
**The Impact Of Online Reservation System On The Profitability Of Uganda's' Hotel Industry; The Case
Of Source Of The Nile Hotel Jinja**

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Abstract

Reservation and hotel productivity has become a matter of concentration and interest for researchers and PR actioners from last decades to date. The purpose of this study was to examine the impact of online reservation system on the hotel productivity with research objectives such as; to determine the influence of websites on the profitability of hotels, to examine the role of hotel application systems on customer satisfaction and to establish the relationship between online reservations system and hotel profitability in Uganda. The study adopted innovation theory of profits which aims at raising profits from successful innovations introduced by the enterprises with the sample size of 49 respondents who participated in the study with questionnaires as the main tool of data collection. It has been observed that hotels in Uganda are facing tough contest and no empirical research has been conducted in Uganda within the context of online reservation system and profitability. The literature observed revealed that online systems are crucial for the continuity of the enterprises and the current study also revealed that online systems are crucial in providing information to customers, they act as archives, automate, they provide updates about vacant and occupied rooms, they act as an important archive of information, assists users in finding the desired information quickly, they provide web map and a search tool for easy information access. Spearman's correlation co-efficient was used to determine the relationship between online reservation systems and productivity and the study considered online room bookings in relation to traditional manual and present book booking system. The results gave a strong 0.743 positive relationship. The study concluded that for any enterprise to perform financially positive, obtain customer loyalty, trust and relationship should adopt the modern technological systems. The study however recommended recommend source of the Nile hotel to prioritize hiring ICT qualified employees so as to increase and improve on its online programs and to think of connecting its online platforms to online payment systems

Keywords: Online Reservation System and Profitability

Background of the study

According to (Annet et al., 2023), online reservation systems are software applications or tools used to store, publish and update dynamic data on hotel accommodation availability and prices and provide users with regular booking options (Ashiraf et al., 2023). However, (Victoria et al., 2023) defined an online reservation system in the context of hoteliers as booking hotel services in advance or before reaching the destination. This allows the client to access the services of the hoteliers, such as rooms to sleep, receive food among other services depending on his own wishes in time to avoid frustration when what he needs is overcrowded or fully occupied (Innocent et al. . , 2023).

(Christopher et al., 2022) identified online customer reservation as a form of electronic reservation world. These

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disclaimers are considered more successful in influencing consumer behavior compared to traditional marketing tools. Online booking systems are independent of the sales efforts of merchants, so they appear more credible and trustworthy in the eyes of consumers. Online booking enables small companies to compete with business giants by having a better web presence for their products/services (K. Faridah et al., 2023). In the same wave, online customers can enjoy a wider selection of products or services, more competitive prices, and the ability to purchase their favorite items/services from sellers located thousands of miles away from consumers (Oscar et al., 2023).

The growth of the reservation system in Uganda began about a decade after independence. In the past, most of these hotels were publicly owned and located in peripheral areas such as Kabale, Mbale, Jinja and others. Due to political instability during the 1970s and 1980s, Uganda experienced a huge decline in the hotel industry (Emmanuel et al., 2023). During this period, some hotels were turned into police barracks, e.g. Nile Mansions. After the liberation war in 1986, there was a revival of the hotel industry. Today, the hotel industry in Uganda is a growing industry that has seen an increase in the number of hotels and the expansion of the tourism sector, hence the need to make hotel reservation systems a priority in this study. The rapid development and commercialization of information and communication technology (ICT) for the hotel and tourism industry has prompted hotels such as Nile source and other businesses in the sector to adopt these technologies (Kazaara & Kazaara, 2023). ICT-based products and processes help these hotels increase operational efficiency, improve service experiences, and also provide the means to access markets on a global basis (K. Faridah et al., 2023).

The adoption of online reservation systems at the source of the Nile is a strategy that sought to increase awareness, improve customer relations, facilitate the process of reserving items and provide standard customer line services (Lydia et al., 2023). The Source of the Nile Hotel is located in the eastern part of Uganda at the source of the longest river, the Nile. Located along Bridge Street, this position gives it an opportunity from other hotels that are far from the spring and the river itself. Being by the river is blessed with receiving more international tourists. Therefore, it was thoughtful to examine the situation in this organization from the location and opportunities provided by the resources of the Nile Hotel (Innocent et al., 2023).

Problem statement

Pramen Nilu Hotel's reservation system should focus on increasing profits through simple and cheapest means. However, the current manual reservation system used by the hotel is inefficient, time-consuming, requires a large number of staff to maintain, large storage space, delays in information delivery, and costly to maintain (Ntirandekura et al., 2022). This poor system prevents the hotel from achieving its set goals. The system does not track customer information faster and faster and this is usually a source of conflict between customers and administrative staff (Ntirandekura et al., 2022). This has resulted in wasted time moving from place to place, wasted resources and inaccurate information retrieval. However, the problem can be solved by using online booking systems that are able to automate all client information, improve time wastage and prevent conflicts between customers and clients. Therefore, this study investigated the impact of online reservation systems

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on the profitability of Jinja Nile Hotel resource.

Specific objectives

1. To examine the role of hotel application systems on revenue generation of the source of the Nile hotel Jinja.
2. To determine the influence of websites on customer satisfaction of source of the Nile hotel Jinja.
3. To establish the relationship between online reservations system and hotel profitability in Uganda.

Methodology

According to Kothari (2003) a research design is an arrangement of conditions for collection and analysis in a way that intends to combine relevance of the research purpose with economy in procedure. The study adopted a descriptive survey research design with both qualitative and quantitative approaches. Orodho & Kombo (2003), defined population as a group of individuals, objects or items from which samples are taken for measurements. The target population for the study was 70 respondents consisting of hotel administrators, supervisors, chefs, service providers, waiters and waitresses, bar attendants, house maids and customers. A sample size of 50 respondents was obtained from the population size of the study using different sampling methods as shown in table 1 below.

Table 1: Showing sampled size and sampling selection methods used

Category	Sample size	Sampling technique
Hotel administrator	6	Purposive sampling method
Waitresses and waitresses	15	Simple random sampling
Supervisors	10	Simple random sampling
Bar attendants	5	Simple random sampling
House maids	4	Simple random sampling
Customers	17	Cluster sampling method
Chefs	3	Simple random sampling
Total	60	

Quantitative secondary data was got from hotel performance reports and hotel online reservation system reports. Qualitative data was got from semi-structured and structured interviews, focus groups transcripts, observation records and other personal research related documents related to the study. An open and close ended questionnaire and self-administered questionnaires were administered to the respondents. The questionnaires aimed at answering questions in line with the objectives of the study. The study employed a 5-point Likert scale to measure the variables which will be in line to online reservation system and hotel profitability. The scale will ranged from strongly agree to strongly disagree (Strongly agree, Agree, not sure, Disagree, and strongly disagree).

Edited data was analyzed by both quantitative and qualitative methods. Quantitative data was grouped and

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statistical description such as tables showing frequencies and percentages for better interpretation were used and analyzed using SPSS (Nelson et al., 2022). However, qualitative data was analyzed in a way of identifying relevant responses from respondents. Mainly such data was analyzed by explaining the facts collected from the field. Interpretation and discussion of the results was done by the researcher explaining the strength of the study variables basing on frequencies and percentages obtained. Statistical conclusions were made during interpretation of the study findings.

RESULTS

Table 1 Distribution of respondents by the influence of websites on the profitability of the source of the Nile hotel Jinja

No	Statement	Agree		Not sure		Disagree	
		Freq.	%	Freq.	%	Freq.	%
1.	They provide information and general knowledge about our activities	41	84	1	2	7	14
2.	They Provide online updates about our vacant rooms	44	90	3	6	2	4
3.	They are already part of the modern advertisement	29	59	6	12	14	29
4.	Our websites work as a reference	38	78			11	22
5.	They direct our customers to the hotel premises	47	96	2	4		
6.	They are easy to use than traditional mode of booking	39	80			10	20
7.	They help in payment of room fees in time without inconvenience	29	59	9	18	11	23

Source: Primary source 2023

Table 1, shows the responses on the influence of websites on the profitability of the source of the Nile hotel Jinja. From table 1 above on the first sub construct which states that through providing information and general knowledge about the hotels activities 41 (84%) agreed, 1 (2%) was not sure while 7 (14%) of the respondents disagreed on the sub construct. Similarly, the majority 44 (90%) of the respondents agreed to the fact that online reservation Provide an online updates about our vacant rooms while 3 (6%) were not sure and 2 (4%) disagreed to the sub construct (Lydia et al., 2023).

With respect to third sub construct that they are already part of the modern advertisement, 29 (59%) of the respondents agreed, 6 (12%) were not sure while 14 (29%) disagreed to the influence. In addition, the majority 38 (78%) of the

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respondents agreed that websites and applications work as a source of references to the hotel activities procedures and minority of the respondents 11 (22%) disagreed (Moses et al., 2023). Furthermore, 47 (96%) of the respondents agreed that websites direct customers to the hotel premises, 2 (4%) were not sure of the sub construct. Interestingly, most of the respondents 39 (80%) agreed that they are easy to use than traditional mode of booking while 10 (20%) of them disagreed about the sub construct. Also, on the seventh, sub construct; websites help in payment of room fess in time without inconvenience 29 (59%) agreed, 9 (18%) were not sure while 11 (23%) of the respondents disagreed. On the eight and last sub construct; websites are available at all time be it night or day so customers are free to book at any time majority 42 (86%) of the respondents agreed on the construct, 2 (4%) were not sure while 5 (10%) disagreed with the statement.

Table 2 showing distribution of respondents by the influence of application systems on revenue generation of the source of the Nile hotel Jinja hotel

No	Statement	Agree		Not sure		Disagree	
		Freq.	%	Freq.	%	Freq	%
1.	They are easy to use	45	92			4	8
2.	They can be installed at any gadget	38	78	2	4	9	18
3.	Transactions made through our applications are not charged any extra money	5	10	9	18	35	72
4.	The apps support all currencies	22	45			27	55
5.	They are updated all the time	42	86	3	6	4	8
6.	They are friendly to all people	35	71	2	4	12	25
7.	They are connected to mobile money, wallet pay, pay pal, master card, Google visa pay and visa card	14	29	7	14	28	57
8.	The applications automatically closes rooms and opens vacant rooms for customers	39	80	5	10	5	10

Again, more than half of the respondents 35 (71%) agreed that applications systems are friendly user however 12 (25%) of the respondents disagreed while 2 (4%) were not sure of the user friendly. Again, a little more half of the respondents 28 (57%) disagreed that application systems are connected to mobile money, wallet pay, pay pal, master card, Google visa pay and visa card, however 14 (29%) agreed and 7 (14%) were not sure of the connection system. Lastly the study found out on the eighth sub construct that majority 39 (80%) of the respondents agreed that these applications automatically closes booked rooms and opens vacant rooms for new customers, 5 (10%) were not sure while 5 (10%)

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disagreed.

Summary of findings

The study findings shows that websites provide information and general knowledge about hotels activities, they act as a source of reference, they direct customers to the hotel premises, they provide updates about vacant and occupied rooms, they act as an important archive of information, assists users in finding the desired information quickly, they provide web map and a search tool for easy information access, offers individuals the chance to quickly assimilate the required information, contribute to the hotel's goal accomplishment. Webpages are already part of the modern advertising and they are easy to use than traditional mode of booking, they equip enterprises with a plurality of effective strategic planning tools, they assist in obtaining substantial benefits, they enhancing and exaggerating their competitiveness, cost decrease, increase customer relationship management and improve supply chain management. Lastly, the study obtained that webpages helps in payment of room fess in time, they are driving factor for the company's' financial performance, they stimulate customer satisfaction, trust and payment of hotel dues (Gracious, 2023).

This study proved that hotel application systems are easy to use, they can be installed at any gadget, they charge transaction fees, records and process accounting transactions, Systems are linked together so as to share data with each other (N. Faridah et al., 2023), They don't support all currencies, are updated all the time, friend user, the systems automatically opens vacant rooms for new customers, they are not connected to mobile money, wallet pay, master, Google visa pay and visa card, they keep track of current orders, transmit orders electronically to the production area, they help in ensuring accuracy of guest bills, they aid employees with food and beverage transactions and controls, helps managers to control the flow of stock through an organization by recording the value of each stock item in different locations and track stock movements into and out of between different locations, the systems reduce the amount of time and effort needed to keep receipt costs up to date.

The relationship between online reservation systems and hotel profitability through reservation orders observed a strong positive relationship through the use of spearman's rank correlation co- efficient of 0.743 (Nelson et al., 2023).

Conclusion

Based on the results of the study, conclusions are drawn from findings based on objectives and research questions. From the first objective and research question investigated at source of the Nile Hotel was the influence of websites on the profitability of hotels. The larger number of respondents agreed that websites are crucial systems as they contribute to the increase in the performance of the hotel through increasing customer trust, loyalty, hotel interactivity with its customers, increase sales volumes, guides visitors to the hotel location and help in increasing government revenue which drives infrastructural development and development of other sectors of the society and the economy. Although respondents were afraid that websites maintenance, designing and use is a bit expensive where one to access it requires data and at

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times their network is always slow which make them lose a lot of money in buying data than personal physical hotel visits. Ganesan, George, Jap, Palmatier, & Weitz, (2009) is of the view that the Internet revolution has greatly reformed the business model worldwide, equipping enterprises with a plurality of effective strategic planning tools, to assist in obtaining substantial benefits enhancing and exaggerating their competitiveness, cost decrease, increase customer relationship management and improve supply chain management.

Moreover, with respect to hotel application systems, majority of the respondents positively agreed that these applications improves the hotels performance via improving hotel brands, advertisement and makes customers have authority to the hotel brands all the time, keep track of the transaction records for effective examination of returns, salary payments, hotel stock capacity and keeps a strong communication link between the hotel and the hotel material suppliers (supply chain management).

Recommendations of the study

- i. The researcher recommend the source of the Nile hotel Jinja to always prioritize hiring ICT qualified employees so as to increase and improve on its online programs and benefits and to reduce delays obtained after failure to use of online systems by employees.
- ii. The study recommends the source of the Nile hotel Jinja administration to think of connecting its online platforms to online payment systems such as mobile money, Google visa card, and mobile wallet among others.

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