The chief business analyst has asked you to write a report for the next board meeting which discusses the potential challenges to HiLite posed by the development of the disruptive technologies which are emerging in the hotel industry, and highlight the potential application of disruptive technologies which may be considered by HiLite

REPORT

To: BOD

From: Senior Business Analyst

Date: XXXXXXX

Subject: Potential Challenges and application of Disruptive Technologies

The report is split into two part, first being the potential challenges posed by Rent'a-room on Hilite and secondly a summary of the application of disruptive technology.

Potential Challenges

Flexibility

Disruptive technologies is able to offer customer with wider choice of selection in terms of location where Rent-a-room is available in 60,000 towns & 2m accommodation listing compared to Hilite with only 510 hotels.

Hilite is only offering customer with hotel rooms for stay versus Rent-a-room which is offering potential customer a choice of apartment rentals, homestays, hostel or even hotel rooms for rent. Thus, clearly customer has more choices with Rent-a room making them offering a more flexible service to potential customer.

Variety of facilities

There is a lot of third party hosts that offer variety of facilities such as web-movies, high speed internet as compared to Hilite which is basically a budget hotel thus offering a limited choice of services. Clearly customer would prefer Rent-a-Room.

Pricing

The challenge is Rent-a-room offers lower price than HiLite. This may deviate customers to opt for rent-a-room instead of HiLite since it is cheaper. Rent-a-Room don't own any of the lodgings, thus their overhead is much lower compared to Hilite which owns the 510 hotels that they operate. With a lower cost structure, Rent-a-Room can priced their services lower than Hilite.

Smartphone

The use of smartphone changes the way customer book their hotel stay, check-in & check-out, or even rooms key used. This will be a challenge to Hilite which is basically yet to fully adopts the technology given the fact that the millenials are seeking for this type of services.

OTA

Emergence of OTA, booking sites, hotel comparison sites, will increase the challenges faced by Hilite as customer will have access to more information before making their booking, thus Hilite will have to ensure that they are one of the lowest price hotel in order to remain attractive as customer has a choice at their finger tip.

Application of Disruptiove Technology

With smartphones, customers can book facilities and local attraction ticket as well which should be provided by HiLite to attract more customers.

The application of disruptive technologies to Hilite can be costly especially if they consider to enable all their rooms to enable smartphone to access the rooms. Significant investment is needed and there is a limitation as those customer without smartphone may be inconveniece.

A lower investment alternative for Hilite is to consider providing more information in terms of the room rate promotion through smartphone via apps or email to the customer to attract customer. The apps by Hilite can be expended to provide guest with local information such as weather, local attraction or even integration with local restaurants for booking to enhance its service offering to potential customer.

The apps by Hilite can allowed the customers to create membership and with membership would allowed customers to enjoy certain types of discount or vouchers given to them based on their spendings. This can help Hilite with customer retention especially given the challenging environment.

The smartphone application can be extended to allow flexible check-in through the smartphone so that can save the time of the guess. Those who prefer physical check-in can still do so but now with reduce queing time given that some will check-in virtually.