing online transactions in other countries in Africa including Zimbabwe.

Online distribution by the OTAs requires a reservation system that offers real-time availability. OTAs won't do business with you unless you have that. In Zimbabwe there are few tourist resorts offering e-commerce reservation and booking services. Shearwater Adventures in Victoria Falls offer online booking and payment services, which have attracted a large number of tourists over the years.

The second missing piece was the ability and tools to do online marketing. The companies needed marketing skills, especially with social media. Today's tourist wants to hear from other travellers (through Facebook and Trip Advisor) and are not that interested in what the hotel has to say. For example, hotel chains Africa Sun and Cresta Hotels have invested in websites and Facebook groups where reviews are easily accessible to prospective tourists.

Now that the data oriented communication and cheaper bandwidth is slowly becoming available throughout the country, telcos and ISPs need to focus specifically on those industry sectors that are most likely to make the online transition fastest. It must be possible in the near future for a heritage site in Binga to be marketed online to the world and attract visitors.

### **III. Research Methodology**

To fulfil the objectives of this research a number of methods were used. Both primary and secondary data were therefore essential. Given the dynamic nature of the subject area, multiple primary research approaches were adopted, including both qualitative and quantitative methods (Phillip, 1998). Bryman (1998) explains that the two methods are complementary rather than competing, especially for exploratory research.

The researcher made use of the internet and some library books to carry out the research and establish the solutions to the research objectives. First a qualitative approach was adopted in order to enable the appreciation of all aspects of the subject and to develop a set of the most critical variables to be included afterwards into a questionnaire. The main objective was to objectively establish the level of eCommerce and the on-line representation of Zimbabwean tourism.

The second stage involved semi-structured interviews aimed to elicit critical issues and to explore the key factors that determine the development of eTourism in Zimbabwe. In-depth interviews are considered as the most appropriate method to obtain information about perceptions, attitudes and beliefs. Judgmental sampling



was employed and interviewees were selected as pioneers in eTourism in Zimbabwe, as determined by their online presence assessed in the previous phase of the research. Owners and marketing managers of organisations that run innovative web sites, as demonstrated by the methods used to interact with their clientele, were targeted and an interview was requested.

The sample was chosen to include interviewees who would be informed, reflecting their particular experience and outlook on the research area. Twenty five telephone contacts were made and 28 interviews were finally conducted, which resulted in a 51% response rate. The researcher also made use of the questionnaires. The questionnaires designed by the researcher had both open ended questions thus allowing a respondent to fully express the answer and closed questions which only provided simple choice of answer such as yes or no. Questionnaires were used by the researcher because they saved time and they were an inexpensive way of surveying a cross section of people.

Questionnaires allowed the researcher to guide the respondent along the lines regarding the topic under study and responses obtained from closed ended questions are easy to analyze. Questionnaires allowed the respondents to give freely the confidential information since the respondents were not required to disclose their identity. The researcher favoured the use of questionnaires because the analysis of data from close-ended question was easy. However data collection through the use of questionnaires required a significant commitment, expertise, time and material resources. The researcher also noted that questionnaires were highly inflexible as they gave no room to rephrase questions, furthermore, some questions remained unanswered and it affected the research findings.

The researcher used simple wording in the questionnaires so that the respondents would not fail to understand the questions, that is, the researcher used simple wording to elaborate the meanings of what was being asked and required. The researcher also used face to face interviews. The researcher employed structured interviews to obtain detailed and specific information from the Minister of Tourism and Hospitality Mr Mzembe. The questions presented to the Minister sought to determine the factors affecting adoption of ICTs in Zimbabwean hotel and also how far Zimbabwean hotels are in terms of adoption of ICTs. The interview also sought to discover challenges to implementing ICTs and compliance at different hotels. The interview process proved time consuming and required persistence since the honourable Minister was a busy person and he was not easily available. The actual interview session had a length of 15 minutes due to the Minister's busy schedule.

To avoid inconveniences, an appointment via e-mail and telephone call prior to interviewing visit was made. Goodman (2003) states that certain biases exist due to the tendency by the interviewer to ask wrong questions and be supplied with answers he expects to get. The researcher eliminated such errors by avoiding leading questions and taking a listener approach instead of providing suggestions. Probing was only applied as a means of seeking clarifications. This technique was used because interviews are highly flexible and the researcher was able to rephrase the questions to make the respondent understand better.

Dennis (2003), states that an interview is whereby the researcher and the respondents discuss verbally with each other either face to face, over the phone or over the internet. Interviews allow probing on open ended questions, clarifications on ambiguous questions and sequencing of questions is easily changed. However, the researcher noted that interviews were costly to run in terms of money and they are time consuming because the interviewee was a busy person hence the need of an appointment and the need of a telephone call reminding the interviewee about the appointment before the time. The researcher also noted that the interview failed to give anonymity to the respondent, hence, there was a greater chance of being given biased information.

#### **IV. RESULTS**

Eight hotels participated in the survey Meikles hotel, Holiday inn (Bulawayo), Victoria falls, Regency Fairmile, Kadoma hotel, Midlands hotel. At the outset the author quotes from a number of previous reports, which indicate that ICT has not been implemented effectively in the hospitality industry

Evidence from the literature review has shown that there are a number of factors, which affect technology adoption. These factors include organisational readiness, external pressure, internal expertise, support of owner or manager, user participation, efficient and effective use of any external expertise. The barriers which were uncovered by the research: IT management training, dependency on outside experts and size and scale of enterprise are all directly related to the 'other' factors which influence ICT adoption. The level of significance of these barriers varies between the tourism sub-sectors surveyed.

This study has added new knowledge in terms of the significance of a number of further barriers to ICT adoption. They include peripheral or rural location, security concerns, cost issues, lack of capital, and personal background of the owner manager. A closer analysis of findings has revealed that although technology is available, some of it is obsolete or not necessarily functional. Hotels possessed various outdated versions of software packages which did not seem to serve them well. The mode of Internet bookings is an important determinant of their success. A lot of Internet booking systems generates a booking in email format rather than integrating into the hotel's reservation system online. This obviously limits the usefulness of these systems.

## **V. DISCUSSION**

The adoption of ICTs at Meikles Hotel is proving to be growing fast; this was noted by the stakeholder preparedness to harness it. Meikles hotel being a five star hotel recognised internationally, this pushes them to move along with technological changes. Meikles hotel is interested in improving in their service provision through the use of e-commerce, and the results of this study show that this is being done at a fast pace. The top management at Meikles hotel are quite literate hence the adoption of ICT is faster compared to other hotels. The C.E.O is a holder of an honours degree in Computer science. Although the use of ICTs has not yet revolutionalised Meikles Hotel's service delivery; it has changed how some services such as bookings are being done. Meikles hotel has a website developed and maintained by an inhouse programmer. Their website is user friendly and they have all the information that one needs about the hotel. Meikles hotel started offering wireless network services to guest in 2006. They use Fidelio management system which integrates all the information from the reservations, banqueting, finance departments and the restaurants. They use point of sale systems.

## **VI. CONCLUSION**

It can be noted that the adoption of ICTs at Meikles Hotel is proving to be growing fast and it has been done to a very large extent. Although the use of ICTs has not yet revolutionalised Meikles Hotel's service delivery; it has changed how some services such as bookings are being done.

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