

Towards Strategic Business Performance of hospitality sector: Nexus of ICT, E-Marketing and Organizational Readiness

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ABSTRACT

The purpose of this review is to summarize the article entitled “Towards Strategic Business Performance of the hospitality sector: Nexus of ICT, E-Marketing and Organizational Readiness”. In the article, the authors explain the importance of the Information and communication Technology (ICT) and E-Marketing for achieving the strategic performance in the hospitality sector of Pakistan. According to author, in present era all the businesses which are developed based on the latest information technology are competing better than other organizations. ICT become an essential component for gaining market shares and competitive edge for hotels. Through E-marketing practice increases the overall cost of marketing however helps to achieve strategic business performance. The success of ICT and E-marketing relay on the degree of organizational readiness. For the said study, authors collected data from owners, operational managers, middle managers, and top operational managers of the 5-star and 4-star hotels in Pakistan. Authors collected data from 476 employees of these hotels and evaluated from different statistical tools. For testing the relationship as proposed by authors in the form of hypothesis, correlation, regression analysis, and Preacher and Hayes test were used.

Keywords: ICT, E-Marketing, Pakistan, Organizational Readiness, Strategic Business Performance.

INTRODUCTION

According to the paper, in current eras, businesses are increasingly shifting towards adaptation of state-of-the-art technologies available. It has a dual impact on organizations. On one side it is reducing the cost and on other side it is enabling the organization to produce more and to meet demand. Such organizations are achieving sustainable competitive advantages (Answer, Yousaf, Usman, & Yousaf, 2020). One of such technology is information and communication technology (ICTs) which has a great impact on business. Through ICTs adaptation organization can increase its output level, innovation, employment, and this can make the organization sustainable. A driven technology from ICTs is E-marketing, which is also playing an important role in business activities. Using E-Marketing, organizations can gain the attention of customers through email, mobiles, and social networking and through E-marketing they can facilitate the customers on sale and purchase process and organization achieve strategic business performance

(SBP). The SBP is a leading research area in the management research through SBP one can easily understand the business performance of the firm. When the organization has the SBP they can easily achieve its targets and innovate its product and service, and this can bring sustainability in the organization in terms of its performance [1].

Authors propose that prior literature linked the ICTs with financial performance and no study evaluated its impact on SBP. In addition, E-Marketing; an outcome of ICTs, also has greater impact on SBP. This link is also not tested in the literature. The different relationships proposed and tested by current study are tested separately in developing nations. However, not much of work has been done in developing countries and especially in tourism and hospitality industry. All the aforesaid gaps are filled by the study.

According to authors, the purpose of research was to evaluate the impact of ICTs on E-Marketing and strategic business performance. The study also evaluated the impact of E-

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Marketing on strategic business performance and, mediating role played by E-Marketing in the relationship of ICTs and strategic business performance. In addition, the study also tested the moderating role of organizational readiness in the relationship of ICTs and strategic business performance [2,3].

LITERATURE REVIEW

The authors have well developed literature review section covering all the Important aspects of study. According to paper, strategic business performance is a broader term that encompasses of all the targets that a firm wants to achieve (Melnyk, Bititci, Platts, Tobias, & Andersen, 2014). The purpose of SBP is to improve the overall business performance by identifying and eliminating variability, utilizing tools and techniques to identify project and use different processes to eliminate defects (Zamecnik& Rajnoha, 2015). It also encompasses of process to deliver customer value fastly, improve workflow, impact cash flow and reduction in non-value-added tasks. There are different antecedents of SBP. One of such antecedents is information and communication technology (ICTs). ICT is a broad concept. It covers all products that will store, retrieve, manipulate, or receive information electronically in a digital form. ICT is an umbrella term that include any communication device, encompassing radio, television, cell phones, computer and network hardware, and satellite system (Akarowhe, 2017). The use of ICTs positively influences the firm performance in it all aspects. Thus, ICTs positively influence the firm's SBP [4].

The authors also linked the ICTs with E-Marketing which is defined as a integration of ICTs for the marketing purpose or the process on identifying customers needs' and satisfying them on profit by using electronic means. ICTs has enabled the marketing to emerge as E-Marketing (Qashou& Saleh, 2018). It is due to ICTs that marketers are able to share information via emails and other resources, create and maintain customers relationships virtually, and even sell the products online. Authors called them 'effective marketing practices enabled by ICTs'. With the integration of smart phones and wireless technologies including 3G, 4G and 5G, the concept of E-Marketing is expanding rapidly (Javed et al., 2019). Thus, organizations needed to integrate this concept in their core business model to achieve better performance, Thus E-Marketing is also affecting SBP.

According to authors, marketers are using ICTs for enhancing their performance throughout the organizations. Thus, ICTs are also essential for effective E-Marketing. However, the organization also needed to be ready to cash up the opportunities created by ICTs. The authors called such readiness as 'organizational readiness' which is a multi-level construct. On the organization level, it refers to the member willingness to implement change on collective level. On personal level, organizational readiness refers to the degree of members' valuing the change (Lokuge, Sedera, Grover, & Dongming, 2019). Authors presented different studies proving high correlation between organizational members' readiness and initiating and accepting change like introduction of ICTs and its applications like E-Marketing. From all these studies, authors

concluded that the presence of organizational readiness can enhance the impact of ICTs on E-Marketing [5].

METHODOLOGY

The study is quantitative in nature and adopted the positivism as research philosophy. In aligned with the study nature and philosophy, the study adopted survey research to collect the data. In this research Tourism and Hospitality industry has been focused. In Pakistan, these sectors operate in a competitive environment if they adopt the ICT and E-marketing they can easily compete in the business environment. Thus, can promote local and international tourism in the country.

For the research data was collected from the 4-star and 5-star hotels that met the international criteria. To overcome the common method bias, authors collected data in three-phases. In first phase 560 responses were received, in second phase, 531 responses were received, and in third phase 476 responses were received. However, the useable responses were only 471.

According to paper, for measuring the variables, scales were adapted from prior studies. Authors also controlled some variables to have their no/minimum impact on the results of current study. The authors conducted confirmatory factor analysis (CFA) to check the distinctiveness of all the variables of study. The authors established model fitness, validity and reliability and found that all the criteria for proceeding ahead are met.

ANALYSIS

The study tested the collected data using correlation and regression. The results demonstrated that all the variable of the study are correlated to each other. However, there is no issue of multicollinearity or auto-correlation. The study also conformed that strength of relationship via regression analysis. The results proved that ICTs has positive impact on E-Marketing and SBP. At the same time, E-Marketing is also positively and significantly associated with SBP and the relationship between ICTs and SBP is mediated by E-marketing. Furthermore, the relationship between ICTs and E-Marketing is stronger when the firm readiness is high and vice versa, proving the moderating impact of firm readiness [6,7].

CONCLUSION

The study explored an important aspect ICTs and linked it with SBP. This link was missing to be tested in developed countries and especially for Tourism and hospitality industry. The authors well explained the positive impact and consequences of ICTs once integrated with the business. The study expended the scope of ICTs from financial performance to SBP. Here in this research relationship of ICT and E-marketing shows the effect that how firms can achieve its goals and objectives by using the latest technology and how they achieve the SBP the main thing is the moderating effect of the organizational readiness on the ICT and E-marketing because without adopting change organization couldn't achieve its objectives and they can't survive in the competitive environment so it is necessary for the

organization to adopt the change according to the new technology.

The study has multiple theoretical and practical implications including the expansion on work on ICTs, E-marketing, firm readiness and SBP. The study proposed and tested a model that can be used by hospitality and tourism industry for achieving SBP using ICTs and its application. The study also guides managers and owners of Tourism and hospitality industry to equip their employees with ICTs and E-Marketing skills, so that they can achieve sustainable competitive advantage. The study also provide guideline for managers and owner to use ICTs for need assessment, product offerings, customer satisfaction evaluation, and revisiting their offering as it is an effective and less costly method.

The authors also provided limitations that can be used as future direction including low sample size, addition of variable in the model, cross industrial and cross-cultural research, and conducting longitudinal research in future.

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