
**Online Reservation System And Its Impact 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, Profitability and Uganda's' Hotel Industry

Background of the study

According to (Viola 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. However, (Nasuru & Bafaki, 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 hoteliers such as rooms to sleep,

food among other services depending on his own desire in time to avoid frustration when what he needs is overbooked or fully booked (Allan et al. ., 2023).

(Damasus et al., 2023) identified online customer reservation as a form of electronic reservation world. These disclaimers are considered more successful in influencing consumer behavior compared to traditional marketing tools. Online reservation systems are independent of marketers' sales efforts, so they appear

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more credible and trustworthy in the eyes of consumers (Faridah et al., 2023). Online booking allows small companies to compete with business giants by having a better web presence for their products/services. (Ntirandekura & Christopher, 2022) defined productivity as achieving the highest possible level of production using a certain level of inputs/ achieving a certain level of product using the lowest possible cost, without any gap in the production process. (Christopher et al., 2022), different approaches to productivity are stated as the relationship between the output of a good or service and the input used to produce said output or results in the time used to achieve said results. Theoretically, Joseph Schumpeter's innovation theory elaborates the importance of adopting new ideas through stages of adoption by the various people involved in using the new idea (Davids et al., 2023). Proposed in 1932 and published in 1946, this theory provides a very fresh and unprecedented aspect of entrepreneurship and the underlying reasons or characteristics of entrepreneurs. Schumpeter concluded that innovation is a factor that creates joint risk on the part of entrepreneurs. According to him, an innovation is a new idea, device or method. Several researchers have considered innovation as the application of better solutions that meet new requirements, unarticulated needs, or existing market needs (Nelson, Christopher, Teddy et al., 2022).

Schumpeter proved that only market power based on innovation can ensure better results, keeping firms in a comfortable position than old arrangements or an invisible element such as price competition. He argued that technological innovation often creates temporary monopolies that allow for abnormal profits that would

soon be contested by competitors and imitators. These temporary monopolies are necessary to provide an incentive for firms to develop new products and processes. He concluded that innovation is not a goal but a journey or a continuous process (Mahmood et al., 2023).

The Source of the Nile Hotel is the best example of the implication of innovation theory as hotel leaders are constantly innovating and looking for a newer combination of production factors and catering to a new market segment in a completely new way through innovative strategies such as apps, intercoms and websites. distribution channels and marketing strategies, among others. Using the online reservation system as one of the inputs leads this study to adopt the innovation theory because the innovation and adoption of the online reservation system creates an opportunity to manage and satisfy the source of basic needs of Nile Hotel customers among others, which increases its chances. increasing its profitability in the form of revenues (Paul et al., 2023). Hotel managers strive to ensure continuous profitability to cover investments, assets and related fixed costs. Although room occupancy is the desire of all managers, the ultimate goal of any hotel manager is productivity rather than room occupancy (Isaac 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 (Florence & Sarah, 2023). The Source of the Nile Hotel is located in the eastern part of Uganda at the source of the longest river, the Nile.

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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 with regard to the location and the opportunities provided by the resources of the Nile Hotel.

Problem Statement

The reservation system of the Source of the Nile hotel should focus on increasing profits by simple and cheapest means (Reagan & Ezra, 2023). 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 providing information, and costly to maintain. 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 (Turyatamba, 2023). Therefore, this study investigated the impact of online reservation systems 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

The study adopted a descriptive survey research design with both qualitative and quantitative approaches. 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	

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The study incorporated the use of various methods in the process of data collection in a bid to come up with sound, concrete and credible research findings. The researcher therefore used questionnaires in the process of collecting primary data. Quantitative secondary data was got from hotel performance reports and hotel online reservation system reports. 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 was in line to online reservation system and hotel profitability. The scale was ranged from strongly agree to strongly disagree (Strongly agree, Agree, not sure, Disagree, and strongly disagree). Editing of collected data was done to make data ready and simpler for presentation. The filled questionnaires was edited one by one to correct errors done by the respondents. Data was edited in order to check for accuracy, completeness, consistency and uniformity. Edited data was analyzed by both quantitative and qualitative methods. Quantitative data was grouped and statistical description such as tables showing frequencies and percentages for better interpretation were used. 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. Data was analyzed in form of tables, frequencies and percentages using SPSS & STATA (Nelson, Christopher, & Milton, 2022)

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
	They Provide online updates about our vacant rooms						
2.		44	90	3	6	7	14
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

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Table 1, shows the responses on the influence of websites on the profitability of the source of the Nile hotel Jinja. From table 8 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. 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 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 (Faith 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 5 910%) 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	1	35	72
4.	The apps supports 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	1	28	57
8.	The applications automatically closes booked rooms and opens vacant rooms for customers	39	80	5	1	5	10

With respect to table 2, 45 (92%) of the respondents agree that application systems are easy to use and 4 (8%) disagreed. On the second construct; application system can be installed at any gadget 38 (78%) agreed, 2 (4%) were not sure while 9 (18%) of the respondents disagreed. With respect to the charges charged after transactions made through applications 5 (10%) agreed that transactions are not charged any extra money, majority of the respondents 35 (72%) disagreed 9 (18%) were not sure of the transaction charges while 5 (10%) agreed to the sub construct.

On the fourth sub construct; applications supports all currencies, 27 (55%) of the respondents disagreed while 22 (45%) agreed on the sub construct. Also, the majority 42 (86%) of the respondents agreed that application systems are updated all the time, 3 (6%) were not sure and 4 (8%) disagreed. Again, more than half of the respondents 35 (71%) agreed that applications systems are friendly 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

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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 (Viola et al., 2023). 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%) disagreed.

Conclusion of the findings

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 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).

Finally, the study obtained a strong positive relationship between the use of online reservation systems on the number rooms reserved or booked per a period of time. This observation creates an advantage of employing less employees at the reception to help in traditional manual booking systems, reduces time, regulates unnecessary movements in the hotel since customers are monitored online and their requisitions are obtained via online. The study concludes finally, that in absence of online reservation systems of the source of the Nile hotel Jinja is likely to reduce its performance.

Recommendations of the study

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.

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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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