CHAPTER - V
FINDING, CONCLUSION AND RECOMMENDATIONS

The present chapter is devoted to main findings, conclusion and suggestions. The investigator has succeeded to draw certain logical findings of the present study on the strength of the analysis and interpretation and comparison of results in the proceeding chapter. The major findings, which have emerged from the present study and relevant suggestions, are discussed in the successive paragraphs.

5.1. FOREWORD

Hotel industry has turn up with noteworthy detonation. The hotel industry is linked with the tourism industry and thus its growth is prejudiced by the growth of tourism industry in India. Increasing opportunities with the foreign investment in different industries has proven positive for hotels in India. With the increase in domestic travel and movement of people to different new destinations has also increased scope of hotels. The campaign ‘Atithi Devo Bhavah’ and ‘Incredible India’ (Min of Tourism Govt of India) destination campaign enhanced the chances of growth in domestic and international tourism and consequently the hotel industry. The steps to providing land subsidy by the government in Tier II cities in India has manifold increased scope for hotels to invest more. Recently, government has decided to treat the convention centres as a part of core infrastructure, which allows them to give critical funding for the large capital investment that is also required for hotel rooms.

With the increasing low cost (budget) hotels coming up under big brand names is a positive sign for the growth of hotel industry to cater the needs of domestic travellers also. In a recent report, it is estimated that in Hotel industry of India has supply of 110,000 rooms and there is a shortage of 150,000 rooms fuelling hotel room rates across India. According to estimates, over the next two years this demand is going to exceed at least upto100%. With demand-supply disparity, over the next two years, hotel rates in India are expected to rise by 25 % and 80 % annually and occupancy respectively. Up to 2012 this problem of Indian hotel industry might be sort out by the addition of 60,000 quality rooms in different stages of planning and
development. There is an expectation of huge growth and expansion of budget and mid market hotel segment if in the next few years luxury segment will perform extremely well.

The present era is marked by the revolutionary changes in the service sector especially property management (PMS) practices. A vast variety of services ranging from pre-arrival and checkout of guests have become part and parcel of today’s hotel industry. Service is an activity or series of activities, which take place by sharing of information at the right time with a person and provide guest satisfaction, are covered and done by use of PMS. In fact, PMS is a term that a central point from where the information is shared and ICT is best utilised to provide guest a remarkable experience and increase revenues. . Further, there are many PMS procedure that can be used. It is not only PMS that helps guests in saving their time but also helps hotels to retain them. Thus, it has become imperative to explore right type of property management practices to use and to ensure more guest wiz-a-wiz revenue.

In light of the above, the decision to target the Indian hotel organisations reflects desire to add exploratory data to the emerging property management practices in chain and independent hotels in National Capital Region. The enormous changes have been noticed during the last ten years in service operations in terms information technology, software’s and organizational structure, revenue, innovativeness etc, of these information technology has dramatically affected the environment of hotels operations worldwide and India is no exception to this. The present era is marked by the use of not only internet but also use of mobile applications by the users which help them to access and choose best services on their fingertips. The Property Management System (PMS) is the central data infrastructure of the hotel, handling the administration of all of the guests, their profiles and bookings, as well as their stay, the revenues generated, etc

5.2. FINDINGS OF THE STUDY

On the basis of the analysis and interpretation of property management practices data, the findings of the results are given below:
The distribution of sample represents hotel organizations with respect to the star category of the hotels. In terms of star category 100 (50%) existed for 3 star hotels, 60 (30%) for four star hotels, 30 (15%) for five star category hotels and 10 (5%) for five star deluxe hotels. This shows that most of the hotels come under 3 star hotel categories.

It also presents the distribution of sample hotel organisations with respect to the demographics used in the study. In terms of years of existence, 70 (35%) existed for 6 to 10 years, 50 (25%) existed for 11 to 15 years, and another 25 (16.5%) for more than 16 years. 45 (22.5%) existed for less than 5 years. This shows that most hotels have already established their names in the market, gained stability in the society, and indeed is part of a growing hospitality industry. The capital of most organisations is less than 100 million; 79 (39.5%) hotels having capital more than 100 million. There are 67 (33.5%) hotels with capital between Rs 101-300 million, 24 (12%) hotels are having capital between Rs 301-500 million, 17 (08.5%) hotels are with the capital between Rs. 501-100 million and 13 (06.5%) hotels have capital more than 1000 million. The size of employment in most organisations is less than 50 employees; most of the hotels (79 or 39.5%) had 50 or more employees. There are 62 (31%) that have 51 to 100 employees, 35 (17.5%) with 101 to 200 employees, 19 (0.9.5%) with 201-300 employees and 11 (05.5%) hotels with more than 300 employees. The findings imply that the number of employees was largely dependent on the organizational set-up of the hotels and the services offered. Finally most hotel organisations 140 (70%) are individual enterprises and 60 (30%) are Chain (joint, partnership).

In order to test H1 or to explore the existing property management practices prevailing in Indian hotel industry especially in NCR, factor analysis was employed. In the initial stage property management practices measured on a Likert-type 5-point scale ranging from 1=never 5= Always) for usages. The scale includes the three central attributes of property management practices (Front Office and F&B Service Practices and Accounting & Finance Practices.

The level of implementation of property management practices of Indian hotels in terms of product offering is presented. The 27 items have been derived based on our
data coincide with the conceptually derived PMS practices and tested empirically in the hotel organisations in National Capital Region. The results indicate that hotels in NCR include a “Very High” (X=4.75) level of property management practices in their product offerings. They consider the ‘Confirmation mail in advance makes a guest more satisfied’ (X=3.80), Multiple Check-in & Check outs (X=3.11), ‘Guests can also request or register complaint on IVR (X=4.00), ‘Guests can check their bills on the TV Screen in rooms.’ (X=3.95), and oftentimes ‘guests can also request or register their complaints through IVR’ (X=4.00). Most of the times now ‘making occupancy report is easier’ (X=4.20) and ‘Better way to post the bill in Master Folio of the Guest’ (X=4.63). It was also found that Total Room Revenue and ARR can be calculated easily ‘X=3.84 and oftentimes PMS can be linked with other properties (X=3.82). Also ‘making a reservation is better than dairy or Whitney system (X=3.64) and ‘Room forecasting can be done easily’ (X=3.68). They consider the proper Guest can view Order No & Service makes them more satisfied’ (X=4.62), ‘Helps in getting report of guests with complementary meals’ (X=4.10) and mostly ‘Better way to post the bill in Master Folio of the Guest’ (X=4.63).

In order to validate results further, or to test H1, factor analysis was performed in the property management practices in the Indian (NCR) hotel industry to represent presents the results from exploratory principal components factor analyses with Varimax rotation on the 27 individual property management system practices items categorised into three groups. The property management system practices items were factored into three factors explaining from 79.70 to 83.50 percent of total variation. The first factor (property management system practices) we label as ‘front office practices (FOP) that comprises Confirmation mail in advance makes a guest more satisfied, Sending SMS also about confirmation to the Guest via PMS, Multiple Check-in & Check outs can be taken, Guests can check their bills on the TV Screen in rooms. Guests can also request or register complaint on IVR, Sending E-mails for Updates greetings to Guests makes them more Satisfied, Making Occupancy Report is easier, Total Room Revenue & ARR can be calculated easily Linkage of PMS with other Properties, Revenue can be increased through GDS, Room Forecasting can be done easily, Making a Reservation is better than dairy or Whitney systems, Guest’s Preference, History can be recorded for long time Corporate & FIT can be
easily distinguished. Cancellation can be done easily and retention charges can be charged online. Promotions & Offers can be shared online on social networking. Sites, sms or e-mail Helps in Coordinating with sales & marketing Deptt. And special Requests of Guest can be shared with other departments.

The second factor ‘food & beverage practices’ (F&BP) comprises Guest can view Order No & Service Time, Better way to post the bill in Master Folio of the Guest, Guest’s Preference and special request can be saved and used later on and Helps in getting report of guests with complementary meals.

The third factor ‘accounting & finance practices’ (A&FP) consists of Daily Revenue can be calculated easily, Helps in calculating salary of employees easily, Night Auditing can be done in a better way, Discrepancies can be found easily, and Daily Discounts & Allowance given to guest can be calculated easily.

It also explained all the necessary information about the “three factors explaining between 79.70 to 83.50 per cent of the total variation that are above the generally accepted level of 50 per cent. All items pass the eigenvalue (more than 1.00), the cut-off points (factor loading not less than 0.40), and the cross-loading (not less than 0.10) requirements. The Cronbach alphas of the three factors are very high (ranging from 0.80 to 0.87), and are above the generally accepted level of 0.70.

The hotel organisations specific characteristics such as category, age, capital, number of employees and type of ownership have a close relationship with the adoption of specific property management service practices. Thus, to study the relationship between property management practices and specific characteristics of hotel organisations such as category, age, capital, number of employees and type of ownership or to test Hypothesis 2 – i.e. There is a positive relationship between food service practices and specific characteristics of hotel organisations such as category, age, capital, number of employees and type of ownership, Bivariate co-efficient of correlation was employed.

The values of the bivariate correlation coefficients between all the variables used in the study were displayed. We observe strong, positive and significant correlations between all the food service practice variables (Front Office Practices=FOP, Food &
beverage Practices = F&BP and Accounting & Finance Practices = AFP)

The values are significant at 0.01 level for the capital, size in employee, type of ownership, category, FOP, F&BP and A&FP. These results supporting hypothesis H2. With respect to the characteristics of the Indian hotel organizations, we observe that there is a negative association between age, capital and size and most property management practices variables, giving thus partial support for hypothesis H2. These results indicate that the hotels having large amount of capital and large number of employees widely make the use of property management practices as compared to other hotels.

In order to assess the relationship between some of the controls (or demographic variables) and application of property management practices, or in other words to be able to test Hypothesis 2, one-way ANOVAS were performed. The results of this analysis are summarised, which presents the corresponding F-values. The findings in this table are informative. In column ‘mean scores’ the average scores of the usage of property management practice variables are reported. It is seen that all means are much above level 2 in the 5-level Likert scale.

The dimensions of ‘category’ and ‘type of ownership’ found to be statistically significant on all property management practice variables. It can be said that large size hotel organisations are using property management practices then small size hotels. On the contrary, the dimensions of ‘age’, ‘size of capital’ and ‘no. of employees’ did not produce statistically significant results with respect to the property management practices variables. In the light of these results, regarding Hypothesis 2, we found that there is a positive relationship between property management variables and category and type of ownership, and there is no relationship between property management practices variables and age and size (capital or employees). To assess the rating of property management practices in hotel’s in NCR or to make comparison between Chain hotels and Independent hotel’s on Property Management Practices, or to test H3 Chain hotels will be rated higher than resorts on food and beverage service practices; t-test was applied.

The t-test result comparing perceived property management practices in the chain hotels and independent hotels in NCR were also analysed. Mean comparison yielded
a few significant differences and they were in the hypothesized direction. In all the cases chain hotels obtained higher mean score compared to its counterpart. In the rest of the cases the mean differences were not significant although chain hotels had always an edge over the independent counterparts. Analysis of the data suggests that the property management practices in the sample respondents were, on the whole, not well-founded. The practices seem to have evolved from the experienced-based knowledge of the front office staff and the vision of front office manager. Most managers were able to provide reasoned justification for the practices that they employed. The findings also provide needed implementation guidelines to practitioners for effective food and beverage service practices implementation and gives possible reasons to explain some cases of chain hotels and resorts in Indian hospitality industry where the perceived benefits fell short of expectations.

In order to assess the relationship between some of the controls (or demographic variables) and organisational performance, or in other words to be able to test Hypothesis 4 i.e. There is a positive relationship between property management practices and organisational performance, one-way ANOVAS were performed. The results of this analysis are summarised, which presents the corresponding F-values. The findings in this table are informative. In column ‘mean scores’ the average scores of the corresponding performance variables are reported. It is seen that all means are much above level 4 in the 5-level Likert scale. This should be of no surprise because all hotels included in the sample were the ‘best performing hotels’ according to the Ministry of Tourism, (Government of India) directory.

The dimensions of ‘hotel category’ and ‘type of enterprise’ found to be statistically significant on all performance variables, except of ‘market share’ for the ‘type of enterprise’ dimension. The examination also revealed that the higher the star category of the hotel, the higher the hotel performance levels. This result is similar with the results of (Kokaz & Murphy 2008, 2009) , Watkins (1995). Moreover, it is found that hotels were performing better when they were belonging in a chain, result that is similar with the results of Buhalis (1998), Namasivayam, Enz, & Siguaw, (2000). On the contrary, the dimensions of ‘hotel age’, ‘size in capital’ and ‘size in employees’ did not produce statistically significant results with respect to the
performance variables. This result is similar with the results of Wagner (1999), Freed (2008), Mamaghani (2009). In the light of these results, we may say that regarding Hypothesis 4, we found that there is a positive relationship between organisational performance and hotel category and type, and there is no relationship between organisational performance and hotel age and size (capital or employees). In other words, if hotels are to achieve higher performance levels, they should preferably increase their category and belong to a chain.

Further, co-efficient of correlation was calculated between the factors representing property management practices and organisational performance variables.

To find the impact of property management practices on organizational performance in Indian (NCR) hotel enterprises, Correlation co-efficient was applied which is a common measure to examine the relationship between the two or more than two variables. The research used the existence of 8 performance variables measured on Likert-type 7-point scale ranging from 1=very strongly disagree, 2=Strongly disagree ,3=disagree, 4= neutral, 5=agree ,6=strongly agree and 7= very strongly agree.

In order to examine the impact of property management practices on organisational performance or to test H4, correlation co-efficient was performed. Correlations were calculated between the factors representing the three property management practices derived, and the organisational performance variables. These three factors were developed by a number of conceptually consistent property management practices in the questionnaire, determined by factor analysis. This approach is acceptable while testing hypotheses and a number of factors to be extracted. The resultant correlation coefficients are presented, where it can be seen that all correlations are positive, highly significant and in most cases their values are rather high. Upon observing the results, it is found that:

Profitability compared to business unit objectives is highly correlated with Front Office Practices factor where as there is no relationship with Accounting & Finance Practices (A&FP) factor. Further, other factors of property management practices are significant at 10 % level. Market share compared to business unit objectives revealed significant correlation with all factors of property management practices.
Return on investment compared to industry average is highly correlated with all property management practices (APMP) at different levels. Profitability compared to business unit objectives is highly correlated with Front Office Practices and moderately correlated with Food & Beverage Practices but there is no relationship with Accounting & Finance Practices. Sales growth compared to hotel industry average is highly correlated with Front Office Practices and moderately correlated with Food & Beverage Practices and all property management practices. Sales volume compared to business unit objectives is moderately correlated with Food & Beverage practices and there is no correlation with Accounting & Finance Practices and all property management practices. Return on investment compared to industry average is highly correlated with Front Office Practices and moderately correlated with Food & Beverage Practices and all property management practices. Quality holds more important than quantity is highly correlated with front office practices and moderately correlated with Accounting & Finance Practices Is your PMS user Friendly is highly correlated with Front Office Practices (FOP) factor where as Sales volume compared to business unit objectives is least correlated but it is significant at 10 % level. Cost Saving by using PMS is highly correlated with Accounting & Finance Practices (A&FP) and Front Office Practices and all property management practices but moderately correlated with Food and Beverage service practices

5.3. THE POSITION OF HYPOTHESIS

**Hypothesis 1**: The findings of study identified most important Property Management Practices in the NCR (Chain Hotels and Independent Hotels) such as ‘confirmation mail in advance makes a guest more satisfied’, ‘sending sms about the confirmation to the guest via PMS’, ‘quality holds more importance than quantity’, ‘training of employees should be carried out for using PMS’ and. Moreover, results support the hypothesis. The set of ‘providing the guest information within the estimated time given to the guest makes a guest delight’, ‘the way information and features the guest can use makes them more satisfied’, and ‘suggesting a guest about the features of PMS they can use in their rooms or their mobiles is a good idea’ ,’ Guests can check their bills on the TV Screen in rooms makes them more satisfied as they need not to stand and wait for check outs may constitute the most important property management practices in the Indian hotels. **H1 ACCEPTED**
Hypothesis 2: The dimensions of ‘category’ and ‘type of ownership’ found to be statistically significant on all property management practice variables. It can be said that large size hotel organisations are using property management practices then small size hotels. On the contrary, the dimensions of ‘age’, ‘size of capital’ and ‘no. of employees’ did not produce statistically significant results with respect to the property management practices variables. We found that there is a positive relationship between Property Management Practices variables and category and type of ownership, and there is no relationship between Property Management Practices variables and age and size (capital or employees). **H2 PARTIALLY ACCEPTED**

Hypothesis 3: In all the cases chain hotels obtained higher mean score compared to its counterpart. In the rest of the cases the mean differences were not significant although chain hotels had always an edge over the independent hotel counterparts. Analysis of the data suggests that the property management practices in the sample respondents were, on the whole, not well-founded. The practices seem to have evolved from the experienced-based knowledge of the front office staff and the vision of manager. Most managers were able to provide reasoned justification for the practices that they employed. The findings also provide needed implementation guidelines to practitioners for effective property management practices implementation and gives possible reasons to explain some cases of chain hotels and independent hotels in hotels in NCR where the perceived benefits fell short of expectations. In light of these results we may accept H3; supporting that chain hotels will be rated higher than independent hotels on property management practices. **H3 ACCEPTED**

Hypothesis 4: There is a positive relationship between Property Management practices and organisational performance; the results indicated significant differences between chain hotels & independent hotels. These findings are in the hypothesized direction. In all the cases chain hotels obtained higher mean score compared to its counterpart. In the rest of the cases the mean differences were not significant although chain hotels had always an edge over the independent hotels counterparts. Analysis of the data suggests that the property management service
practices in the sample respondents were, on the whole, not well-founded. The
practices seem to have evolved from the experienced-based knowledge of the
property management systems and vision of the manager. In the light of these results
we may accept, that there is a positive relationship between property management
practices and organisational performance. **H4 ACCEPTED**

5.4. RECOMMENDATIONS AND CONCLUSIONS

Numerous significant implications in terms of theory, research and practice emerge
from the results of this study. The findings provide needed implementation
guidelines to practitioners for effective property management practices
implementation and gives possible reasons to explain some cases of chain and
independent hotel enterprises where the perceived benefits fell short of potential. All
in all, a hotel cannot simply select few of the property management practices
discussed above and expect to realise full operational and conceptual benefits from
implementing partial property management practices. With the right support,
planning, employee involvement and continuous improvement, any hotel can look
forward to a cost and time efficient property management practices implementation
for maximum profitability and return on investment. As an example suppose one of
the enterprises in the sample, namely an independent hotel was rated quite high on a
number of property management practices even though it did not belonged to any
reputed chain property. Considering the fundamental logic that organisation systems
are comprised of multiple property management practices that operate
simultaneously, a critical area of future research that is needed is to examine exactly
how these practices work together. Beyond conceptualisations of the form and
function of use of PMS, research is needed that more explicitly considers several
sampling issues that are likely to impact the reliability and validity of empirical
investigations of property management practices. For example, researchers may
have to adopt multiple methods for operationalising- property management practices
such as factor analysis, cluster analysis, and reliability analysis.

Regarding most important property management practices in Indian (NCR)hotel
organizations, there exists a set of most important property management practices
being used by the hotel enterprises. This set of property management practices
includes types of software’s used in different hotels and their linkage with in the hotel and linkage with other properties. It includes front office practices, food & beverage practices and accounting and finance practices. Adoption of these property management practices in more effective manner may develop competitive advantages for the hotel enterprises. It is found that there is a positive relationship between property management practices variables and performance variables. The performance variables such as Profitability compared to business unit objective, , Market share compared to business unit objectives , , Sales growth compared to hotel industry average , Sales volume compared to business unit objectives , Return on investment compared to industry average, are highly affected by property management practices where as performance variables such as return on investment are least affected by property management practices. It would be appropriate to opine, if hotel enterprises want to achieve higher performance levels and compete in hotel marketplace, they should preferably increase the application of property management practices.

It has been observed from the present study that property management practices are given due consideration in the understudy as their mean scores were observed to be above average. This is a healthy sign. Of the prevalent property management practices which received a good response from the respondents were front office managers in different hotels. If these practices are continued and enhanced in trend with the changing global hospitality environment, some better results could be clearly seen in the Indian hospitality industry. However, there have been some critical areas of observation, which are a part of property management practices and are important from PMS perspective. These areas are Front Office, Reservation and Reception and adopt some new trends in food and beverage service outlets. These areas need to be further worked upon for the improvement of services provided in Front Office in chain and Independent hotels. To satisfy our customer by our services, we have to adopt these kinds of practices in hospitality industry.

Further, considering the results and findings of the present research the following recommendations can be drawn:

1. Property Management practices in Indian hospitality industry must focus on improving functions in the systems.
2. There is a dire need to understand the challenges and to adopt new trends in different property management systems. The organisation must develop and adopt effective property management practices for developing a high level of competence and involvement so that every customer must fully satisfied with the services provided by service employees which contributes towards organisational performance.

3. The property management practices needs to move from traditional to contemporary practices, by developing and providing effective practices with continuous up gradation and necessary changes as per the competition in the market.

4. The property management practices have to be used more for developing and providing good services in chain and independent hotels. Well trained, well groomed and educated employees should be recruited so that they can easily handle PMS systems.

5. It is strongly recommended to the policy makers that they must understand the importance of all employees who are working in the hotel. They must take care of their shift timings, their promotions and training and development.

6. Front Office Managers should use effective tools and techniques, which can save a lot of time. Thus the benefits of property management practices have to be utilised for practical purposes rather than they being used just to reflect it on paper.

7. New Property Management Systems should be purchased or installed.

Finally, considering the fundamental logic that organisation systems are comprised of multiple property management practices that operate simultaneously, a critical area of future research that is needed is to examine exactly how these practices work together. Beyond conceptualisations of the form and function of PMS, research is needed that more explicitly considers several sampling issues that are likely to impact the reliability and validity of empirical investigations of property management practices. For example, researchers may have to adopt multiple methods for operationalising—property management practices such as factor
analysis, cluster analysis, and reliability analysis. Future research should incorporate other important items that have not been considered or omitted from other studies and are likely to influence the adoption of PMS practices in chain and Independent hotel enterprises, as the sample was limited to the perception of Front Office Manager’s only.

The scope of this study was two-fold purpose: First, to explore property management practices in the hotel’s in National Capital Region (NCR) industry and to compare the property management practices in chain hotels and independent hotels. In general, property management practices have not been widely researched so there a need for further research in this field. In the last two decades very few academic studies have concentrated on this area, which means that the knowledge of property management system literature has not advanced very far. This study investigates several new PMS dimensions, which have never been tested before in hospitality literature. These new aspects reflect new insights from services research. Hotel organisations have to continuously develop new PMS practices in order to be successful and the results of these and further investigations will be of potential value to hotel and generally hospitality managers, as it will enable them to focus on CRM more strategically and professionally.