Chapter 9
Sales Force Technology for the Hospitality Industry

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ABSTRACT
Advancements in Sales Force Automation (SFA) is rapidly changing the landscape in how meeting planners and hotel sales professionals do business with one another. This chapter highlights where those changes are occurring, why they are occurring, and what they mean to both buyers and sellers. The intent of this overview is to inform hotel owners and investors who are considering such an investment as to the benefits that can potentially be derived from SFA. Furthermore, our intent is to provide hospitality educators insights as to how SFA is changing the workplace of both meeting planners and hotel sales professionals so they can provide their students a realistic view of the software aids they may need to master to be successful in their careers.

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INTRODUCTION

Sales Force Automation (SFA) technology as applied to group sales departments of hotels and convention centers is the focus of this chapter. The group sales process has changed dramatically over the past two decades, evolving from paper bound filing systems for individual properties to fully integrated software solutions for multiple properties stretching from the prospecting, to contracts, then on again to the execution of the events and billing systems. The intent of this chapter is to provide readers a broad overview of current SFA functions and the potential benefits for investing in such technology.

There are many producers of SFA dedicated to hotel, resort and convention center group sales which vary widely in cost and functionality. Managers considering such an investment should reach out to multiple SFA vendors, take the time to carefully explain their business processes to them, and review each SFA vendor’s proposed solutions. No one system fits all, where most SFA systems can be packaged and scaled to each client’s needs.

WHY MAKE THE INVESTMENT?

Investments in SFA usually require high capital outlays and should always be made as to its return on investment, as measured in gains in efficiencies and effectiveness. Today’s SFA packages are interfaced with property management and catering management systems eliminating the need to re-key information on an event from the original sales proposal to the client’s final billing. The time saved is but one measure of efficiency. Effectiveness refers to the SFA system to increase sales. The growing use of E-bid systems (electronic request for proposals) among meeting planners, where the first hotel to respond with an attractive and competitively priced offer often wins the business, is but one example of SFA abilities to improve a sales force’s effectiveness in reaching and converting new customers. In additional, SFA systems designed specifically for hotel chain’s field sales forces has enabled companies to form deeper cooperative relationships with their key customers where one salesperson can meet all their meeting and event requirements within their chain of properties.

Not all commercial lodging and events facilities may find the investment worthwhile. Small boutique inns and special events facilities can get by just fine using a standard suite of Microsoft Office combined with a good website. However, today most larger group hotels, as well as chains, consider SFA tools are not an option but a necessity for business success. In 2007, the worldwide investment on SFA tools was $3.2 billion and is expected to reach $9 billion in 2012 (Cascio 2009). However, ask a hotel Director of Sales, and most will acknowledge that most companies’ do not maximize the full potential of their SFA tools. Acceptance of technology investment at both the management and sales force levels is at best mixed in the hospitality industry. A long line of research in the information systems literature has been focused on explaining the adoption and acceptance of such aids (Cascio 2009, Mallin & DelVecchio 2008, Williams & Plouffe 2007, Schillewaer, Ahearne, Franbach & Moenaert 2005, Jones, Sundaram & Chin 2002).

Perhaps the best model for predicting and explaining why some companies and sales persons readily accept technology, while others do not, is the Technology Acceptance Model (TAM) (Venkates, Morris, Davis & Davis 2003 Venkatesh & Davis 2000, Davis 1989). According to TAM, the acceptance of software aids is determined by two beliefs: the perceived usefulness (i.e., the extent to which the company and/or salesperson believes the system will improve his/her job performance) and perceived ease of use (i.e., the extent to which a company and/or company considers the system to be free of effort).