

**Assessing the performance of SiteMinder
Channel Manager as a distribution management
tool for a medium size hotel chain
Case: GLO Hotels**

Truong Bao Anh Lac

Thesis
November 2014

School of Business and Service Management
Degree Programme in Facility Management



JYVÄSKYLÄN AMMATTIKORKEAKOULU
JAMK UNIVERSITY OF APPLIED SCIENCES



Author(s) Truong, Bao Anh Lac	Type of publication Bachelor's thesis	Date 17.11.2014
		Language of publication: English
	Number of pages 112	Permission for web publication: X
Title of publication Assessing the performance of SiteMinder Channel Manager as a distribution management tool for a medium size hotel chain. Case: GLO Hotels		
Degree programme Facility Management		
Tutor(s) Kay-Jones, Simon		
Assigned by Kämp Group Oy		
Abstract <p>The study aimed at evaluating the performance SiteMinder Channel Manager in the GLO Hotels' management process within the seven months of integration. The user's expectation for the software, its actual performance, and the gaps between these factors were identified. Additionally, possible solutions for bridging the gaps were proposed.</p> <p>The theoretical background explained the context in which implementing an automated channel manager would be relevant for managing hotels' distribution channels. A gap in literature about this type of system was also highlighted.</p> <p>The research is an exploratory case study design and qualitative approaches were used to collect and analyze data. A pilot interview and an assessment interview were conducted with the GLO Hotels revenue management team during October 2014. Besides, observation and artefact analysis took place within the implementation timeframe.</p> <p>The first finding was an assessment framework for evaluating SiteMinder Channel Manager. Based on this framework, the actual performance of SiteMinder programme was proven to be satisfying. However, some big challenges were identified as potential gaps. These gaps included the integration between SiteMinder and wholesalers, the level of supporting service, the process of setting up new channels and rates, and the capability to provide management information.</p> <p>For future researchers, generalizing the effect of channel managers in managing distribution channels could be a feasible topic. The other possible direction could be developing a thorough assessment framework for channel managers.</p>		
Keywords/tags (subjects) Revenue management, distribution channel management, channel manager, SiteMinder, performance assessment, gap analysis, exploratory case study.		
Miscellaneous This thesis is confidential until 31th December 2014.		

Contents

1	Introduction	4
2	Research problem	5
3	Theoretical basis	7
3.1	The hospitality industry	7
3.2	Revenue Management	9
3.3	Distribution channel management.....	12
3.4	Automated channel managers	18
4	Research design	19
4.1	Why case study research	20
4.2	Case study design	21
4.3	Case description	21
5	Research method	26
5.1	Data collection method	27
5.2	Data analysis method	30
5.3	Criteria for judging research design	31
6	Research process	32
6.1	Interviews	32
6.2	Observation	40
6.3	Artefact analysis	41
7	Findings	42
7.1	Expectation and potential of SiteMinder Channel Manager	42
7.2	Actual performance of SiteMinder Channel Manager	43
8	Discussion	53
8.1	Positive impacts.....	54
8.2	Challenges.....	55

8.3	Gaps between the expectation and actual performance.....	59
9	Conclusion	63
9.1	Recommendation for bridging the existing gaps	64
9.2	Practical application of the study	66
9.3	Validity.....	67
9.4	Future perspective.....	70
	References	72
	Appendices	75
	Appendix 1: Observation notes.....	75
	Appendix 2: Artefact analysis.....	77
	Appendix 3: Initial review note of SiteMinder performance	80
	Appendix 4: Guideline of the pilot interview	83
	Appendix 5: Pilot interview script	85
	Appendix 6: Guideline of the assessment interview.....	97
	Appendix 7: Assessment interview script	101

Table of figures

FIGURE 1: What will hotel revenue management look like five years from now (Kimes 2011, 7)	11
FIGURE 2: Hotel distribution channel systems (Choi and Kimes 2002, 18).....	13
FIGURE 3: Electronic distribution channels (Hayes and Miller 2010, 278)	15
FIGURE 4: Two-way interface between SiteMinder Channel Manager and hotels' PMS (“List of Central Reservation System That SiteMinder Integrates” 2014)	25
FIGURE 5: Reservation delivery from wholesalers to GLO Hotel’s PMS through SiteMinder	56
FIGURE 6: Mapping process for a new rate code	58
FIGURE 7: Existing gaps in SiteMinder Channel Manager integration	62

1 Introduction

The hospitality and tourism industry nowadays is heavily influenced by information technology (IT). From everywhere around the world, customers can find out information about hotels across the globe thanks to websites such as Booking.com, Expedia, Orbitz, etc. The power to connect to various customer segments of these sites has attracted hotels to sign up for partnership. In fact, one hotel can enlist their information, room rates and availability on various online channels in order to increase their exposure to potential customers. One challenge of this approach for the hotel industry has been the management of continuous information flow between hotels and their online channels of distribution. Uncontrolled distribution channels, lack of control over room rates and heavy workload in managing various channels are among the negative consequences when hotels cannot thoroughly manage their online distribution channels (Christodoulidou et al. 2007, 97; O'Connor 2008, 68). As a result, implementing automated solutions like channel managers are recommended as a preferable solution. (O'Connor 2008, 71; Schegg et al. 2013, 563; Christodoulidou et al. 2007, 97).

Automated channel managers are computer systems that assist hotels in managing their distribution channels. Without automated systems, hotels' staff members need to log in to their partners' extranets every time changes are made in room rates or available inventory. As a result, the more channels the hotels connect to, the more difficulties they face when updating information to all these channels. Alternatively, channel manager systems would update new information automatically across all channels (Schegg et al. 2013, 563). Some channel managers even advertise a fully-integrated two-way connection between the hotel and their third-party online channels. With this feature, besides the information updating function, the systems are also responsible for delivering customers' reservation from various channels to the hotels' systems. Due to its role in facilitating distribution channel management, the channel manager technology has been recommended as an effective tool for managing multiple online distribution channels.

During the autumn of 2013, the author had a chance to do a practical training in the Kämp group Oy, which is a hotel and restaurant group located in Finland's capital area. During the training as a revenue management assistant, the author had an idea about implementing a systematic distribution channel manager to replace the current manual system in the GLO Hotels chain. Meanwhile, the Kämp group had decided to purchase SiteMinder Channel Manager as a tool to manage GLO Hotels' distribution channels. The author's proposal was then discussed and it was approved that the implementation process of SiteMinder could be used as a research topic. As the phenomenon was investigated deeper, it became clear that evaluating the performance of SiteMinder Channel Manager and identifying the gaps between the potential and actual performance were a valuable topic for the GLO Hotels chain as well as researching.

2 Research problem

The topic was chosen based on the recent phenomenon of a channel manager purchased by the GLO Hotels chain. The purchase of this software was expected to give the chain more control on its distribution channels which were previously controlled by SmartHOTEL Online Distribution. This previous software offered little to no control to the GLO Hotels in terms of operating the system itself. It also had limited connections to some distribution channels with which the chain cooperated. As a result, many manual work hours were needed to upload individual room rates and allotments to various distribution channels' extranets, particularly those with no direct connection to the GLO Hotels' PMS such as Transhotel, Travco or Hotel Reservation Service (HRS). For these reasons, the revenue management department decided to change to SiteMinder Channel Manager which purported to offer control and seamless connection between the GLO's PMS and their online third-party channels.

In addition, automated channel managers are relatively new research topic. As a result, only a few study papers mentioned the term as well as suggested the use of this programme (Schegg et al. 2013, 563). Despite these suggestions, hardly any research of the actual implementation process, the impact of channel managers or

similar software and their performance assessment was found. As the gap in literature is acknowledged, the author believed that the phenomenon in hand was indeed a unique and valuable topic for study.

As a new research phenomenon, the potential and actual impact of SiteMinder Channel Manager has not yet been identified. Additionally, implementing a new technology would normally accompany by the risk of having it underperformed. Therefore, identifying both potential and actual impacts of implementing the programme would help realize potential gaps in performance of SiteMinder. Considering the need for this information, the research problem of identifying the impact of SiteMinder Channel Manager on the GLO Hotels is expected to be a relevant research topic for both academic and practical purposes.

To solve this problem, the aim of the study is to evaluate the actual performance of SiteMinder Channel Manager comparing to its potential. In other words, how SiteMinder software has performed as an automated channel manager in the GLO Hotels chain comparing to its expected potential? In order to achieve this aim, it is important to have a ground based on which the software's performance can be compared to. Because of the mentioned gap of knowledge, this assessment will be performed mainly based on certain expectation from the programme's users. In a popular research material about service quality, Parasuraman and his colleagues (1985, 46) stated: "the judgments of high and low service quality depend on how consumers perceive the actual service performance in the context of what they expected". For these reasons, the three objectives below are established.

1. What is the desired result that SiteMinder's software provider promises to deliver? What did the GLO Hotels' revenue management team expect from SiteMinder implementation initially?
2. How is the actual performance of SiteMinder Channel Manager according to the perspective of the GLO Hotels' revenue management team?
3. Are there any gaps between the actual performance and the desired states? If there are, what are possible solutions to close such gaps and optimize SiteMinder's performance?

3 Theoretical basis

The first step in achieving the research aim is developing a sound theoretical framework. Webster and Watson (2002, 13) stated that an effective theoretical review established a firm foundation for advancing knowledge as well as facilitating theory development, closing area where an excess of research exists, and uncovering areas where research is needed. According to Ranjit Kumar (2010, 32), literature review has three important functions which include building a theoretical background for the research, assisting in forming the links between the research proposal and the established body of knowledge in the field, and contextualizing the research findings. Following the function of theoretical framework, the next chapters will provide an overview of relevant literature related to the phenomenon and the research problem, as well as detecting possible gaps in literature about this topic. However, the function of contextualizing the research findings will be incorporated in the later part of the report during which the results are analyzed and discussed.

The topic of this thesis paper is strongly dedicated to the impact of information technology on the area of distribution management which is a subdivision of revenue management in the hospitality industry. For readers who are not familiar with this field, it is important to understand the context in which the phenomenon is relevant. Thus, the development trend, general concepts and key terms of each field as well as the influence of the IT on them will be discussed in this chapter. For those who are rather used to these topics, the background aims at providing standard language which are commonly used by involved parties in this study. Many authors have reported the lack of standards in “common vocabulary” as well as “the difficulty in describing hotel electronic channels of distribution” (O’Connor and Frew 2001, 348); thus, a common basis is expected to deliver a better understanding of the content of this paper.

3.1 The hospitality industry

The advance of technology has a great influence on the hotel industry. During its course of development, the industry has adopted advanced technology in several of its functions in order to “enhance operational efficiency, improve service quality and

reduce costs” (Ip, Leung, and Law 2011, 534). Despite being proposed as a driving force for growing the business, Crystal Ip and her co-authors (2011, 544–545) suggested that the implementation of the new technology could be proven to be a challenge to manage properly.

3.1.1 IT influences on the hospitality industry

Since the beginning of the 1980s, the development in information and communication technologies (ICTs) have been transforming the way in which business is conducted in tourism and hospitality industries dramatically (Buhalis and Law 2008, 609). From the supplier’s point of view, Buhalis (2003) confirmed that the invention of computer reservation systems (CRSs) in the 1970s, Global Distribution Systems (GDSs) in the 1980s and the internet in the 1990s not only provided the industry a platform for entering the international market but also changed strategies and operational practices forever (Buhalis and Law 2008, 609). On the other side of the supply chain, more and more clients have started to rely on the internet as a searching engine to plan and purchase hospitality products for their trips (Buhalis and Law 2008, 611). As a result, hotels in highly developed markets such as the USA and Europe are more likely to adopt ICTs (Sahadev and Islam 2005, 399).

ICTs adoption in the hotel sector has proven to have both positive rewards and big challenges. In the positive side, many authors have stated the benefits of successful integrating of IT systems. Many of such benefits which were summarized by Peter O’Connor (O’Connor 2008, 61) include enhancing customer satisfaction, improving service quality, improving efficiency and profitability, encouraging integration of departments, increasing communication speed and reducing costs. Some authors like Ip, Leung and Law (2011, 545) and (Bilgihan et al. 2011, 149) went further and proved that the successful implementation of information technologies in both strategic and operational levels would lead to the competitive advantages in hotels. Therefore, ICTs have been widely adopted in major areas in the industry including human resources and training, security, reservations, revenue management, marketing, guest services, along with strategic and operational management (Ip, Leung, and Law 2011, 535–543).

On a counterview, despite the proposed benefits, many challenges regarding to the application of ICTs have been mentioned by various authors. In a research paper, Connor (2008, 62–63) reported that some of the biggest challenges were the difficulty in justifying costs versus benefits of technology investments, the tendency to invest in technologies that serve short-term, the focus on operational needs rather than strategic development, and the reliance on outdated hardware. In the same paper, the author found out that communication infrastructure, vendor issues, data consolidation issues, interfaces, standardization issues, country specific requirement, channel management and budget are the eight most challenging issues facing international hotel chains in European (O'Connor 2008, 65–69). Furthermore, hotel managers consistently ranged their understanding of technology as low (Kay and Moncarz 2004, 289) and it is believed that IT facilities had not been utilized to their fullest capability (Law and Jogaratnam 2005, 178).

3.2 Revenue Management

Within the hotel industry, revenue Management (RM) has been an important practice for the last twenty years. Revenue management is defined as “a set of revenue maximization strategies and tactics meant to improve the profitability of certain businesses” (Forgacs 2010, 3). According to Hayes and Miller (2010, 12), the purpose of RM is employing pricing strategies that result in charging prices that informed customers will pay for the right products, in the right quantities, through the right channels and at the right times. Particularly, Forgacs (2010, 3) clarified that RM in daily hotels’ operation was used to examine how many room nights are sold (occupancy), at what rate (discounting), what else is sold (sales mix), to whom (market segmentation), and through what channel (distribution channel management). Being a relatively new subject, it is believed that a brief history of revenue management field would be relevant and should be included.

3.2.1 Revenue Management history

Revenue management is originated from airline industry’s Yield Management. The hotel industry has adapted this strategy since the late 1980s as an essential tool to increase their revenue through effectively forecasting demand and offering different

discount allocations (Forgacs 2010, 4). After the first implementation of Yield Management principles in hotel industry by Marriot International in the mid-1980s, several hotel chains applied these tactics in their operation and reported financial gains. For Marriot International, the adoption of Yield Management techniques was reported to add between 150 million dollars and 200 million dollars to their topline (Cross, Higbie, and Cross 2009, 58). Other hotels had reported revenue gained from 2 percent to more than 6 percent throughout the 1990s. (Cross, Higbie, and Cross 2009, 58)

However, there are significant differences between airlines and hotels. While airlines follow published schedules, there are no such timetables in hotels. In addition, hotel rooms are usually blocked by group commitments. Moreover, length of stay is varied among customers. Because of these significant distinctions, the yield management term from the airlines was changed into revenue management. (Cross, Higbie, and Cross 2009, 58)

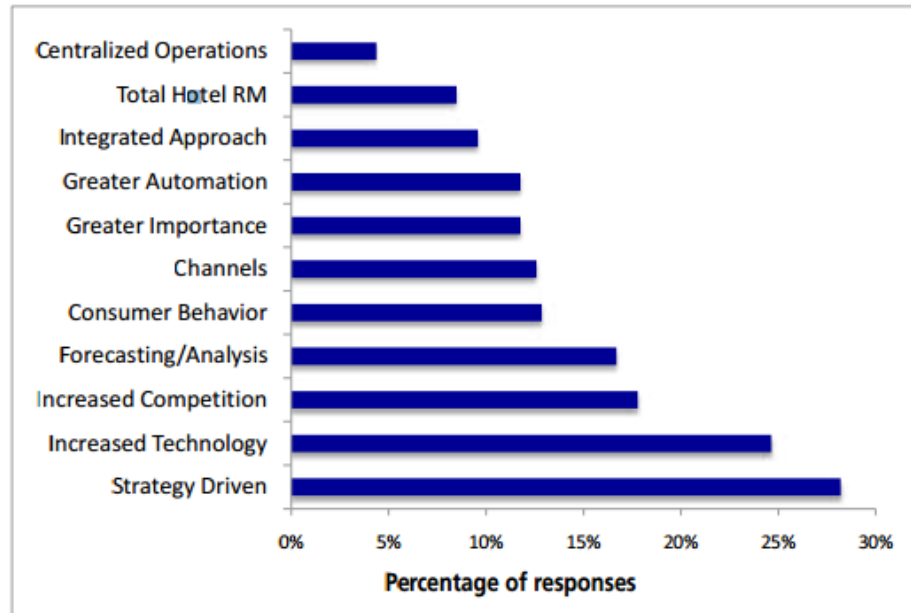
As RM was becoming an established practice, the event of terrorist attack in 11th of September 2001 put a pause on its development. The event led to a significant drop in hotel occupancy and rates instantly. During the period after that, “the primary concern at many hotel about revenue management was to ensure that its practice was not inhibiting bookings” (Cross, Higbie, and Cross 2009, 59). Hotels became desperate to sell their rooms at any rates through all possible channels including third party internet sites. Starkoc and Price (2005) revealed that some of the third-party websites applied “merchant model” which allocated some of the hotel’s room at 25 to 30 percent discount rate (Cross, Higbie, and Cross 2009, 59–60). As a consequence, this tactic led to confusion for customers who might believe that they would get deeper discounts through these websites than from the hotels. Beyond that, it caused erosion in relationship between hotels and their customers (Cross, Higbie, and Cross 2009, 60). Based on Smith Travel Research report (2003), U.S hotel industry profits in 2003 were estimated to reduce by 1 billion dollars because of the impact of the merchant model (Bowers and Freitag 2003).

3.2.2 Development

Despite the drawback after the terrorist attack, the lodging industry slowly recovered along with RM discipline. During the recovery phase, executives of major hotel firms (e.g. Marriot International, Global Hyatt and Carlson Hotels Worldwide) had acknowledged the strategic role of revenue management which “encompassed marketing, sales and channel strategy” (Cross, Higbie, and Cross 2009, 61). For its future, a variety of aspects were considered crucial for RM. A survey which was responded by 487 professional revenue managers emphasized that “RM is going to be much more strategic in nature and will be more strongly driven by technology” (Kimes 2011, 69) . Figure 1 illustrates the most important aspects of future RM.

EXHIBIT 1

What will hotel revenue management look like five years from now?



SAS® Text Analytics

FIGURE 1: What will hotel revenue management look like five years from now (Kimes 2011, 7)

3.2.3 IT influences on revenue management

As one of the most important aspects for the future of revenue management, technology was forecasted to play a major role because of their ability to assist revenue managers in daily operation and free them from overloading with analyses (Kimes 2011, 70). Revenue management systems are capable of performing various tasks that are otherwise labor-intensive and tedious when they are manually done (Forgacs 2010, 96). These tasks include forecasting demand, analyzing data, analyzing competitive sets, recommending rates, optimizing and providing user-defined reports (Forgacs 2010, 96). Some service providers claim that their systems can help hotels to increase from 4 to 12 per cent of revenue per available room (RevPAR) or 6 to 12 per cent revenue growth. However, despite their claims, concrete proofs for such promises are still in question (Forgacs 2010, 96).

Along with its promising functions, many challenges have raised in the process of implementing these systems. Forgacs (2010) categorized them into two types that are cultural and system-integration. Cultural challenges emphasize the balance between letting the systems perform what they are designed for and managing them effectively with human intelligence. In addition, hotels themselves usually operate with a large range of systems such as property management systems (PMSs), customer relationship management systems (CRMs), point-of-sale systems (POSs). Adding revenue management systems to these dynamics can incur the other challenge regarding to how the data would be shared between these systems as well as between different properties of hotel chains. (Forgacs 2010, 97–99)

3.3 Distribution channel management

As an important process of managing revenue, distribution channel management is described as “the process by which RMs target customers by promoting room sales among their various selling alternatives and, as a result, optimize revenue” (Hayes and Miller 2010, 216). According to Forgacs (2010, 86), the three objectives of distribution channel management are choosing the “highest revenue producer” with “the most cost-effective” and “the most easily controlled”. For the theoretical review of this paper, basic concepts of distribution systems and different types of

distribution channels will be shortly discussed.

3.3.1 Systems involving in the hotel distribution process

In accordance with a research article from Choi and Kimes (2002, 5), there can be up to four systems which are involved in processing requests from a hotel distribution channel. Figure 2 below illustrates how these systems are connected to each other.

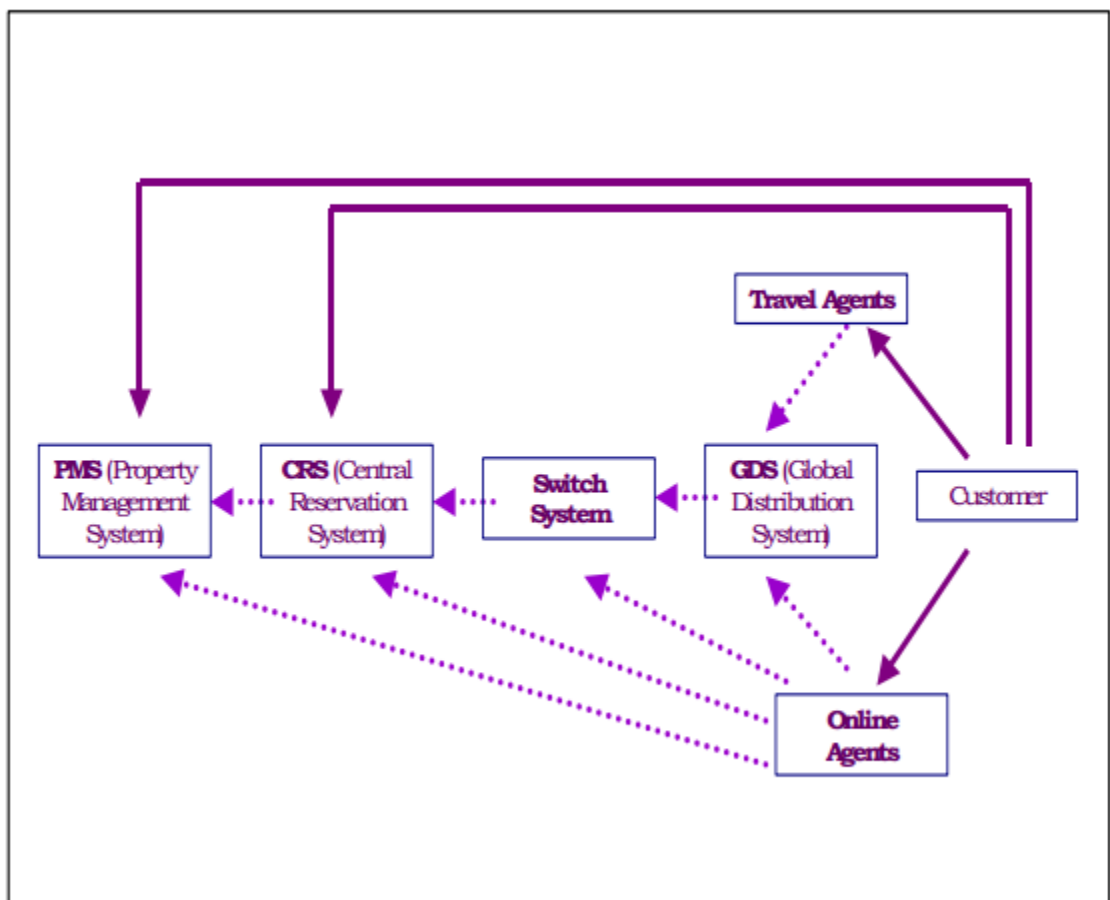


FIGURE 2: Hotel distribution channel systems (Choi and Kimes 2002, 18)

- **GDS – Global Distribution System**

Global distribution system (GDS) was initially introduced by major airlines to their travel agents by the end of the 1970s as the first electronic method for confirming seat availability and making reservation. Due to its efficiency and cost effectiveness,

hotels soon established connections with different GDSs where availability of their inventory can be displayed and booked by travel agents globally. Nowadays, Sabre, Galileo and Amadeus are the three major GDSs in the industry. (Hayes and Miller 2010, 262–264)

Pizam (2012, 284) describes GDS as the main work tool of the travel agencies. As a result, the effectiveness of GDS as a distribution channel of hotels' products has been questionable by O'Connor and Frew (2000) (Pizam 2012, 284). Additionally, Pizam (2012, 284) also warned about certain advantages of GDS like the involved costs or its different efficiency according to different types of tourism products.

- **Switch**

Switch systems were developed to be the “single GDS interface” for hotel chains (Hayes and Miller 2010, 264). This technology allows hotel chains to connect their central reservation systems (CRSs) to GDSs as well as other channels such as websites, tour operators, wholesalers and PMS services without having to develop separate interfaces for each GDS and CRS (Pizam 2012, 318). Pegasus is among the biggest system providers of switch systems (Pizam 2012, 318).

- **CRS – Central Reservation System**

The central reservation system (CRS) was created by big hotel chains. Hotels belonging to these brands and franchisees are mandated to use the system. The CRS receives reservations from various electronic and non-electronic distribution channels and delivers them to a specific hotel's PMS. On the other hand, room availability and room rates will be delivered from hotels' PMS to CRS. For individual and small hotels, CRS services from a representative firm can be purchased so that these hotels can maintain a thorough connection with their electronic distribution channels. (Hayes and Miller 2010, 279)

- **PMS – Property Management System**

Murphy (2007) considered property management system (PMS) as “the single-most important IT application” for hotels (Pucciani and Murphy 2011, 102). It works as a

host for a variety of important functions within any hotel such as check in and out procedure, customer relationship management systems, house-keeping, inventory management, security, and so on (Pizam 2012, 276). It was reported that there were more than 228 PMS software in 2010 and the most preferred system was Fidelio (Pucciani and Murphy 2011, 103)

3.3.2 Categories of hotel distribution channels

Hotels and customers can communicate through a variety of channels. These channels are commonly divided into non-electronic and electronic distribution channels (Hayes and Miller 2010, 268). On one hand, non-electronic channels consist of on-property transient sales, direct telephone sales, on-property group sales and convention and visitors bureau (CVB) (Hayes and Miller 2010, 268). On the other hand, electronic channels involve channels that utilize the mix of three main distribution systems including central reservation system (CRS), global distribution system (GDS) and internet distribution system (IDS) (Hayes and Miller 2010, 278). The three systems and their relationship are visualized through FIGURE 3.

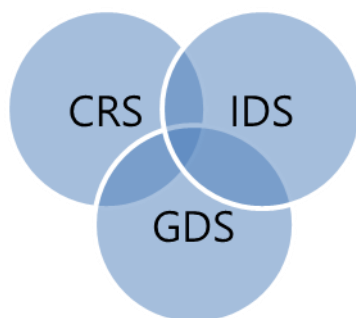


FIGURE 3: Electronic distribution channels (Hayes and Miller 2010, 278)

As aforementioned, CRS and GDS are systems that are employed by hotel chains and travel agents respectively for communicating room rates to customers as well as for them to reserve rooms. The third system that are widely used today is internet

distribution systems (IDS). According to Hayes and Miller (2010, 285), more than 80 per cent of online reservations are made through franchisor operated web sites. Therefore, these channels have been the main focus of distribution management.

According Hayes and Miller (2010, 287), IDS can be divided into three major divisions including property web sites, third-party web sites and web 2.0. While property websites are the most cost-effective and easiest to control distribution channels, web 2.0 represents influential channels of consumer generated media like blogs, Facebook, Twitter, TripAdvisor (Forgacs 2010, 90). Besides, a large proportion of hotel guests come from third-party websites (TPIs) or online travel agencies (OTAs) such as Expedia, Travelocity or Orbitz (Toh, Raven, and DeKay 2011, 183). OTAs have gained popularity among customers through their ability to display room rates and production comparison between different hotel suppliers (Toh, Raven, and DeKay 2011, 183).

In addition to OTAs, online wholesalers were mentioned as another type of hotel distribution channels (Law, Chan, and Goh 2007, 497; Carroll and Siguaw 2003, 38). These channels normally reserve a certain amount of room allotments with a discounted rate from hotels (Law, Chan, and Goh 2007). The wholesaler will add a certain mark-up on top of the discounted rate and sell the room to customers (Law, Chan, and Goh 2007, 497).

In this study, OTAs and online wholesalers are the main distribution channels that will be mentioned. Within these categories, there are a variety of channels available for hotels. As a result, the next part will discuss further about criterion for choosing and assessing the performance of these channels.

3.3.3 Evaluating electronic distribution channel

O' Connor and Frew (2004, 182–185) have divided techniques that evaluate information technology related to distribution channels into economic and non-economic approaches. Despite being objective and well-grounded, economic approaches are claimed to be limited because most IT investment generates indirect and qualitative impacts rather than hard cash and easily quantified results. On the other hand, non-economic approaches are proposed for measuring a wider range of

factors that might be significant for building sustainable profitability and competitive advantage. These factors consist of technical feasibility, effect on existing systems, performance, usability, reliability and their ability to contribute to the organization's strategic position. Holistically, factors that involve in IT evaluation process of distribution channels are financial, marketing, management, operational, system provider and technical. (O'Connor and Frew 2004)

Important factors for evaluating electronic distribution channels can be summarized below (Table 1):

TABLE 1: Summary of key evaluation factors of electronic channels of distribution (O'Connor and Frew 2004, 197)

CATEGORIES	FACTORS
FINANCIAL	Achieved revenue from channel
	Transaction cost
	Initial capital cost
MARKETING	Achieved volume of transactions
	Potential of channel to address current market segments
	Potential of channel to open up new market segments
MANAGEMENT	Ability to recognize individual customer
OPERATIONAL	Ease of use from hotel's perspective
	Integration from a data maintenance perspective
SYSTEM PROVIDER	Reputation of system provider
TECHNICAL	Speed at which transaction can be completed
	Security
	Speed at which information/rates can be updated
	Traffic levels

3.3.4 Managing hotel distribution channels

The advance of ICT has offered hoteliers various choices of distribution channels varying from traditional methods (call offices, tour operators, etc.), GDS, CRS to IDS (Booking.com, HRS, Expedia, etc.); managing this channel portfolio has been a challenge for the industry (Schegg et al. 2013, 563). According to O' Connor (2008,

68), an increasing volume of online reservations have been acknowledged within Europe. The tendency of utilizing multiple channels of distribution were identified in a majority of city hotels (Schegg et al. 2013, 559). Also, it is emphasized that management of distribution channel became essential in the context of “increased competition, scarcity of capital and rising distribution costs” (O’Connor and Frew 2004, 181). However, choosing the right method to manage multiple channels has becoming a challenge for most small and medium hoteliers (Schegg et al. 2013, 563). Typically, hotels have to manage inventory and rate on various systems simultaneously; and yet, for most cases, they manually update these information on extranet based system (Schegg et al. 2013, 563), which is “labor intensive, time consuming and thus expensive” (O’Connor 2008, 68). As a consequence, some hotels have involved IT systems or channel managers systems into their management process (Schegg et al. 2013, 561).

3.4 Automated channel managers

As discussed above, managing multiple channels is perceived as a challenge for hoteliers. Schegg and his colleagues (2013, 563) suggested in a study that hotel managers should promote their presence as along with their management of different Internet distribution channels in order to save time, money and resources. These authors recommended the use of channel managers or modern front office systems that interface with IDS and GDS as a solution for real-time updating room rates and availability across the complex mix of third party websites (Schegg et al. 2013, 563). Peter O’ Connor goes further by recommending the use of a single application which is capable of managing rates and availability as well as content of textual description, hotel pictures and other information on all possible distribution channels (O’Connor 2008, 71).

Despite the recommendation, Schegg and his colleagues (2013, 555) has confirmed the lack of research in terms of multi-channel management or behavioral pattern on the operational level of distribution management. Even less research related to channel manager technology and the impact of implementing such systems have been documented so far. In terms of evaluating IT systems, there is one research

paper provides a thorough framework to evaluate online distribution channels in both adoption stage and continuous using stage (O'Connor and Frew 2004, 197). While the article offers clear criterion for evaluating IT investment in this field, an insight on the methods of measurement for channel manager technology has little been developed so far. This adds weight to the argument that a thorough and grounded research is necessary to capture the phenomenon in its early development stages. .

3.4.1 Evaluating of channel managers

As mentioned above, little research has been conducted in to topic of assessing the performance of channel managers. However, the existing evaluation factors which are listed in Table 1 might help answer the research question with further modification. Although it is used to evaluate electronic channels of distribution, there are certain similarities between the two systems that make this table a good starting point for establishing an assessment framework for a channel manager. The similar assessment factors that the two systems share could be about financial, operational or technical as they are common features among most of computer programmes. However, it should be acknowledged that there are certain differences between these two systems. These include the fact that distribution channels connect hotels and their potential customers, while channel managers connect hotels and existing channels. Additionally, while distribution channels are visible to customers, channel managers should not be. As a result, some factors in the table will be inappropriate for the assessment process. In order to identify clearly which factors should be kept, excluded and added, a pilot discussion might be expected during the research process.

4 Research design

As the research problem has been defined and the theoretical basis of the study is discussed, a specific design for conducting this study should be chosen. The research problem is based on a unique situation in which a new software is implemented. Because the channel manager is operated mostly by the revenue management team, only a limited number of people are involved in the process. As a result, qualitative

research methods or mixed methods might be more preferable than quantitative ones. Along with the limited respondent pool, the research problem and aim suggested the use of case study research. Specific reasons as well as other issues concerning the research design will be presented in the following chapters.

4.1 Why case study research

As mentioned above, the main focus of this thesis is investigating the performance of SiteMinder Channel Manager on the distribution management process of GLO Hotels. Case study research design was chosen because the research question as well as the phenomenon of this study fit most criteria on applying this design.

First and foremost, Robert K. Yin defined case study as an empirical inquiry that:

- "investigates a contemporary phenomenon in depth within its real-life context, especially when,
 - the boundaries between phenomenon and context are not clearly evident."
- (Yin 2009, 18)

In this study, the research phenomenon is within the contemporary time frame and it also happens in a real-life context. In addition, the same author listed a project or program in an evaluation study as instances of the second condition (Yin 2011, 4). Based on this notion, similarities between what was stated and the research phenomenon of this thesis is undeniable. In addition, the form of research question, which is "how" question, might as well indicate the possibility of using a case study to achieve the research's aim (Yin 2009, 28). However, "how" questions are also likely to prefer either case studies, histories or experiments (Yin 2009, 9). As a result, the next condition is the main justification for choosing the case study design over the other two. As mentioned by an expert in case study, the design can be chosen when the researcher studies a contemporary phenomenon and has no control over the behaviors (Yin 2009, 12). The research phenomenon, which is both happening during the research period and controlled by the GLO Hotels' management team and SiteMinder's provider, fits well this requirement of applying case study research.

4.2 Case study design

After the choice of research design is justified, it is important to point out that the thesis is an exploratory case study. The lack of relevant theory about the channel manager technology is one reason for this choice (Yin 2009, 37). Moreover, Yin (2003) mentioned that exploratory case study could be used to explore those situations where the phenomenon has no clear set of outcomes (Baxter and Jack 2008, 548). In this case, the software application process being studied does not have a fixed results, but rather, unpredictable one. As a part of the hotel distribution network, the successful implementation of a channel manager not only depends on the hotel and the software provider, it is also dependent upon other distribution systems such as CRS, switch, and other channels of distribution. These systems should be compatible with the channel manager in order to maintain the seamless connection. For these reasons, this case study falls into the exploratory category. When the type of case study design is specified, the next step is identifying the specific design.

In this case study, the components of research question suggest the use of an embedded case study design. Theoretically, this design focuses on a single case in which two embedded units of analysis are investigated (Yin 2009, 50). For this specific phenomenon, the case is the implementing process of SiteMinder Channel Manager in the GLO Hotels. The two embedded units of analysis were also stated clearly. They are the revenue management team of the GLO Hotels, who are responsible for distribution channel management, and SiteMinder Channel Manager.

4.3 Case description

According to Yin (2009, 29), the case can be individual, event, decisions, programmes, implementing process or organization change. Similarly, another paper described that a case could be an individual, a programme, a process, or the difference between organizations (Baxter and Jack 2008, 545–546). In this study, the case can be stated as the implementing process of SiteMinder Channel Manager in the GLO Hotels' distribution channel management.

In order to determine the scope of data collection process, Yin (2009, 32) and Stake

(1995) suggested placing boundaries on a case (Baxter and Jack 2008, 546).

Boundaries of a case can be categorized by time and place, time and activity, and context and definition (Baxter and Jack 2008, 546). For this case study, restrictions based on time and activity are more suitable for the implementation process.

Regarding to the time limit, the research will begin when SiteMinder started to implement the programme to GLO Hotel's systems and their online channels. The case study will end after a certain time in which the programme has been integrated and operated completely by the GLO Hotels' revenue management team. In order to achieve dynamic data about the software performance, the timeframe of this study is within five to seven months. During that period, the GLO team would be able to get familiar with SiteMinder and formulate a clear opinion about the programme performance. In addition, the author expects to identify the general overview of the programme as well as other noticeable issues occurring within the study period.

In particular, the activity boundary consists of any activities within these three groups: implementing, operating, and improving the programme. For implementing activities, connecting SiteMinder Channel Manager to PMS or GLO Hotels' channels, setting up the existing rate types of the chain to the software, training GLO's team to use the programme will be included. For the operating process, the included activities are daily monitoring of the software, updating new information to it, as well as setting up new room rates or channels. Finally, supporting and helping the hotel chain with SiteMinder-related problems, solving problems as well as receiving and using user's feedback will be a part of improving activities. These activities can be performed by either SiteMinder's staff or the GLO Hotels' revenue management team and the performance of the software will be assessed based on these activities.

Besides clarifying the boundary of the case, a clear description of the two embedded units of study is also essential. As aforementioned, the two units of analysis under this case are the revenue management team of the GLO Hotels and SiteMinder Channel Manager. Each unit is introduced and defined in the following sessions.

4.3.1 Embedded units of study

- **Revenue management department of GLO Hotels**
 - The GLO Hotels

The GLO Hotels is a Finnish hotel chain that is operated by the Kämp Group. The GLO brand includes four hotels which are Hotel GLO Helsinki Kluuvi, Hotel GLO Espoo Sello, Hotel GLO Helsinki Airport, and GLO Hotel Art. The size of each GLO hotel varies from 76 rooms at the smallest operation up to 184 rooms. These hotels are located in major locations of the Finland capital area (“Kämp Group » Kämp Group Konsernin Esittely Ja Tietoja” 2014). The chain is known for its stylish interior design along with the high level of service. With these characteristics, the GLO Hotels can be categorized as medium sized (Zainal et al. 2012, 259) and city center hotels.

The main customer segments of GLO chain are transient and group. Within each of these segments, smaller groups are divided based on the characteristic of the segment. These characteristics can be corporate or leisure, contracted or non-contracted, the source of the reservation, etc.

Furthermore, GLO Hotels are connected to customer through various channels, including both offline and online. Regarding to the online channels, GLO Hotels are connected to GDS, OTAs, and hotel’s wholesalers. The brand maintains its presence on most major channels such as Booking.com, Expedia, Orbitz, and GTA. However, the implementing of SiteMinder software only applies for managing OTAs and wholesalers.

- The revenue management department

The revenue management functions of the GLO Hotels are operated under the Kämp Group. This department is responsible for revenue related activities such as forecasting demand, managing capacity, pricing, and managing distribution channels. As a part of their responsibility, the department is in charge for choosing, implementing and operating SiteMinder Channel Manager. As a result, the team members will be closely involved in the research process.

- **SiteMinder Channel Manager**

- SiteMinder

SiteMinder is an online distribution company whose products are cloud-based. They offer customers a large range of products, namely the Channel Manager, the commission free internet booking engine TheBookingButton, GDS by SiteMinder, and distribution technology API pmsXchange. SiteMinder's products are currently used in over 14,000 properties within more than 140 countries worldwide. ("World's #1 Channel Manager & Hotel Booking Software Provider | SiteMinder" 2014)

- SiteMinder Channel Manager

SiteMinder Channel Manager is a cloud-based product whose function is automatically updating information between a hotel's PMS and their online channels of distribution. The software provider assures a "completely automated integrations with many of the world's leading Property Management Systems, Central Reservation Systems, Revenue Management Systems and Hotel Booking Engines" (World's #1 Channel Manager & Hotel Booking Software Provider | SiteMinder 2014). Besides being fully-integrated with PMS and CRS, the company has established a connection with a large number of distribution channels. Moreover, to maintain a seamless connection between hotels and online channels, the programme features a two-way Extensible Markup Language (XML) connection. The two-way connection implies that new updates from hotels' PMS are sent directly to online booking sites through SiteMinder, and reservation from booking sites are delivered directly to the PMS. In the same direction, the number of inventories will automatically reduce across all sites. This connection is illustrated in FIGURE 4. ("Hotel Channel Manager by SiteMinder" 2014)

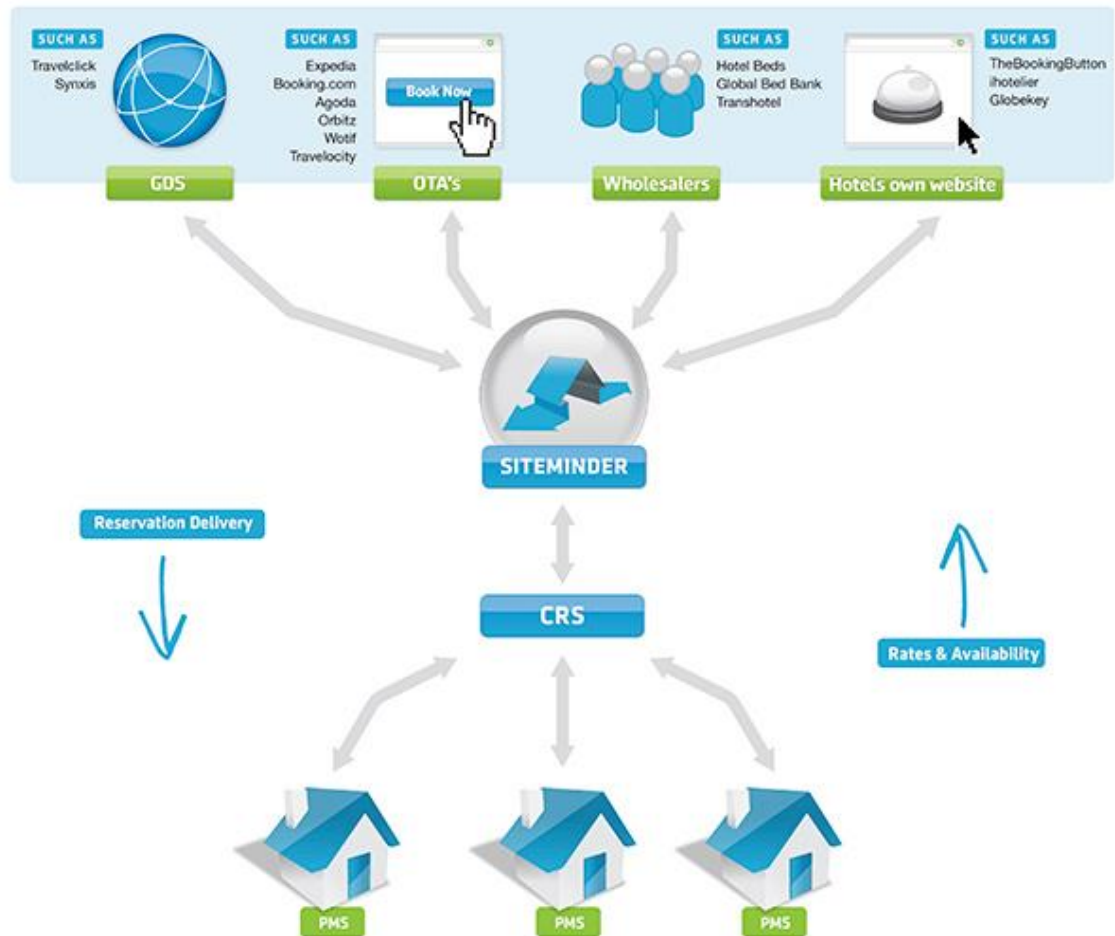


FIGURE 4: Two-way interface between SiteMinder Channel Manager and hotels' PMS (“List of Central Reservation System That SiteMinder Integrates” 2014)

For these reasons, the software provider claims to have many positive influences , including “effectively and efficiently manage online inventory from one place”, “saving hours updating multiple websites”, “one website login for all sites”, and “effective way to maintain rate parity through all sites”. It also ensures properties of all sizes can “maximize their online exposure, increase revenue and reduce the time and cost it takes to update rooms”. (“Hotel Channel Manager by SiteMinder” 2014)

In the scope of this case study, the actual performance of this programme will be assessed according to what the software provider ensures as well as the expectations of the revenue management team.

5 Research method

Qualitative, quantitative or a combination of the two can be chosen as research method for a case study (Stake 1994, 245). According to Yin (2009, 18), case study design usually relies on multiple sources of evidence because it is more likely to cope with situations which consist of more variables of interest than data points. Likewise, Johns and Lee-Ross (1998, 146) stated that it was typical for case study research to employ multiple sources of information to study a phenomenon through a particular contemporary period of time. These authors also suggested that each stage of case study might require a different research technique; thus, the use of integrated approaches which combine two or more different research techniques to collect multiple data was recommended (1998, 141). In fact, the description of integrated research approaches shows some similarities to what Janice Morse (2010, 340) defined as the requirement for mixed research method. According to the definition, mix method researches include “any research with different types of data, approaches to analysis, or research conducted on two different populations or groups, whether it be qualitative and quantitative” (Morse 2010, 340). Creswell (2003, 22) and Johns and Lee-Ross (1998, 147) both mentions examples in which quantitative approach was conducted to provide relevant information for the qualitative stage of the research. These examples are similar to Yin’s suggestion of using both qualitative and quantitative data (2009, 133)

For this paper, the research’s question and the embedded unit of study suggests the use of an assessment framework for the evaluation process. However, an official framework has yet been established due to the lack of theory on this topic. As a result, an extra step may need to be taken in order to develop such structure. Ideally, Yin (2009, 63) suggested the use of surveys or more quantitative techniques for this step. However, the nature of this case and its embedded units of analysis indicate a small sample size. In fact, the sample size of this case study may be far below the common size of “larger than 30 and less than 500”, which is recommended for most quantitative researches by Roscoe (1975) (Sekaran and Bougie 2010, 296). For this reason, qualitative research methods were chosen for this stage as well as the whole case study. Moreover, applying qualitative methods in the framework development

step is expected to produce a more customized and case-specific framework. Creswell (2003, 22) stated a reason which justifies the author's choice of methodology:

“...if a concept or phenomenon needs to be understood because little research has been done on it, then it merits a qualitative approach. Qualitative research is exploratory and is useful when the researcher does not know the important variables to examine.” (Creswell 2003, 22)

5.1 Data collection method

Plowright (2011, 17) categorized data into numerical and narrative data. On one hand, numerical data is can be counted and measured; and it is often seen as “unambiguous, fixed and drawing on the use of logical code of mathematics” (Plowright 2011, 17). On the other hand, narrative data usually contents words and other media texts; thus, they are often seen as ambiguous (Plowright 2011, 17–18). Based on this classification, the data which will be collect is more likely to be narrative. The reason for this choice is that SiteMinder Channel Manager's performance will be assessed based on the revenue team's expectation, which is an ambiguous term.

After the type of data which will be collected is defined, the next stage is defining the possible data collection methods. Generally, potential data sources of case study may include documentations, archival records, interviews, physical artifacts, direct observations, and participant-observation (Baxter and Jack 2008, 554). Likewise, Plowright suggested the use of observations, interview and artefact analysis for case study (2011, 20). Judging from the case's phenomenon and units of analysis, these three data collection methods are chosen and they will be explained as follow.

5.1.1 Interview

Interview is considered as a common method of collecting information from people (Kumar 2010, 144). With the objectives of this research paper, information about expectation and opinion about the software performance are the types of

information that can be interviewed from the management team. As result, interview is considered as one of the data collection method.

Furthermore, it is important to identify the type of interview which will be conducted. In generally, the type of interview is determined by the level of flexibility, which consists of unstructured and structured. While unstructured interviews allow researchers a lot of freedom in the interview structure, content, wording and questions; structured interviews require a fixed set of questions, the same wording and order of questions as prior planned. The structured interviews are more preferable if the research require comparability of data as well as fewer interviewing skills. (Kumar 2010, 144–145)

Considering the unit of analysis, a limited number of respondents can be expected. Therefore, it is important to have thorough data about their expectation and assessment. In addition, due to the lack of theory about the research topic (Schegg et al. 2013, 555), there are no predetermined content for what should be included in the assessment. As a result, a high level of flexible is expected during data collection process. However, having some structures will greatly assist the author in the later stage of research. Considering all aspects, semi-structured interview was chosen as one data collecting method.

- **Semi-structured interview**

In order to create sense of direction for the interviews, main topics of each interviews are planned beforehand. In addition, a set of open-ended questions will be also prepared so that the authors can get the most out of every interview session. This structure will work as a guideline for the interview. Therefore, changing the wording of the questions, skipping or adding questions are expected depending on possible answers from the interviewees.

In order to achieve the aim of the research, the main interviewee poll will include key personnel that are involved in the project of implementing SiteMinder Channel Manager. Particularly from the GLO Hotels' side, these people are the revenue managers who are directly in charge of the implementing and operating the

programme. From the software provider's side, interviewing their contact person of GLO Hotels is expected to reveal a clearer view of what their company can provide as well as their assessment method.

- **Stages of interview**

Because of the lack of theory about channel managers, an extra step in the research process will be included. A pilot interview is expected to sort out the factors that are perceived as important in evaluating a channel manager's performance. After all the factors have been identified, the next step will be assessing the actual performance of SiteMinder Channel Manager. During this step, the interview will focus on how each assessment factor has performed based on what they are expected to do.

5.1.2 Observation

Kumar (2010, 140) defined observation as "a purposeful, systematic and selective way of watching and listening to a interaction or phenomenon as it takes place". It is the preferable approach is when subjects are too closely involved in the interaction to provide objective information about it (Kumar 2010, 140). Base on this suggestion, the units of analysis in this case study can be related to.

In addition, Kumar (2010, 140) suggested two types of observation which are participant and non-participant observation. Participant observation means that the researcher can be a part of the activity being observed. In contrast, non-participant observation happens when the researcher maintains passive listening and watching the activities being researched. (Kumar 2010, 140–141)

In this case study, the author may implement both types of observation. By partly involved in some activities during implementation process, the author can perform participant observation. However, as the researcher cannot get access to the programme completely or operate it, non-participant observation is also anticipated.

5.1.3 Artefact analysis

According to Plowright (2011, 92), artefacts are those objects or events that are produced by people. Some examples of artefacts consist of text, visual, sound, smell or taste (Plowright 2011, 92). Based on the definition and example, artefact analysis can be used in this study. The reason for this lies on the lack of theory about the phenomenon. Hence, what are shown on the SiteMinder website can be a part of the artefact analysis. Moreover, some documents which were used for the implementing process can also be reported in this paper.

5.2 Data analysis method

In popular literature about case study, five techniques are suggested for data analysis. These techniques are pattern matching, explanation building, time-series analysis, logic model, and cross-case synthesis (Yin 2009, 136). However, Yin clearly wrote that these were only used for explanatory and casual studies (2009, 40).

Besides Yin, Stake (1995) suggested four forms of analysing and interpreting data (Creswell 2012, 199–200). These are categorical aggregation, direct interpretation, establishing patterns and developing naturalistic generalization. Categorical aggregation is used to identify emerged meaning across multiple instances of data. With direct interpretation, emerged meaning is drawn from a single instance of data. With establishing patterns, similarities among multiple instances of data are sorted into categories. For the final approach, the naturalistic generalizations, which are understood from the case, can be examined to make more sense of the result and generalize it to other cases. (Creswell 2012, 199–200)

For this exploratory case study, categorical analysis is chosen because evaluating the performance of a channel manager would require more than one category of factors. Specifically, the data from the pilot interview, during which the assessment factors of the programme's performance are sorted out, will be divided into different categories. The data about the expected performance of SiteMinder as well as the result of the assessment interview will be aggregated under these categories. Each category will then be analyzed and broken down into two themes which are the

positive effect of SiteMinder implementation and the drawback of this software. The two themes will be then analyzed further in order to detect possible gaps between expected performance and actual performance of the software.

5.3 Criteria for judging research design

After data has been presented and analysed, the next step is evaluating the quality of the case study. Four tests which have been usually used for judging quality of social researches are suggested by Yin as appropriate measures for case study. These tests are construct validity, internal validity, external validity and reliability (Yin 2009, 40). Based on Yin's description, internal validity conditions are applicable for explanatory or causal case studies only (2009, 40). Therefore, this test is not to be used for this thesis. TABLE 2 below illustrates all the tests, case study tactics that are relevant to these tests, and phase of research in which tactic occurs.

TABLE 2: Case Study Tactics for Four Design Tests (Yin 2009, 40)

Tests	Case study tactic	Phase of research in which tactic occurs
Construct validity	<ul style="list-style-type: none"> • Use multiple sources of evidence • Establish chain of evidence • Have key informant review draft case study report 	Data collection Data collection Composition
Internal validity	<ul style="list-style-type: none"> • Do pattern matching • Do explanation building • Address rival explanations • Use logic models 	Data analysis Data analysis Data analysis Data analysis
External validity	<ul style="list-style-type: none"> • Use theory in single-case study • Use replication logic in multiple-case studies 	Research design Research design
Reliability	<ul style="list-style-type: none"> • Use case study protocol • Develop case study database 	Data collection Data collection

Detailed explanation how this case study would fit most of these requirements will be discussed towards the end of this paper.

6 Research process

6.1 Interviews

Prior to the interview stage, an open discussion was suggested by the GLO's managers. The main purpose of it was to confirm the research process as well as the form of question that the GLO's managers could expect. Another outcome of this discussion was the general review about the performance of SiteMinder software at that time. The discussion result would be repeated within the interview results. Although this meeting was not included in the plan, the outcome was helpful for the research process for many reasons. Among these, it provided a direction for forming interview questions as well as justifying the objectivity and accuracy of the interview results. The note of this discussion can be found in Appendix 3.

For the next stage, the interviews were conducted according to what was planned in the research method. All the interviews were semi-structured in which the author followed predetermined plans and question lists. All questions within these lists are open-ending. Depending on the answers, some extra questions were added while some others were removed. In addition, the two stages of interview process, which were pilot interview and the assessment interview, were followed. Because the result of pilot interview is the key to structure the next stage, it will be also presented within this chapter.

6.1.1 Pilot interview

As abovementioned, the pilot interview was conducted to find out suitable evaluating factors for assessing SiteMinder Channel Manager. The interviewer started with an emphasis on the fundamental differences between the two evaluating factor lists. First, the existing list, which is used as a guideline for the pilot stage, is a tool to evaluate the performance of electronic channels of distribution. On the other hand, the desired list will be used for assessing a channel manager which is responsible for

managing information between variable channels and hotels. Despite the distinct functionality of the two systems, some similar evaluation factors are also expected. In addition, it was essential to point out that the factor list from O' Connor and his colleague (2004, 197) was divided in to two stages of an implementation process. These stages are adoption stage and continual stage. The adoption stage focuses on the introduction as well as integration of the considered channel manager into a certain hotel's operation. The latter stage presents various factors of accessing the channel performance after it had been fully adopted and used by the hotel after a certain period.

These two stages were presented to the GLO Hotels' revenue managers. After a discussion, it was clear that although SiteMinder Channel Manager had been integrated for approximately seven months, there were some challenges in operating the programme as well as integrating wholesalers into the system. Therefore, the managers agreed that they were still in the adoption process of the system and they could only evaluate it based on this stage. For that reason, the result of this interview will be a list of evaluating factors for adoption stage of SiteMinder system.

The pilot interview was conducted in the beginning of November 2014. Interviewees was anticipated from both the GLO Hotel's team and SiteMinder's personnel. However, the author's contacts from SiteMinder did not reply the interview invitation; thus, they did not offer their opinion about possible evaluation factors of the software. As a result, only the GLO's revenue managers were interviewed.

- **Assessment factors of SiteMinder Channel Manager**

After discussing the different stages, the original list from the literature review was presented. This list was added with extra columns which provided a guideline for assessing each factor. The list is presented in Appendix 4. After that, the interviewer explained every factor presented and a discussion of how this factor is suitable for accessing SiteMinder started. After every group of factors, the interviewer suggested finding additional factors that could be added this group. After all the factors were discussed, they were analyzed and arranged into a more appropriate order.

In general, it is realized that "management factors" and "system provider factors"

were unsuitable for evaluating channel managers. Besides suggesting that the factors under these two groups were relevant for accessing an electronic distribution channel rather than a channel manager, the managers did not add any factors that could be added under either category. Additionally, the managers proposed to divide the financial factors into two small subgroups which include “cost factors” and “revenue generating factors”. The latter group, “revenue generating factors”, was called “marketing factors” in the original list. The managers stated that hotels commonly kept their channel managers hidden from the customers; thus, “marketing” became an irrelevant name. Finally, “operational factors” and “technical factors” were the two groups that maintained the same name as those in the original table. However, certain factors were added as well as taken away in order to make them more suitable for evaluation purposes.

In the new list, all the evaluation factors can be divided into three main groups. These groups are financial factors, operational factors and technical factors. Within each category, variety of factors are listed as indicators to assess the performance of SiteMinder. TABLE 3 below illustrates the list of assessment factors for SiteMinder Channel Manager. Detailed discussion about each factors are followed after that.

TABLE 3: Assessment factors of SiteMinder Channel Manager

Categories	Factors
1. FINANCIAL	
Cost	Initial capital costs
	Running cost
Revenue generating	Potential to open up new market segment
	Potential to address current market segment
	Potential increase in room profit
2. OPERATIONAL	
	Capability to provide management information
	Possibility to forecast transaction volume
	Possibility to forecast revenue from channel
	Ease of use from hotels' perspective
	Level of independence in controlling and editing the channel manager
	Level of support from software provider (installation, training, assisting and following-up)
3. TECHNICAL	
	Transaction speed
	Updating speed
	Compatibility with other distribution systems
	Compatibility with other electronic distribution channels (OTAs and wholesalers)

1. Financial factors

a) Cost factors:

From the interview, the managers pointed out that there was an “initial capital investment” for installing the programme into all the four GLO hotels. Also, there is a monthly “running cost” that each GLO hotel needs to pay for using the programme. For this factor, the area manager revealed:

“RM1: ... for us, the most important thing was sort of identifying what the running costs are”.

Therefore, although both costs are relevant in assessing the cost side of the software, the assessment interview will put more focus on the second cost.

b) Revenue generating factors:

Unlike electronic distribution channels, a channel manager does not make profit. It is only in charge of managing the two-way traffic between distribution channels and hotels. Thus, the profitable prospect of the programme lies in its ability to connect with as many distribution channels as possible, which in turn offers the hotel more possibilities to connect to new customer segments. These characteristics are behind the two factors of “potential to open up new market segment” and “potential to address current market segment”.

In addition, the area manager mentioned about the potential to gain more profit with the ability to handle two levels of commission levels of SiteMinder. It is said that:

“RM1: They can have two commission levels per channel which enable better revenue for us because you can do more complex agreements which can be in our favour. So in that sense, yes, but not rate-wise really. Because the rate remains the same for the guests. So that is just more about the profit than revenue.”

Hence, “potential increase in room profit” was suggested as an appropriate assessing factor for this channel manager.

2. Operational factors

a) Capability to provide management information

The managers normally take management information from their own PMS system. However, they know from another hotel manager that certain managerial reports can be exported from SiteMinder. Therefore, the managers agreed on keeping “capability to provide management information” as an assessment factor for the channel manager.

Furthermore, an important use of management information is forecasting room occupancy and revenue. The use of a channel manager may result in either that there

are more information available for the forecasting or the programme itself can perform some forecasting functions. The managers believed that these possibilities would be practical in the future, especially with further investigation. They commented on the potential of these two factors as:

“RM1: ... in SiteMinder we can see the traffic. But we couldn’t do that with SmartHOTEL...when you are in SiteMinder you can see how many bookings there are and how much revenue has been generated from Booking.com or Expedia. So you can, of course, use that data a little bit but not in a very detailed way...

RM2: maybe in the future...”

As a result, “possibility to forecast transaction volume” and “possibility to forecast revenue from channel” were kept under operational factors

b) Ease of use from hotels’ perspective

One common evaluating factor of most computer programme is the ease of use from customers’ perspective. As a channel manager, the main functions of the programme is automatically pushing new room rates from the hotels’ PMS and pulling reservations from online channels to hotels’ PMS. However, it is the manual set-up and mapping between room rates and external channels that keeps the programme working seamlessly. As a result, the manager described “the use of the system” and “the setup” as two aspects of this factor that should be taken into consideration for the evaluation.

c) Level of independence in controlling and editing the channel manager

The “level of independence in controlling and editing the channel manager” is an added factor to the original list. The managers wanted to evaluate this factor because:

“RM1: before we totally depended on My Fidelio to do whatever needed to be done in the channel manager because SMARTHotel did not grand access for us

RM2: ... there are a lot of things that you can do yourself. Before, we did not have even access to the SmartHOTEL’s system, we couldn’t see anything like what is done there. Now, we have the access for the system and there is a lot of things

that can be done ourselves...And also, if there is a problem that somebody reports, like rate is not correct in some channels or they are not given availability, we can login to SiteMinder and see what is going there ourselves”

The problem with the lack of control was that it normally took longer time to solve the problem. On the other hand, if the hotel can control the programme by themselves, they can edit, solve problems, and add new connections easier with less pending time. Hence, the level of control that the system provider offers is another important factor to evaluate SiteMinder’s performance.

- d) Level of support from software provider (set-up, training, assisting and following-up)

In order for the hotel to use the programme most effectively, a high “level of support from the software provider” is essential. The managers strongly proposed to add this factor to the original list because of its importance for effectively operating the software. This factor reflects in the level of assistance in setting up the programme, training hotels’ staff, helping with problems and follow-up for feedback from the hotels’ side. Furthermore, the responding time when problem occurs is also belong to this group.

3. Technical factors

- a) Transaction speed

An important function of any channel manager is to transfer customers’ transaction from third-party channels to a hotel’s PMS system. To evaluate the programme, it is necessary to understand the speed at which the data is transferred. Thus, the managers kept the “transaction speed” as an evaluating factor of SiteMinder.

- b) Updating speed

Likewise, the speed at which information from hotels’ PMS can be updated to OTAs or wholesalers’ websites are equally important. A common term in distribution channel management is rate parity. It means that the price of a hotel room is consistently the same across all channel of distribution (Christodoulidou et al. 2007, 97). The chain’s revenue manager mentioned that slow updating speed would lead to rate parity problems. Hence, it is important to assess this factor.

c) Compatibility with other distribution systems (CRS)

As mentioned in the theoretical basic, there are several systems involving in the distribution of hotel rooms; for instance, PMS, CRS and switch. As a channel manager system, it should be able to comprehend and adapt to how these systems operate. Such systems within hotels' distribution network should be compatible with their channel manager. One manager stated:

“RM1: it is kind of a main criteria for a channel manager to have that integration ... two way interface. So basically everything goes directly from one system to another.”

The managers suggested that good “compatibility with other distribution systems” could lead to less technical problems. Moreover, they suggested that the operator of these systems should also be familiar with how channel managers function so that they can communicate effectively. As a result, this factor was recommended to add into the evaluation list.

d) Compatibility with other electronic distribution channels (OTAs and wholesalers)

Besides being compatible with other distribution systems, it is essential for a channel manager to be compatible with their partnered channels. One manager suggested:

“RM1: ... the other thing that may go under the technical factors is the compatibility of the system with the OTAs' extranet.”

In many cases, the programming languages between different channels are variable. As a consequence, it is possible that the channel manager's programming language may not be comparable with those used for the channels they connect. One manager implied that they had aware of this problem with their channel manager. An example for it was given:

“RM1:for example we have a channel, HRS, which has a very outdated system of their own so how that can build compatible with SiteMinder?”

As a result, the “compatibility with other electronic distribution channels” was highly recommended.

6.1.2 Assessment interview of SiteMinder Channel Management

After the list of evaluation factors were formed, the next phase was to use the list to assess SiteMinder's performance. The assessment was based on the performance of the programme according to what the managers expected from the software and how it has actually performed. In order to achieve that goal, there were questions about the initial expectation of the managers about the programme. Moreover, various questions about how the software actual performed as well as how the managers would compare it to their expectation was also included.

After each factors are evaluated, the managers confirmed the view by asking for the general evaluation of SiteMinder's performance based on their expectation of the software. These questions were added so that general impression about the software performance would be shown and analyses more conveniently. The general performance was assessed based on expectation; thus, impression such as "better than expected", "match the expectation", "lower than expected" were given. The evaluation interview was conducted with the revenue and distribution supervisor of GLO Hotels, who is directly in charge of operating the programme. The detailed plan for this interview is can be reviewed in Appendix 6.

6.2 Observation

6.2.1 Participant observation

During the implementation stage, the author had opportunities to participate in the mapping as well as the training session. The mapping process meant to inform SiteMinder's technical support team information about the room's rate codes in the GLO Hotels' PMS, the channels which they will connect to, and the link between the PMS's room rates and the online channels' rate code. The same process also needed to be done for CRS because they have a different set of rate codes than the PMS. For this process, the author needed to fill in tables whose instructions were included. These process was done repeatedly for each of the four hotels. After all the table had been filled, it was sent back to the software provider so that their team could set up the connection between the GLO Hotels and the channels as well the between CRS

and the channel in SiteMinder Channel Manager. The author participated in two mapping sessions. In the first session, the connection between GLO Hotels' PMS and their OTA's extranet was mapped. The second session was about linking CRS's rate information with the OTA's systems.

In addition, the training session in which the author attended provided instructions on how to use SiteMinder Channel Manager. During the training, the revenue management team was presented information about the programme display, choosing and exporting different types of reports, setting up new rates, managing room rates and channels, and other functions of the software. The trainer also answered questions from the managers about the system usage, setting up new channels as well as the upcoming integration with wholesaler channels. Detailed information about this observation stage is included in Appendix 1.

6.2.2 Non-participant observation

After the participation during the setup period, the author only involved in the process passively. The information from this stage of observation was collected through the revenue team's discussion about the software and the process. Also, the author was showed how the revenue manager would use different functions of the programme based on their needs in two different occasions. The first observation was conducted when the programme had just been connected to the OTAs. The second observation occurred just before the assessment interview. Detailed information and notes about these sessions can also be found in Appendix 1.

6.3 Artefact analysis

During the research process, there were not many recorded artefacts. However, because the interview with SiteMinder's contact person was not taken place, the potential of this software cannot be presented and confirmed by their personnel. As a result, the author had to use published content of their website about SiteMinder Channel Manager in order to illustrate what can be expected from the programme. In addition, the author was able to obtain and analyse the document which SiteMinder send to GLO team for the second mapping process between CRS and OTAs. The acquired artefact will be presented and explained in Appendix 2.

7 Findings

7.1 Expectation and potential of SiteMinder Channel Manager

Before the assessment of SiteMinder Channel Manager, it is essential to highlight the expectation that the GLO team had for purchasing the programme. Additionally, what SiteMinder company promises about their product will also be included. This aim of this section is to answer the first research objective of this study. By understanding the expectation and the potential performance of the software, the reader can establish more thorough view about the assessment's result.

7.1.1 Revenue management team's expectation of SiteMinder

A commonly cited article about service quality pointed out that there were three elements that affect customers' expectation of service quality. These factors are "Word of Mouth communications", "personal needs" and "past experience" (Parasuraman, Zeithaml, and Berry 1985, 44). In fact, the expectation of the GLO Hotels' management team about SiteMinder software reflected all of these factors. In order to illustrate clearly the expectation, each factors will be discussed.

Initially, the main reason why the managers chose SiteMinder among other alternative systems was the recommendation from their colleagues. One manager said that she heard other managers in the field recommended SiteMinder as one of the best integrated solution with two-way connections. Moreover, it was said to be able to handle more than one commission level, a feature which was needed.

Furthermore, the GLO Hotels' team had positive experience of using the programme. In the summer of 2012, GLO Hotel Art went through a trial implementation of SiteMinder, during which it was used to manage wholesalers. In that period, the offline version of SiteMinder was used for controlling the availability and rate. This trial version was not fully-integrated. In the other word, it only pushed the room availability and room rate without pulling the reservation from channels. To update information on wholesalers, a grid of wanted room rate and availability had be created on SiteMinder's extranet and it would be pushed by the programme to the

wholesalers. For the trial, the team reported positive reviews despite the limited number of wholesalers that SiteMinder could connect.

Finally, the revenue management team had wanted to implement a better channel manager than what they used to have. The managers needed a fully integrated programme which can managed both OTAs and wholesaler effectively. Also, they wanted full control of a software which can connect to a large number of channels.

Adding up all three reasons, SiteMinder seemed to form high expectation on SiteMinder. The software was expected to be operated fully by the managers so that they could control all channels more strategically. In addition, the programme should provide seamless connection between GLO Hotels' PMS and their online channels. An important role of SiteMinder was to allow a more strategic approach towards managing wholesalers. The managers wanted to gain more control over what they offered to these channels. Additionally, this software was expected to reduce the manual workload of managing the reservations from wholesalers and OTAs.

7.1.2 SiteMinder potential

On SiteMinder's website, many reasons for choosing SiteMinder Channel Manager were explained. Some noticeable benefits are "two-way XML connections to the world's leading booking websites", "one website login for all sites", "complete two-way integration to leading PMS/CRS", effectively managing rate parity, charging based on "commission-free model", and "saving hours updating multiple websites" ("Hotel Channel Manager by SiteMinder" 2014).

Based on what the software provider promises about the programme performance, SiteMinder seem to meet the expectation of the revenue managers. However, the actual result of the assessment will reveal how the programme has performed so far. The actual performance will be evaluated in the next chapter.

7.2 Actual performance of SiteMinder Channel Manager

In Table 4, the actual performance of SiteMinder is coded with general assessment terms. Detailed explanations for the assessment will be discussed after that.

TABLE 4: SiteMinder assessment result

Factors	Performance versus expectation
1. <u>Financial factors</u>	
➤ <u>Cost factors</u>	
Initial capital costs	Unable to compare
Running cost	Match the expectation
➤ <u>Revenue generating factors</u>	
Potential to open up new market segment	Match the expectation
Potential to address current market segment	Lower than the expectation
Potential increase in room profit	Exceed the expectation
2. <u>Operational factors</u>	
Capability to provide management information	Far lower than expectation
• Possibility to forecast transaction volume	Match the expectation
• Possibility to forecast revenue from channel	Low than the expectation
Ease of use from hotels' perspective	Exceed the expectation
Level of independence in controlling and editing the channel manager	Match the expectation
Level of support from the software provider	Far lower than expectation
3. <u>Technical factors</u>	
Transaction speed	Match the expectation
Updating speed	Match the expectation
Compatibility with other distribution systems (CRS)	Match the expectation
Compatibility with other electronic distribution channels	Lower than the expectation

7.2.1 Financial factors

- Cost factors:

According to Kämp group's revenue director, the main costs of purchasing SiteMinder Channel Manager are "the initial capital costs" and a monthly "running cost". The manager revealed that:

"RM1: The EUR 10k was approximately what was calculated for the first year overall. And the setup fee was approximately EUR 500 per hotel. The normal reservation delivering fee and the monthly fee is approximately EUR 250 per hotel per month....and the running cost should be cheaper ... there is a slight additional cost with SmartHOTEL"

However, the manager could not compare this initial capital cost with the investment for their old channel manager as well as with another benchmark. As a result, the initial capital cost was not evaluated. Only the running cost was rates as matching the expectation.

Furthermore, both managers expressed their satisfaction over the cost factors especially when relating it with the benefits. Comparing to SmartHOTEL system, SiteMinder gives the revenue team full access to manage the programme. Also, they are connected to a bigger variety of channels than SmartHOTEL. Above all, the cost is still low. For these reasons, one manager explained:

"RM1: You have a EUR 500 setup fee and then you have the monthly fee and then there is no transaction fee. There is no sense from financial perspective to change that. So if everything runs ok, we'll just continue using it."

- Revenue generating factors:

Revenue generating factors of SiteMinder consist of "potential to open up new market segments", "potential to address current market segments" and "potential increase in room profit". From the managers' opinion, SiteMinder has been continuously expanding their connection with an impressive number of distribution channels across the globe. As a result, its potential to address current market segment along with opening up new markets for the GLO hotels is highly

considerable. The manager's comment about this factor was:

“RM1: we have a larger potential with SiteMinder because they can connect with much bigger variety of channels and OTAs than SmartHOTEL can”

Another manager also explained this potential:

“RM2: ... business is changing all the time so it might be useful for us to find new channels. And maybe because with these OTAs, the commission can be very different. But Booking.com and Expedia are so big, of course I don't think that they are replaceable. But maybe some other small channels, we can look for replacing those and adding more channels that can be more cost effective for us.”

Despite the positive outlook, there are some drawbacks that prevent to software from reaching its full potential. First, GLO Hotels still have some complications with the process of setting up new channels. For the time being, this error prevents the chain from reaching out for new markets. However, the revenue manager anticipated that:

“RM2: ... that at the moment, there is no need to increase OTAs. But later on, when the setup is completed and everything works as they're supposed, it would be easier for us to add channels”

Therefore, despite the current challenge of the programme, this factor was evaluated as matching the expectation.

However, the unexpected challenge of SiteMinder was its “potential to address current market segment”. Although the programme was connected to all OTA channels, it has not been integrated to wholesalers due to some technical problems. In the managers' opinion, this issue had been one of the biggest problems of SiteMinder and it was not expected, especially after the positive result during the trial period. Although, they have tried to resolve it with the software provider, there have not been much improvement so far. Consequently, this drawback was said to downgrade the “potential to address current market segment” into lower than expectation.

The final revenue generating factor, “potential increase in room profit”, reflects in the ability handle more than one commission levels of SiteMinder software. During the pilot interview, this feature was highly appreciated because it can affect positively in profit. One manager explained that:

“RM1: for example, Expedia has launched their Expedia Travel Reference (ETP) programme which means guests can pay at hotels or then they can pay to Expedia. Well, the Expedia ETP’s agreement has sort of included two commission levels. We couldn’t do that with SmartHOTEL but SiteMinder can. They can have two commission levels per channel which enable better revenue for us because we can do more complex agreements which can be in our favour”

With the two levels of commission system, hotels can earn higher room profit from a channel due to the mix of low and high commissioned reservations. While the old channel manager could not manage this system, SiteMinder can. Thus, it facilitates the chain’s potential to increase their room profit. At the moment, the manager cannot provide concrete financial gain through this feature because the ETP had just been implemented for more than one month. The other revenue manager explained:

“RM2: It is again such a new thing that we do not have clear figures yet like how much it is effecting but it is going to be a clear effect because it’s like almost 10%. No...let say... 7-8% commission level”

Therefore, she strongly believed that SiteMinder has exceeded their expectation in assisting the profit increase.

7.2.2 Operational factors

- Capability to provide management information:

According to the manager, SiteMinder Channel Manager can provide the GLO Hotels useful management information through two features which are the performance dashboard and reporting function. During the assessment interview, the managers presented how these features work in the programme. The dashboard feature is a screenshot which shows overall information about how different channels have

performed. These information include status of rate updating or reservation delivery process. In addition, the dashboard also shows the total number of reservations as well as total revenue generated from each channel on daily and monthly basis. The manager commented about this feature:

“R2: For me personally, it is very handy to have the dashboard where you can see how many reservations. Here we can see in one glance that how many reservations we receive today. For example, if there is a problem with one channel that we suspect that it is not working as it should”

For a more detailed view, the manager needs to use the reporting feature which provide check-in report, channel yield and channel analysis. The manager stated that the information in these reports was very general and they could not be broken down into smaller details. One main concern is that the number of reservations as well as revenue cannot be broken down into different types of rate codes. Consequently, comparing to the similar type of reports that they can get from their PMS, SiteMinder’s reports do not appear to be as usable. The only potential figure from about SiteMinder’s reports is the average lead time. The manager believed that this information might be helpful for future usage. Additionally, although most of these reports can be exported into Microsoft Office Excel™, the layout is commented as unfriendly and could not be used at the moment. As a result, these reports have not been used for any purposes for the time being. This issue was stated as:

“RM2: So, that would be Channel Yield and Channel Analysis. Basically, all this information we can get from PMS as well and with better form. They are usually in PDF. That can be exported to Excel as well. But the Excel report from Opera is looking quite the same as the ones from SiteMinder. But the PDF, those are working fine.”

For these reasons, despite the usefulness of the dashboard, SiteMinder has been rated as far below expectation in terms of providing management information.

Moving to the two factors under this category, which are “possibility to forecast transaction volume” and “possibility to forecast revenue from channel”, the manager evaluated them as satisfying and below expectation successively. The manager

revealed that:

“RM2: ...we did not have any expectation for forecasting purposes ... we do not forecast channels. We only forecast total for the whole month. And in SiteMinder, we only have one file of our reservation data. So for forecasting purposes we only use Opera’s information... maybe if we would start forecasting per channel or we would need to use this information for some other purposes, then it would be useful. If you only would need the total number of room nights and the revenue. And those are every easy to access.”

As a result, although the programme itself does not have the forecasting function, the information from the reports can be used for that purpose in the future.

Moreover, the “possibility to forecast transaction volume” was rated higher than the latter one because this number can be forecasted with the information SiteMinder has been provided. In contrast, the second possibility may need more detailed information which have to be divided based on rate codes; hence, the current reports from the software do not match the requirement. However, because the managers have no prior expectation for this feature, the current rating is reasonable.

- Ease of use from hotels’ perspective:

According to the managers, the “ease of use from hotels’ perspective” was rated as higher than initially expected. She commented that the system itself was very easy to use and the setup did not cost that much work. The lack of information and instructions at the setup stage was pointed out as the main cause of the setup problem. Moreover, for the user-friendliness of the system, it was said that:

“RM2: yeah, it is very user-friendly, I would say. It’s not very heavy. So it’s quite fast to create a new rate type and you map them to the channels itself. And then we map it to the PMS. And those always work quite nicely. So the system retrieves information from channels for example, retrieving information like what room types, or rate types are created there. And it has always worked quite nicely.”

However, the disadvantage of the set-up process is explained as time consuming, especially if the chain wanted to connect to a big OTA. For example:

“RM2: We have, for example, the rate code BOOKING which is including breakfast. And inside that rate code, we have other different room types. But here actually, you need to have kind of like an own rate code for each room type and rate type. That we might already discussed. So for example you can see for Expedia, we have 82 room rate maps. So that the thing that makes it complicated.”

Despite the complication, the ease-of-use factor is still rated highly.

- Level of independence in controlling and editing the channel manager:

The managers believed that their “level of independence in controlling and editing the channel manager” was exactly where they want it to be. At the moment, the revenue department can fully control the main functions of the programme as well as setting up new channels or rate types without much assistance from the software provider.

- Level of support from the software provider:

As already discussed, “level of support from the software provider” involves the assistance provided during software installation, user training, assisting and follow-up. For this factor, the managers evaluated SiteMinder rather negatively. This review is similar with the impression that the author had from the observation process. During the mapping and the training process, it was clear that everyone involved was rather confused. One manager recalled:

“RM2: Because it was really poorly handled. Basically, the online information that we got was when they sent us the Excel sheet. And that was it, nothing else. So we started to fill those in as we thought how they should be done. And actually even that table which was something that My Fidelio provided us with. Even that did not come from SiteMinder originally. And with even that table, there was something that I remember that we were filling it one way and SiteMinder was given us some instructions. Then, My Fidelio said it should be the other way. So that explains. So it’s like they did not even themselves know.”

Furthermore, although the training session was useful, not all functions were mentioned. In addition, the trainer was described as being unfamiliar with the hotel

distribution channel. During the session, most of the questions were answered very generally or even skipped. Thus, the quality of the training did not meet the expectation. More information about the observation and the mapping table can be found in Appendix 1 and 2.

After the software had been integrated, the assistance from SiteMinder was still rated as less than satisfying. A manager believed that there was no specific person from SiteMinder who was in charge of the software implementation in the GLO Hotels. She commented that:

“RM2: if I need something from them, it feels like in the first two or three emails, I have to explain because they don’t get the ideal what I am looking for. They are just giving us general information about how the system works. But they are not actually looking into the actual problem or setup.”

Additional, the managers also acknowledged the slow response time of SiteMinder’s personnel in the first months of integrating the programme. However, there have been considerable improvement over this issue.

Finally, both managers mentioned that the follow-up from SiteMinder was done very poorly. In fact, there was no follow-up for the installation and training process. As the revenue director recalled, the only follow-up email that she replied was barely answered. She said:

“RM1: once we had a follow-up with the ... business controller. But then it was just a follow-up if everything had been implemented and everything. And I told her that it was still pending, but then she never came back to that.”

7.2.3 Technical factors

- Transaction speed:

At the moment, the speed at which reservations from OTAs go through SiteMinder is quite good. In fact, there has not been much noticeable issues with the “transaction speed”. As a result, this factors was rated as matching the expectation.

- Updating speed:

Likewise, the speed at which new updates from the hotel's PMS to different channels was rated as good. Although there had been delays and issues reported, the manager was still positive about the system. She explained that:

“RM2: Well, that is quite good as well. Because problems that we had, I think that there has been mistakes in the setup. So I believe that when we have everything corrected, one day, it would be good. It seems to be quite solid system but the challenges that it has are due to the setup, I would say.”

- Compatibility with other distribution systems:

An important system within GLO Hotels' distribution network is the CRS system, which is My Fidelio. As mentioned above, the SiteMinder was expected to have full integration for the CRS system. However, there were some issues during the integration between My Fidelio and SiteMinder. The cause of these issue was described as the lack of knowledge about SiteMinder system from My Fidelio' side. However, these systems were indeed compatible technically. One GLO's manager said that maybe their contact people from My Fedelio was so familiar with SmartHOTEL, they did not fully understand what SiteMinder required for the setup. Thus, the integration process was a bit more confusing. Nevertheless, it is believed that the problem had been slowly solved. Despite the issue with My Fidelio, GLO's manager still rate SiteMinder as satisfying in terms of “compatibility with other distribution systems”.

- Compatibility with other electronic distribution channel:

In terms of software compatibility, SiteMinder is indeed attuned with many OTA channels. However, there were some difficulties that GLO Hotels had had regarding to channels' compatibility. They were the incompatibility between SiteMinder Channel Manager and the corporate rates of Hotel Reservation Service (HRS) and some restrictions in Hotelbeds. Nonetheless, SiteMinder solved the problem and the connection has been seamless ever since. As a result, the compatibility with OTAs of SiteMinder software has meet the expectation from the revenue management team.

Despite having most of its problems solved, SiteMinder was unable to establish a fully integrated connection with all GLO Hotels' wholesalers. This issue was very disappointing from the managers' view because it was totally opposite to their expectation. In the beginning of May 2014, the revenue management team started to implement SiteMinder in managing their wholesalers. However, the current programme was proved to be ineffective comparing to the trial version. One problem was that SiteMinder was unable to deliver reservations from wholesalers to their allotment in the PMS system. Thus, extra manual update is still needed. For the other reason, the GLO's revenue supervisor explained it in detailed:

"RM2: they are compatible but not the way that we thought they would be. At the moment, because we have all the OTA channels connected with the two-way interface so that are getting our rates and availability. But for wholesalers, we don't want to give all the availability. So for wholesalers, we would need to have kind of like offline system and that's something that they have so far not been able to answer us, like is it possible to have within the same SiteMinder or do we need to have like different SiteMinder for them or different log-in? Because basically what we thought we would get is that we can choose the allotment with SiteMinder as well. And that is what we had before when we had the offline version so that we could control. Let say, for that day, I want to give around 10 rooms for all the wholesalers. So that's what we were looking for. And that's what Elena has discussed with SiteMinder before decided to purchase this. But now, it looks like that they were not that familiar with the system and the idea of this, what the differences between OTAs and wholesalers are and how we want to have that."

For these reasons, this factor was evaluated as lower than expected.

8 Discussion

In general, the performance of SiteMinder has not only meet most of the expectation from the managers, but also lives up to its promises. Comparing to SmartHOTEL, GLO's managers can directly operate the new system as they need. Moreover, it provides a two-way integration between most electronic distribution channels and

GLO Hotels' PMS. It also helps reduce updating workload and maintain consistent rate information across OTAs. The programme was reported to perform outstandingly in many aspects; yet, some big challenges were also worth discussing. In this chapter, SiteMinder's impacts will be discussed in the light of the GLO managers' expectation, its promised benefits and the theoretical suggestions.

8.1 Positive impacts

First of all, the cost of operating SiteMinder is lower than that of SmartHOTEL while the benefits are significantly greater. Though the previous channel manager was not managed by GLO chain, they still needed to pay for it monthly. Alternatively, SiteMinder not only provides the chain a full access to the programme, it also offers a wider range of online channels that GLO Hotels can connect. As a result, the programme has met the managers' expectation in terms of its potential to connect to both old and new markets. While fulfilling its promise of vast connection to major channels, SiteMinder also partly defines its benefit of reducing cost. Besides, SiteMinder also facilitates more than two commission levels, which would positively increase room profit. This feature is rated as exceed the manager's expectation although it had only applied in one GLO Hotel. If the model is expanded to all GLO hotels, the prospect of profit gain is believed to be considerable. For these reasons, the first positive side of the programme is its cost advantage.

Another advantage that were constantly mentioned during the final interview is the continuous improvement of the software. SiteMinder provider has been actively solved its problems such as its compatibility with HRS or Hotelbeds. In their website, SiteMinder company promises similar effort of constant updating and enhancing all their products ("World's #1 Channel Manager & Hotel Booking Software Provider | SiteMinder" 2014). This effort from the provider was perceived highly by GLO Hotels' revenue managers. One manager emphasized this advantage:

"RM2: As you see, they are improving the system all the time and these kind of problems are getting solve. So that's something that's good about the system"

This advantage also positively affected the managers' expectation on the continuous

usage of the programme. Because the software has been constantly fixed its problems, it is expected that most of the current challenges would be sooner or later amended.

The final factor whose performance exceeded the manager's anticipation is the "ease of use from hotels' perspective". However, the high rating was quite unpredictable while relating it to some comments during the previous interviews as well as the author's observation. Issues like difficulties in setting up new room rates was previously described as a disadvantage of the programme. However, the manager argued that the using of the programme was easy and the data display was understandable. However, most problems they had had with the setup was due to the lack of instructions from the initial setup and mapping stage. Moreover, it can be suggested that the managers had become more experienced to all the functionalities of the software; hence, it increased the user-friendliness. In fact, this suggestion matches with one notion from the observation process which mentioned experience as the best way to learn using SiteMinder. Also, the constant improvement of the software provider can be another reason for this rating.

Besides these outstanding impacts, SiteMinder has influenced the GLO's distribution management positively in many other expected aspects. The updating speed of the programme has greatly affected rate parity. Additionally, without explicitly stated, SiteMinder implementation has reduced significantly the workload of updating new room rates across all OTAs. Now, any rate updates in PMS directly go to all OTAs' extranet thanks to the fully-integrated system. Therefore, the software performance has been reasonably consistent with both practical expectation and theoretical suggestions.

8.2 Challenges

However, there are still many challenges with the SiteMinder implementation. One of the biggest challenges with SiteMinder has been its compatibility with wholesaler channels. SiteMinder has performed far below the managers' expectation in this aspect. This issue was mentioned throughout all the interviews. The first issue, which is the allotment error of SiteMinder, is illustrated below through FIGURE 5:

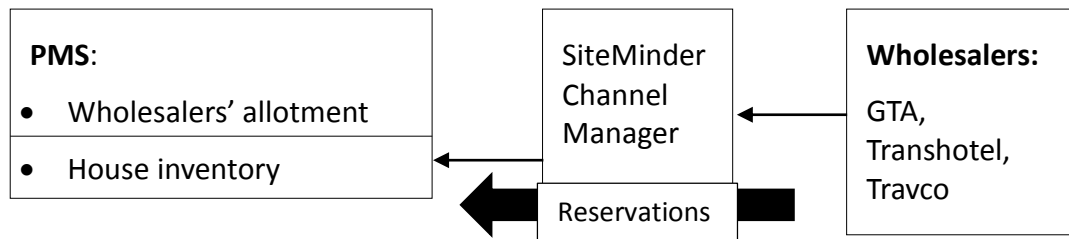


FIGURE 5: Reservation delivery from wholesalers to GLO Hotel's PMS through SiteMinder

Wholesalers' allotment is a contracted number of rooms that are set aside from a hotel's total inventory for wholesalers. Currently, when a reservation arrives from a wholesaler like GTA is transferred to SiteMinder, the programme cannot send the information to the GTA's allotment in the GLO hotel's PMS. Instead, it takes availability from the house inventory. This error may lead to a scenario in which wholesaler allotment would be empty and the hotel would have no rooms to sell to other customers. As a result, reservations from wholesalers had to be manually updated to its correct allotment in the hotel's system.

The second issues about integrating SiteMinder with wholesalers was the availability control problem. As clearly explained in the assessment result, the managers expected to have full control over the number of rooms they would assign for wholesalers. However, the current online version only pushes the whole house inventory and rates from PMS to all channels and this approach was not what the GLO's managers wanted for their wholesalers. For these two reasons, the integration between SiteMinder and wholesalers have been delayed until proper solution would be implemented. These errors have led to a low satisfaction to both "potential to address current market segment" and "compatibility with other electronic distribution channels".

Another disadvantage of the programme is its "capability to provide management information". It is clearly stated in the interview that the quality of reporting function

is not satisfying and the managers have no need to use this function. Despite the review, this factor was previously found in neither the initial expectation nor literature. The only time that “capability to provide management information” was mentioned was in the pilot interview, during which the managers needed to assess the importance of this factor from the original list. They believed that a channel manager should be capable of provide detailed and important information about distribution channels. However, SiteMinder has not fulfilled this role until now. Thus, this disadvantage should be solved so that the programme can reach the potential which the GLO’s managers expect for the future usage. Another notion related to this factor is the possibility to use the SiteMinder’s reports for forecasting purposes. For now, the revenue manager has normally produced one general forecast for all channels of distribution, regardless online or offline. However, they referred that SiteMinder could be a useful tool for forecasting production of online channels if they would develop more detailed approach in the future.

Last but not least, the workload of setting up a new rate code or channel has been a barrier that partly keeps the hotel chain from reaching out for new market segments or alternative online channels. This error occurs due to the different between the way SiteMinder establishes connection to channels and the way GLO Hotels’ rate systems is set up in PMS. For now, each room type in the GLO Hotels has their own room code in the PMS system such as SDB, MDB, LDB, LDBX, etc. Similarly, each channel has their own rate codes; for example, BAR, BARE, BOOKING, BOOKINGE, HRS, HRSE, EXPNET, etc. In order to establish connection between the PMS and a channel, SiteMinder needs to have a correct map which shows what rate is connected to what room type in this channel. A simple example can illustrate how the process works.

Imagining that GLO hotel wants to add a new rate type for their HRS channel, which could be a 15 percent discount for advance reservation from HRS channel. To establish this connection, the revenue manager would need to create the rate code, which might be HRS15, in their PMS system. Then, this rate should be connected to different room types that are sold through HRS. After that, it should also be linked with the hotel where this new rate type would be applied. Figure 6 below will illustrate shortly the process.

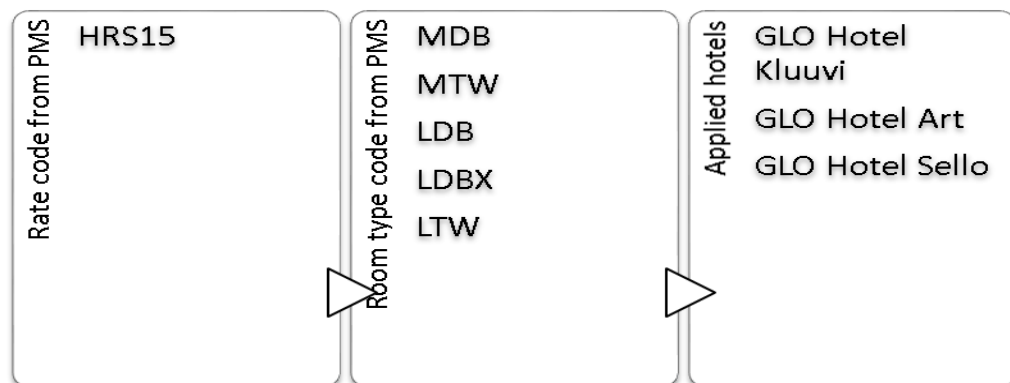


FIGURE 6: Mapping process for a new rate code

This simple example illustrates a fifteen connections that should be created for a new rate code between the PMS and OTA for all the GLO Hotels. However, a channel usually has more than one rate code; thus, similar process of linking them to the room types and the applied hotels can take a lot of management time. Furthermore, a similar mapping process is also required for adding this new rate code. This purpose of the second process is to create the connection between CRS to OTA. This process is almost identical to the example except that the CRS' rate code, or "rate heading" as they call, is different from that of the GLO's PMS. Therefore, having 82 room rate maps in one hotel is possible. It is recalled from one manager's comment that the mapping process can sometimes become an unpleasant project. Hence, this disadvantage negatively affects the expected decrease in workload, which were mentioned in both theory and initial findings.

The last and also the most mentioned frustration during integrating SiteMinder is the "level of support from software provider". Based on the assessment result, many elements relating to the supporting service were rated negatively. The manager said that the lack of support had slowed down the process of installing and adopting the channel manager. The area manager commented that the mapping process would have been finished sooner if SiteMinder had provided the team clear step-be-step instruction from the start. Furthermore, the revenue director stated that this issue

reduced the reputation of the software provider in terms of assisting customers. From her opinion, the software itself is good; yet, their level of supporting is not quite so. The manager complained that:

“RM1: the reputation for us has suffered a lot because the implementation stage was so poorly handled...And like PMS system itself feels good, it’s easy to use and everything but they are not working with the customers, for the customers to get the most out of it. The product is good but the service is bad”

Another noticeable comment is:

“RM2: And even the setup for use it did not cost that much work. The only problem was the lack of information and an instruction”

From this comment, the manager implied the seriousness of his problem as well as its impacts on the other challenge. Furthermore, it was emphasized at least three times during the two interviews that the fast expansion of the company as well as its size were to be blamed for the poor performance. In prior research, O’Connor (2008, 66) also found “a deep dissatisfaction with service levels from IT vendors” in Europe. According to his finding, the organizational structure of these vendors is one possible cause of this dissatisfaction (O’Connor 2008, 66–67). Similar to the “capacity to provide management information”, this factor was only added in the pilot interview without prior theoretical or initial findings. However, a better supporting service was indicated as an essential factor for the managers to reach SiteMinder’s potential.

8.3 Gaps between the expectation and actual performance

Finally, identifying possible gaps between the expected potential and actual performance of SiteMinder is an important objective of this study. To fulfill this objective, the interviews were designed in a way that the managers can assess how SiteMinder has performed according to their expectation. Thus, the mentioned challenges also represent the gaps that should be identified.

8.3.1 Gap 1: Integration between SiteMinder and wholesalers

Problems with integrating wholesaler to SiteMinder is one of the biggest gap of the software implementation process. First, it was clearly mentioned that the GLO Hotels

initially wanted to purchase SiteMinder to manage their wholesalers strategically. In contrast to the expectation, the wholesalers' availability cannot be decided by the revenue managers. Also, there is the reservation delivery error. Considering the distribution process, either component existing within the wholesaler connection to PMS might be the cause of the gap. In other words, these errors could occur due to problems between SiteMinder software and wholesalers' system, or between the channel manager and My Fidelio, or between SiteMinder and GLO Hotels' PMS. However, because none of these errors exist during the trial with the offline version, the cause of these issues might also lie on the SiteMinder online version. Therefore, it could be important to find out where the problem actually occurs before trying to bridge this gap.

8.3.2 Gap 2: Level of support from SiteMinder

The next noticeable gap is the low level of support from SiteMinder. Based on what was described about their supporting service during the trial period, the technical helper was more supportive and helpful. On the contrary, their performance in the actual implementation of SiteMinder has not been as satisfying. Considering the components of the gap, the perceived quality of the supporting service might have its origin from the differences between the expectation of SiteMinder's personnel and members of the revenue management team.

8.3.3 Gap 3: Setting up new room rates or channels

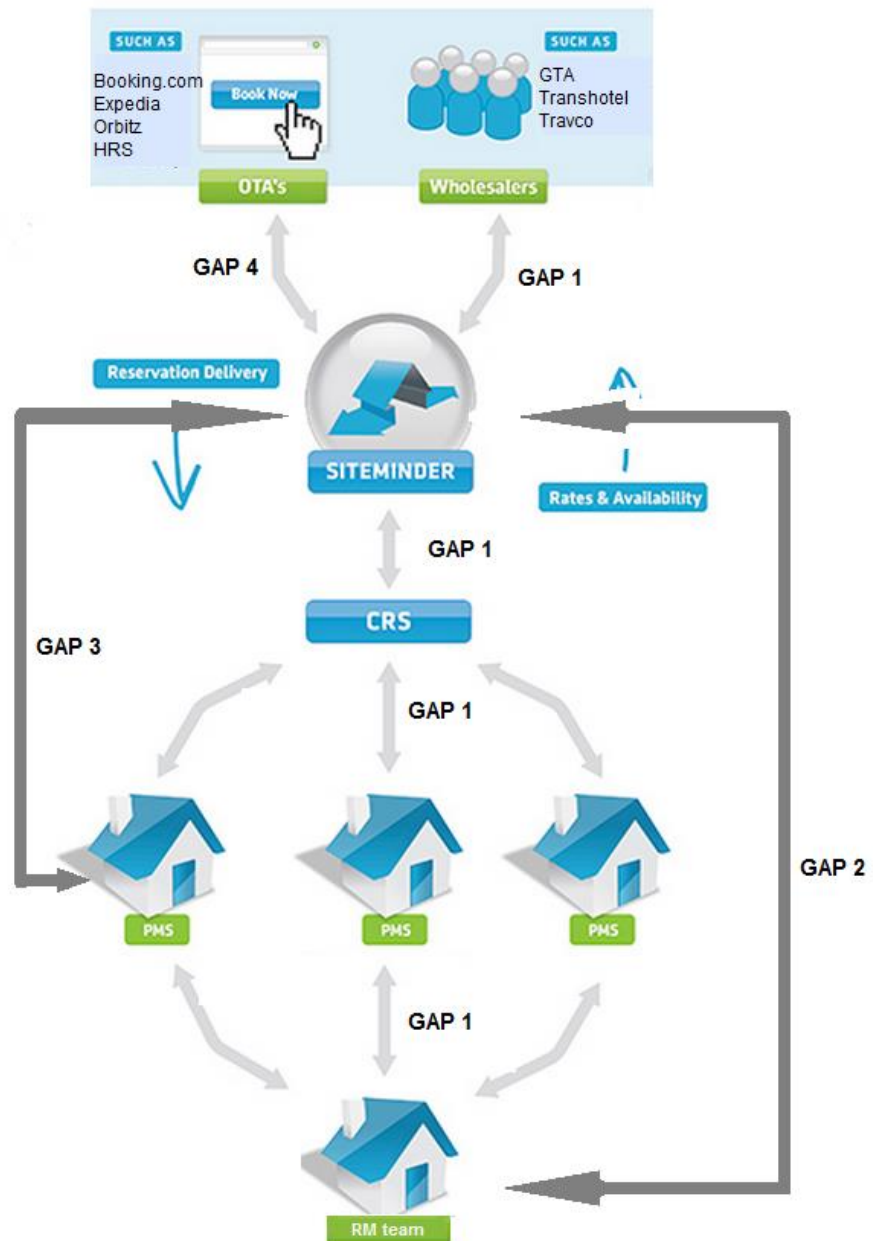
Another evident gap is the inconvenience in setting new rates or channels. It was originally assumed that the mapping process could be simpler and less time-consuming. Yet, although the process has become more familiar for the users, it is still exhausting to repeat. If this process is simplified, the GLO's managers will better utilize the potential of SiteMinder's partnered channels. It is believed that this gap was formed due to the differences in the logic of setting up and connecting rate codes between the two systems.

8.3.4 Gap 4: Capability to provide management information

The final gap lies in the capability to provide management information of SiteMinder

Channel Manager. Despite not being expected originally, this gap is mentioned because bridging it would be beneficial for many purposes. Developing a thorough forecasting process in the future is among them. The main cause of this gap can be either that the software is not programmed to provide detailed information or the OTA channels do not provide such detailed information to SiteMinder. Either way, the main reason should be identified before further actions can be taken place.

The gaps that were discussed before are illustrated through FIGURE 7. The image also points out which system within the distribution network may related to each gap.



GAP 1: Integration between SiteMinder and wholesalers

GAP 2: Level of support from SiteMinder

GAP 3: Setting up new room rates and channels

GAP 4: Capability to provide management information

FIGURE 7: Existing gaps in SiteMinder Channel Manager integration

9 Conclusion

Within the theoretical background, channel manager was highlighted as a tool which would effectively assist revenue managers with managing multiple online channels. Theoretically, implementing an automated channel manager would save revenue staff from the workload of manual update information in different extranets; hence, reduce labor cost for a hotel company (Schegg et al. 2013, 563). Moreover, the programme allows real-time update for any changes in room rates and availability (O'Connor 2008, 71; Schegg et al. 2013, 563); thus, it helps maintain the hotel's rate parity across channels. It also provides managers more control over room rates and inventory throughout all channels (Schegg et al. 2013, 563). The initial result of the research reflected similar expectation from the GLO Hotels' managers about SiteMinder's performance. The main rationale for purchasing SiteMinder was to take more control over their rates and inventory across multiple channels. Similar to the theory, a fully two-way integration between the chain's PMS and these external channel, which allows real-time update between these two parties, were expected. Finally, decreasing in manual workload and cost was another reason behind the investment.

In reality, the actual performance of SiteMinder Channel Manager mostly fulfilled the initial expectation. In line with the expectation, SiteMinder has performed well comparing to what was anticipated from it theoretically and practically. The software not only offers cost advantage, it also facilitates the chain earning more room profit. Moreover, the connection with OTAs have mostly been fully integrated as planned. Besides its well functionality, the effort of constantly fixing its problems has been one of the most positive aspects of the software provider. As a result, the software is believed to hold a higher potential than its current performance. However, there are four big challenges which prevent the GLO's managers from fully utilizing the programme. These are the integration between SiteMinder and wholesalers, the level of support from SiteMinder, the process of setting up new room rates and channels and the capability to provide management information. In order to reach the full potential of SiteMinder, these four noticeable gaps should be bridged.

9.1 Recommendation for bridging the existing gaps

FIGURE 7 illustrates that almost all the gaps involve at least two distribution systems. In fact, every system within a gap might bear the potential cause of the problem. To bridge the gaps which were identified within the context of this research, it is important that the GLO's revenue managers would clearly communicate these gaps to the operators of systems involved. From the other side, SiteMinder should consider these gaps seriously and dedicate a specific person who would be in charge of the GLO Hotels' case. After these initial steps from both sides have been completed, these following proposals could be considered for bridging the gaps.

9.1.1 Gap 1: Integration between SiteMinder and wholesalers.

As discussed in the gap analysis, it could be useful to locate the elements within the GLO Hotels' distribution network that cause this gap prior to finding solutions. This step should be done so that the solutions really tackle the main causes. Moreover, because of the technical nature of this gap, potential solutions can be identified through examination the settings of each system within the wholesaler distribution network. If significant differences are realized, changes in setting can be considered.

Another possible solution for this challenge is to look for the same cases in which hotels have similar problems with integrating SiteMinder with their wholesalers. As a big company, SiteMinder Channel Manager's customers might have similar requirements for managing wholesalers as the GLO Hotels. Hence, finding out how they get their problems solved and how applicable their solutions is may be a useful approach for closing this gap.

Finally, the solution which has been considered by the revenue department is to add the offline version of SiteMinder along with the current online version. The trial period with the offline version were satisfying and the chain was able to connect well with their wholesalers. Therefore, having it along with the current programme could be the solution. One positive aspect of this solution is that less time and effort would be needed to identify the main cause of the problem or investigate possible solutions. However, increase in cost for having both versions can be expected.

9.1.2 Gap 2: Level of support from SiteMinder

The second gap exists between SiteMinder software provider and GLO Hotels' revenue management team. In order for to close this gap, improvement in communication would be an essential factor. In addition, it would be important that a specific person from SiteMinder's company will be assigned for the GLO Hotels' case. Moreover, an open discussion during which the GLO's revenue management team can express their requirements and expectation from the supporting service as well as their feedback for its current performance can be conducted. During this session, SiteMinder could also clarify their limitation and some possible improvement could also be discussed.

9.1.3 Gap 3: Setting up new room rates or channels

As abovementioned, the cause for this problem lies in the difference between the way in which room rates are set up in the GLO Hotels' PMS systems and the logic behind SiteMinder's mapping process. In the effort of compromising the two approaches, GLO's managers have realized that the process itself could become very labor intensive. Thus, possible changes should be taken place to simplify the process.

For this gap, there could be two possible solutions. One of which could be that SiteMinder will adapt to the GLO's way of setting up their rate code and propose an easier way to conduct the mapping process. The other solution would be that the management team will have to change their way of setting up room rates in PMS. This solution has been mentioned by the managers during the interviews. If this solution is applied, a hierarchy master rate code for all channels will be used to replace the existing system of individual unique rate codes. The possible result of this solution is expected to be a simpler mapping process in which the master rate code is only needed to link to certain room codes for each channel. One noticeable difficulties of this solution is the heavy workload. To apply this solution, changes should be done in all the distribution system of the chain which are PMS, CRS and SiteMinder. However, the result of this solution is also considerably positive.

9.1.4 Gap 4: Capability to provide management information

The main cause of the final gap could lie within SiteMinder programme or OTA systems. Because the information that SiteMinder provides in its report is so general, it can be assumed that either the software is not programmed to produce such detailed reports, or the OTAs' systems do not send such thorough information to SiteMinder. One approach to improve the situation, which does not necessarily consider the cause of this gap, could be clearly communicating their expectation with the software provider. The revenue management team should include what kind of information they would want to include in the report as well as which form of documenting would suit their purposes best. As the main cause would either lie in SiteMinder software or OTAs' systems, SiteMinder personnel should be in charge of identifying the error and fix it according to the suggestion from GLO's managers.

9.2 Practical application of the study

9.2.1 For the GLO Hotels

During the research process, it is clear that the GLO Hotels' revenue managers were well aware of some main challenges with SiteMinder Channel Manager. Moreover, some solutions for these challenges had already been also considered. Nevertheless, this case study is expected to provide a thorough overview of the impacts of SiteMinder as well as relevant challenges of the system. Another practical application of this study for the department is the recommendations for bridging the gaps. Although the proposals are not a detailed guideline for solving all the challenges, they are initial recommendations based on which the managers can identify potential choices for solving each issue.

9.2.2 For the system provider of SiteMinder Channel Manager

The study highlights the fact that SiteMinder is a good system; however, the level of supporting service is perceived negatively by the GLO Hotels' management team. As a result, it is important for the system provider to review their service level and act upon improving it. Regarding to possible solutions, the author proposed some steps which can be done to improve the service level in the case of GLO Hotels. These

steps comprise of dedicating a specific personnel to support a system implementation and increasing communication with customers. Furthermore, the findings of this study also urge the company to improve the quality of reporting function. Finally, some negative effects of the fast expansion of SiteMinder was emphasized by the GLO's revenue managers. For SiteMinder, this finding can be a reminder for the company about the trade-off between focusing on getting new customers and securing the current customer base. For sustainable development, SiteMinder should pay attention on this issue and possibly adjust their strategy.

9.2.3 For other hotel companies

Although this study is conducted based on a single case, certain lessons can be suggested for other hotel companies which consider procuring channel managers. First, the study is an example of the positive impacts of implementing an automated channel manager, particularly SiteMinder. Although, it also highlights possible drawbacks of the system and recommended possible solutions, these parts of the finding may not be applicable for other hotels. Instead, some lessons can be suggested in terms of preventing similar challenges from repeating. First, clearly communicating their strategies on managing distribution channels and their expectation from the implementing the system can be a good starting approach. Besides, identifying the logic upon which the channel manager sets up the connection to channels and comparing it with how the systems in these hotels have been set up can help avoid certain complication in operating the system later on. Finally, clearly communicating the expected level of supporting service prior to purchasing the system may help streamline the implementation process.

9.3 Validity

After the finding and analyzing process of the case study are presented, the quality of this research will be discussed in this chapter. As mentioned in the research method, internal validity is not applicable for this research. The other three tests used to justify this research are discussed below.

9.3.1 Construct validity

In order to establish the construct validity, this case study applied multiple sources of evidences and the chain of evidences are maintained throughout the case study. Firstly, despite the lack of theory about the topic, the author was able to collect evidences from various sources including the existing literature, discussion, observation, artefact analysis and in-depth interview. The use of these data collection methods was expected to ensure the objectivity and the accuracy of the evidence as well as the study findings.

Furthermore, the evidence were closely connected to each other to maintain the construct validity. Specifically, the few existing researches which suggest the benefit of implementing automated channel managers was used as a base to compare other evidences with. The first set of evidences came from observation, analyzing the content of SiteMinder website and unstructured discussion with the revenue managers. These evidences gave a general impression about potential impacts of the programme as well as the initial expectation of the revenue management team about SiteMinder. However, these evidences can be highly subjective. Thus, the pilot interview was added in the process to establish an objective framework for evaluating SiteMinder's performance. The result of this stage was used for the assessment interview, during which the actual performance of SiteMinder were evaluated. The assessment interview provided thorough evidences of the actual performance of the system according to the managers' expectation. The final assessment was then analyzed together with theoretical suggestions and evidences from the observation, artefact analysis and discuss. By establishing the connection between evidences, not only had the effects of implementing SiteMinder been identified, but the accuracy of evidences from each data collection method was justified.

In addition, the research draft was then sent to important informants. These informants are the researcher's contact people from GLO Hotels. They are the key informants because they can justify the objectiveness and accuracy of the data as

well as result from this study. Therefore, having the draft reviewed, is an important step to ensure the construct validity.

9.3.2 External validity

According to Yin (2009, 43), external validity identifies if the study result can be generalized beyond the case. Also, being a single case study indicates that a strong theoretical framework is one tactic to ensure the generalization of this study (Yin 2009, 41). Furthermore, case studies rely on “analytic generalization” in which the researcher aims at generalizing a certain set of results to some broader theory (Yin 2009, 43). As an exploratory research in a relatively new field of study, this case study does not a strong theoretical basis. The study is built on a suggestion that implementing channel managers can assist managing multiple channels effectively.

There are three main findings of this case study, including the assessment factors for SiteMinder Channel Manager, the impacts of implementing the software and suggestions for bridging the existing gaps. For the first finding, the developed framework is something new which may be generalizable into theory. However, one big limitation is that this framework was established based on the perspective of GLO Hotels’ managers about SiteMinder. If SiteMinder’s specialists had participated in the pilot stage, the framework might have been more applicable. Therefore, rather than generalizing this finding to other cases, the first finding can be described as a starting point for other researchers to review and develop a more thorough evaluating framework.

With the second finding, the actual impacts of implementing SiteMinder were compatible with what theory suggested. Besides reducing workload, maintaining real-time update and managing rate parity, SiteMinder was also proved to be easy to use and facilitating profit gain. This finding provides a strong support for the theoretical proposal. Therefore, it can be used to generalize the effects of channel managers if similar findings would be found in replicated researches with other channel managers. However, this case study does not mean to cover this area; hence, external validity of this finding can be better tested with further researches.

Finally, the four gaps and recommendations for bridging these gaps do not fulfil the requirement of external validity. Mainly, the gaps between expectation and actual performance of SiteMinder is highly connected the managers' perspective. Other hotels may have other expectation from the system or they may operate with different PMS or CRS that might respond differently to channel managers' implementation. Thus, the gaps as well as solutions cannot be generalized due to the dynamic of systems within the distribution network. Additionally, the logic of these finding was not grounded on theory. The main reason for not recommending theoretical grounded solutions was that the author do not have such technical knowledge about all systems with the distribution network.

9.3.3 Reliability

The reliability of a case study means if another researcher would conduct the same case study and follow the same procedure, the results and findings should be identical to the original study (Yin 2009, 45). To establish the reliability of a case study, Yin suggests that the researcher should use the same study protocol and develop case study database (2009, 43). In this paper, the case study description, research method, data collecting method, analyzing approach and research procedure were all conducted and based on both popular and grounded materials about case studies. Moreover, Yin mentioned that case study databased included data that will be reported as well as collected from along the research process (2009). This paper provides a thorough database within the report, case study notes such as interview transcript and notes, observation note and artefact are included in the appendices. These information are displayed in a logical order to make sure that they are understandable for readers and researchers to review. As a result, the thesis and its findings are expected to be a reliable piece of research.

9.4 Future perspective

First and foremost, this research is an exploratory case study about the implementation of a channel manager within a medium scale city-center hotel chain. In order to gain a deeper understanding of the phenomenon, future researches can be written about the effect of the channel management implementation in bigger-

size hotel chains. Bigger hotel companies usually connect to more varieties of electronic channels. Besides, they might utilize some types of automated revenue management systems. As a result, it would be informative to see how channel managers can be integrated within such dynamic environment. Following this direction, future researches can also generalize the impacts of channel manager systems in the hotels' distribution channel management.

In addition, the list of evaluating factors which were developed within the scope of this paper was discussed as unsuitable for applying to other case. This is so because of the limit in number of interviewees, the lack of opinion from SiteMinder's personnel and the stage of the application in GLO chain. As a result, further research could be conducted in the direction of developing a reliable framework for assessing channel managers. This assessment factors can be developed for both stages of the implementation process which were mentioned by Peter O' Connor and his colleague (2004, 179). These stages are adoption and continuous usage. While GLO Hotels is still in adoption stages, many factors which they evaluated in this study may not relevant for the later stage. Therefore, identifying such factors for the second stage can be another viable topic.

Finally, this paper only limited at proposing possible options that GLO Hotels' management team can choose to close the gaps. Other researchers can do further as identifying which the solutions can be more applicable, and examining how the solutions actually influence on the gaps. Channel managers can be an interesting research topic. The use of automated channel manager systems is a dynamic field of study because this type of systems interact with a variety of other systems within the distribution network. Moreover, the fact that there is a gap in literature about this topic has open many potential research topics that future researchers could explore.

References

- Baxter, Pamela, and Susan Jack. 2008. "Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers." *The Qualitative Report* 13 (4): 544–59.
- Bilgihan, Anil, Fevzi Okumus, Khaldoon "Khal" Nusair, and David Joon-Wuk Kwun. 2011. "Information Technology Applications and Competitive Advantage in Hotel Companies." *Journal of Hospitality and Tourism Technology* 2 (2): 139–54. doi:10.1108/17579881111154245.
- Bowers, Bobby, and Jan D. Freitag. 2003. *The Billion Dollar Leak - The Impact of The Merchant Model on US Hotel Profits*.
<http://www.hospitalitynet.org/file/152001240.pdf>.
- Buhalis, Dimitrios, and Rob Law. 2008. "Progress in Information Technology and Tourism Management: 20 Years on and 10 Years after the Internet—The State of eTourism Research." *Tourism Management* 29 (4): 609–23. doi:10.1016/j.tourman.2008.01.005.
- Carroll, Bill, and Judy Siguaw. 2003. "The Evolution of Electronic Distribution: Effects on Hotels and Intermediaries." *The Cornell Hotel and Restaurant Administration Quarterly* 44 (4): 38–50. doi:10.1016/S0010-8804(03)90257-6.
- Choi, Sunmee, and Sheryl E. Kimes. 2002. "Electric Distribution Channel's Effect on Hotel Revenue Management." *Cornell Hotel and Restaurant Administration Quarterly* 43 (3): 23–31.
- Christodoulidou, Natas, Pearl Brewer, Andrew Hale Feinstein, and Billy Bai. 2007. "Electronic Channels of Distribution: Challenges and Solutions for Hotel Operators." *Hospitality Review* 25 (2): 92–100.
- Creswell, John W. 2003. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. 2nd ed. Thousand Oaks: SAGE Publications.
http://isites.harvard.edu/fs/docs/icb.topic1334586.files/2003_Creswell_A%20Framework%20for%20Design.pdf.
- . 2012. *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*. SAGE.
- Cross, Robert G., Jon A. Higbie, and David Q. (Dax) Cross. 2009. "Revenue Management's Renaissance A Rebirth of the Art and Science of Profitable Revenue Generation." *Cornell Hospitality Quarterly* 50 (1): 56–81.
- Forgacs, Gabor. 2010. *Revenue Management: Maximizing Revenue in Hospitality Operations*. Lansing, Mich.: Amer Hotel & Motel Assn.
- Hayes, David K., and Allisha Miller. 2010. *Revenue Management for the Hospitality Industry*. John Wiley & Sons.
- "Hotel Channel Manager by SiteMinder." 2014. *World's Leading Channel Manager & Online Hotel Distribution*. Accessed November 3.
<http://www.siteminder.com/products/the-channel-manager/>.
- Ip, Crystal, Rosanna Leung, and Rob Law. 2011. "Process and Development of Information and Communication Technologies in Hospitality." *International Journal of Contemporary Hospitality Management* 23 (4): 533–51.
- Johns, Nick, and Darren Lee-Ross. 1998. *Research Methods in Service Industry Management*. 1 edition. London ; New York: Cengage Learning EMEA.

- “Kämp Group » Kämp Group Konsernin Esittely Ja Tietoja.” 2014. Accessed November 3. <http://kampgroup.fi/en/about/>.
- Kay, Christine, and Elisa Moncarz. 2004. “Knowledge, Skills, and Abilities for Lodging Management.” *Cornell Hotel and Restaurant Administration Quarterly* 45 (3): 285–98.
- Kimes, Sheryl E. 2011. “The Future of Hotel Revenue Management.” *Journal of Revenue & Pricing Management* 10 (1): 62–72.
- Kumar, Ranjit. 2010. *Research Methodology: A Step-by-Step Guide for Beginners*. SAGE.
- Law, Rob, Ivy Chan, and Carey Goh. 2007. “Where to Find the Lowest Hotel Room Rates on the Internet? The Case of Hong Kong.” *International Journal of Contemporary Hospitality Management* 19 (6): 495–506. doi:10.1108/09596110710775156.
- Law, Rob, and Giri Jogaratnam. 2005. “A Study of Hotel Information Technology Applications.” *International Journal of Contemporary Hospitality Management* 17 (2): 170–80. doi:10.1108/09596110510582369.
- “List of Central Reservation System That SiteMinder Integrates.” 2014. *World’s Leading Channel Manager & Online Hotel Distribution*. Accessed November 3. <http://www.siteminder.com/integrations/central-reservation-system/>.
- Morse, Janice M. 2010. “Procedures and Practice of Mixed Method Design: Maintaining, Control, Rigor, and Complexity.” In *SAGE Handbook of Mixed Methods in Social & Behavioral Research*, 339–51. SAGE.
- O’Connor, Peter. 2008. “Managing Hospitality Information Technology in Europe: Issues, Challenges and Priorities.” *Journal of Hospitality & Leisure Marketing* 17 (1-2): 59–77.
- O’Connor, Peter, and Andrew J. Frew. 2001. “Expert Perception on the Future of Hotel Electronic Distribution Channels.” In *Information and Communication Technologies in Tourism 2001*, edited by Pauline J. Sheldon, Karl W. Wöber, and Daniel R. Fesenmaier, 346–57. Springer Vienna.
- . 2004. “An Evaluation Methodology for Hotel Electronic Channels of Distribution.” *International Journal of Hospitality Management* 23 (2): 179–99.
- Parasuraman, A., Valarie A. Zeithaml, and Leonard L. Berry. 1985. “A Conceptual Model of Service Quality and Its Implications for Future Research.” *American Marketing Association* 49 (4): 41–50.
- Pizam, Abraham. 2012. *International Encyclopedia of Hospitality Management 2nd Edition*. Routledge.
- Plowright, David. 2011. *Using Mixed Methods: Frameworks for an Integrated Methodology*. SAGE.
- Pucciani, Karoline Kokaz, and Hilary Catherine Murphy. 2011. “AN INVESTIGATION OF DATA MANAGEMENT AND PROPERTY MANAGEMENT SYSTEMS IN HOTELS” 17 (1): 101–14.
- Sahadev, Sunil, and Nazrul Islam. 2005. “Why Hotels Adopt ICTs: A Study on the ICT Adoption Propensity of Hotels in Thailand.” *International Journal of Contemporary Hospitality Management* 17 (5): 391–401.
- Schegg, Roland, Brigitte Stangl, Michael Fux, and Alessandro Inversini. 2013. “Distribution Channels and Management in the Swiss Hotel Sector.” In *Information and Communication Technologies in Tourism 2013: Proceedings*

of the International Conference in Innsbruck, Austria, January 22-25, 2013, edited by Lorenzo Cantoni and Zheng (Phil) Xiang, 554–65. Springer Science & Business Media.

- Sekaran, Uma, and Roger Bougie. 2010. *Research Methods for Business: A Skill Building Approach*. John Wiley & Sons.
- Stake, Robert E. 1994. "Case Studies." In *Handbook of Qualitative Research*, 236–47. Thousand Oaks: SAGE Publications.
http://www.tlu.ee/UserFiles/Katariina%20Kolloed%C5%BE/K.%20Maslov/Case%20studies_Lecture_4-5.pdf.
- Toh, Rex S., Peter Raven, and Frederick DeKay. 2011. "Selling Rooms: Hotels vs. Third-Party Websites." *Cornell Hospitality Quarterly* 52 (2): 181–89.
- Webster, Jane, and Richard T. Watson. 2002. "Analyzing the Past and Prepare for the Future: Write a Literature Review" 26 (2): 13–23.
- "World's #1 Channel Manager & Hotel Booking Software Provider | SiteMinder." 2014. *World's Leading Channel Manager & Online Hotel Distribution*. Accessed November 3. <http://www.siteminder.com/about-us/>.
- Yin, Robert K. 2009. *Case Study Research: Design and Methods*. Edited by Vicki Knight. SAGE.
- . 2011. *Applications of Case Study Research*. SAGE.
- Zainal, A., S. M. Radzi, R. Hashim, C. T. Chik, and R. Abu. 2012. *Current Issues in Hospitality and Tourism: Research and Innovations*. CRC Press.

Appendices

Appendix 1: Observation notes

1. Mapping process: The main task was to fill in tables about how a specific rate code is linked to a channel. The author participated in two mapping sessions.

- 07.03.2014: For the initial mapping, SiteMinder just sent the document for GLO's RM team to fill in. The process took quite a lot of time because there were a lot of confusion and it was done individually for all four hotels. Some parts of the report was skipped or filled based on the managers' understanding. As a result, some update and alters in these information was expected to be done after SiteMinder's personnel had checked the report's content.
- 19.03.2014: updating mapping table between My Fidelio and SiteMinder. The table which SiteMinder sent this time was nearly identical to the first time. After updating the first mapping table, the managers could understand better what SiteMinder required from them. Therefore, the process this time was less confusing but it still took a lot of time. One reason was because of the number of mapping tables needed to be filled. The other one was because the mapping logic of SiteMinder was not so compatible with the way room rates are setting up in GLO Hotels' PMS or CRS. The example mapping process followed the logic of having a master room rate for all channels in PMS/CRS system. GLO Hotels, on the other hand, have different room rates for each channel and room types. Another notion from this session is that the rate code in PMS was not the same as that in CRS.

2. Training session:

On 20.03.2014, the training session was led by an "Implementation & Training Specialist" from SiteMinder software provider. This session was conducted through Skype and there are all members of GLO Hotels' revenue management team. The sound quality during the training was good; thus, all the information was transferred. The trainer explained all functions of the software and how to perform each functions through the screen sharing function of Skype. In the author's opinion, the

speed of the instruction was appropriate for following and taking notes. In addition, the trainer also informed the pace at which GLO's OTAs are being connected. Moreover, some questions from the team was answered during that session. The questions mostly related to the software functionality, operation as well as the process of setting up new channels or rates. Another topic included was about the integration of wholesalers after all OTAs are connected. However, besides the technical questions, other questions about rate codes, channel types and wholesalers were either generally replied or not answered. This issues was discussed afterwards among the team and the author as the lack of understanding about the channel management field from the instructor. Also, one manager said that the training was shorter than expected and not all the functions they want to know were explained. She also believed that it was the experience which was the best way to learn using the programme.

3. Observing how the revenue manager used SiteMinder

The author had two opportunities to observe SiteMinder's functionalities.

- 13.04.2014: In this time, SiteMinder had just been integrated between GLO Hotels' PMS and OTAs for few days. Thus, there were some technical errors which led to delays in updating information as well as reservation delivering. Although the manager was able to show the author most functions of the programme, it was clear that she was still learning how to use the programme. She also commented that the data display was somehow confusing.
- 28.11.2014: After SiteMinder has been in used for OTAs more than seven months, the number of errors reduced significantly. The way in which the manager used the programme was much smoother and the illustrating on how the software works was also more fluent. However, it was clear that the manager have not used much of the reporting function as she expresses uncertainty about what kind of information were included in these categories. She explained that the report function did not provide as much information as the PMS's report. Also, the quality of reports from SiteMinder (Excel) was poorer than those from PMS (PDF). Furthermore, the issue of data display from the last observation was also changed into more positive comments.

Appendix 2: Artefact analysis

Artefact 1: Description about SiteMinder Channel Manager in SiteMinder Website.
 (“Hotel Channel Manager by SiteMinder” 2014)

Artefact 2: mapping table between SiteMinder and My Fidelio.net

The tables below are example of typical mapping table which SiteMinder sent to GLO Hotels’ revenue management team to fill in. This table below was used in the second mapping process that the GLO Hotels’ team need to connect codes from the CRS system, which is My Fidelio, to SiteMinder. These tables are displayed separated sheets in one Excel file which needed to be filled individually for each GLO Hotels.



PROPERTY OVERVIEW FOR SITEMINDER CHANNEL MANAGER	
Hotel Information	
Hotel Name	
Address line1:	
Address line2:	
Address Line 3:	
City:	
County	
Country	
Post code	
Contact Name	
Contact Email	
Contact Phone	
Currency Code	
Reservation failure email	
Hotel Code	
Hotel Code	IQ (replace if other)
Use Min. Stay Through	YES / NO (delete as applicable)

Sheet 1: Prop Info

OTA's To Be Connected	NET rates % adjustment	
Expedia	25%	examples only
LateRooms	N/A	

Sheet 2: SM channels

myfidelio Room Type Code	myfidelio Room Type Description	
PLEASE PROVIDE THE MYFIDELIO ROOM CODES. THESE MAY DIFFER FROM YOUR OPERA ROOM CODES	Submit all myfidelio room types that are sold on all channels.	
C1S	Standard Single Room	examples only
C1K	Standard King Bed room	

Sheet 3: Room types

myfidelio Rate Code	myfidelio Rate Code Description	
PLEASE PROVIDE THE MYFIDELIO RATE CODES. THESE MAY DIFFER FROM YOUR OPERA RATE CODES	Submit all myfidelio rates that are sold on all channels.	
DAILY	Best Available Rate	examples only
ADVP	Advance Purchase	

Sheet 4: Rate codes

myfidelio Base Rate Code for sending rate values	myfidelio Rate Code for sending MLOS and close outs	myfidelio Room Type	Website Offer Name	Included Occupancy	Expedia	LateRooms
DAILY	DAILY	C1S	Standard Single Room Only	1	1	1
DAILY	ADVP	C1K	Standard Double Advance Purchase	2		1

Sheet 5: Mapping

Credit Cards Accepted at Hotel		
Credit Card Description	ORS Code	
Visa	VI	examples only
MasterCard	MA	

Guarantee To IATA		
Channel Name	Profile / IATA codes	
EXPEDIA	EXP	examples only
LATEROOMS	LRM	

ONLY REQUIRED IF RATE CODE FOR RESERVATION DELIVERY DIFFERS ACROSS OTAS :

myfidelio Rate Code for Reservation Delivery	Website Offer Name	Channel Name	
DAILYEXP	Standard Single Room Only	Expedia	examples only
ADVPLRM	Single Room Advance Purchase	LateRooms	

Sheet 6: Reservation detail

Appendix 3: Initial review note of SiteMinder performance

Before all the interviews was conducted, the author arranged a meeting during which the process of the study and the content of the next two interviews were discussed. The main purposes of this meeting were to explain to the GLO's managers what kind of interview and information they could expected. In addition, during this meeting, the author was able to collect some information about the initial expectation for the programme and general opinions from the manager about how SiteMinder has generally performed so far. The content of this discussion was used to provide a guideline for establishing interview questions as well as checking the consistency and objectiveness of the data collection. The duration of the discussion was approximately half an hour and the area manager of Kämp group was the only participant. The note from this discussion is presented as below:

1. Why GLO Hotels chose to purchase SiteMinder

Heard that SiteMinder is one of the best integrated solution with 2 way connections. It can also handle more than 1 commission level (GLO has 2 commission levels for Expedia)

2. SiteMinder connection with wholesalers:

It is clear from the manager's comment about the program that SiteMinder has a problem regarding to integrate with wholesalers. In the beginning of May, the revenue management team started to implement SiteMinder in managing their wholesalers. However, SiteMinder has proved to be ineffective. Therefore, GLO hotels haven't integrated SiteMinder with their wholesalers at all.

In the summer of 2012, GLO hotel Art went through a pilot test of implementing SiteMinder in managing their wholesalers. During that period, GLO Hotels used the offline version of SiteMinder to control their availability and rate. This version was not integrated with PMS. It was used to update inventory and rate for certain wholesalers. It worked pretty much as an extranet. The managers created a grid of availability (and sometimes rates) that would later be updated to the wholesaler sites by SiteMinder.

The initial idea of using SiteMinder is to apply a more strategic approach towards

managing wholesaler – “let say, RM department can decide which site will have which rates and availability on a specific day”. In addition, reservations from wholesalers should be taken from their own allotment automatically.

However, the SiteMinder that GLO is using at the moment is an online version which doesn’t meet their initial attention of purchasing the program. The current program has failed to deliver this function. The problem can be visualized as below:

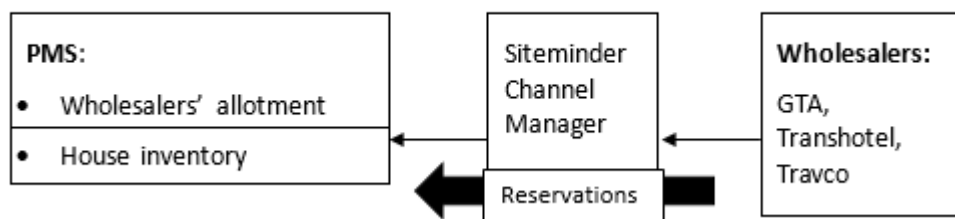


FIGURE 5: Reservation delivery from wholesalers to GLO Hotel’s PMS through SiteMinder

At the moment, when a reservation comes from wholesaler to SiteMinder, the program can’t establish the connection with that wholesaler’s allotment in GLO hotel’s PMS. Instead, it takes rooms from the house inventory. As a result, there are still needs for manually updating from GLO’s side to change those reservations back to their allotment. On the other direction, the wholesalers will push room rates from their extranet the rate based on the contract. Originally, SiteMinder said that all reservations could be pushed to PMS but if there would be any changes, the GLO Hotels’ staff need to update them manually.

➔ RM dep. is thinking of have renegotiating the wholesaler issues. They may use both online and offline version of SiteMinder

3. SiteMinder connection with OTAs:

The system works well except for some delays in rate-updating.

However, setting up a new rate type would take a long time due to the mapping

process. At the moment each room type has their own room code (MDB, LDB, LDBX) and each channel rate code (BAR, BARE, BOOKING, BOOKINGE, HRS, HRSE, EXPNET, ...) meaning that to add a new rate code for the whole GLO chain, this new code should be mapped with each room code per channel for all 4 hotels.

Ex: New code: BAR15. This code needs to map with room types: BAR15 – SDB, BAR15-MDB... (There are around 8 room types for GLO Kluuvi).

To map these code to OTAs, a new code should be create for that channel: BAR15 → BOOKING15. Then map these with all the room types that are sold through these channels: BOOKING15-SDB, BOOKING15-MDB. These work should be done for all 4 hotels.

As a result although SiteMinder is working well, there are too much work for maintenance and mapping.

→ GLO side is thinking of having one master rate code instead of having separate rate code for each channel in order to simplify the mapping process.

4. Last comment: maybe because SiteMinder is in their growing process → don't really focus on the problem of 1 customers. However, Elena believed that the program will work well when all the problem has been solved.

Appendix 4: Guideline of the pilot interview

The table below represents the original list of evaluating factors from Peter O'Connor and his colleagues. In addition to the factors, the list was added with columns that indicate the suitability of a certain factor, any alternation in phrasing of that factor and what are other factors that can be added under the same factor group. This list was used as a guideline during the pilot interview. The main purpose of this table was to help the managers identify which factors should be considered in the next assessment interview.

Factors	Suitable?	Edition?	What else?
➤ <u>Financial factors</u>			
Initial capital cost			
Transaction cost			
Achieved transaction volume			
Achieved revenue			
Joining fee			
Forecast transaction volume			
Forecast revenue from channel			
Effect in room rate			
➤ <u>Management factors</u>			
Ability to recognize customers			
Availability of alternative electronic channel			
Effect on existing channel of distribution			
➤ <u>Marketing factors</u>			
Effect on brand image			
Potential to open up new market segment			
Potential to address current market segment			
Effect on existing Customer Relationships			

Continue next page

Continue from previous page

Presence of competitors in the channel under consideration			
➤ <u>Operational factors</u>			
Capability to provide management information			
Ease of use from hotels' perspective (<i>adoption and continual use</i>)			
Integration			
➤ <u>Technical factors</u>			
Traffic level			
Transaction speed			
Update speed			
Security			
➤ <u>System provider factors</u>			
Reputation of system provider			
Independence of channel provider			

Appendix 5: Pilot interview script

The information below is the content of the pilot interview. In order to maintain the objective and convenience of the transcript, interviewer and interviewees are coded as presented below.

- Date: 08.10.2014
- Interviewer: the researcher - RS
- Interviewees: Elena Heiska (Area manager, Revenue & Distribution) – RM1
Pia Huhtaluoma (Supervisor, Revenue & Distribution) – RM2
- Interview content: Evaluate every factors from the existing list of evaluating factors to identify which one should be added be kept, taken away or added into the assessment factors for SiteMinder channel manager.
- Interview script:

RS: For the financial factors, we consider the real cash benefit of adopting SiteMinder. And over here, you actually have a table that says if it is suitable or not, if you have any edition to the original idea, and what else you want to add. I hope it will make the process easier.

For the “initial capital costs”- like how much it costs to set up the whole system. So do you consider it as an important factor?

RM1: Yes, certainly it is

RS: So, how would you compare it with, for example, the initial cost of SmartHOTEL?

RM1: Initial capital costs, if we think about the whole investment, sort of, with the set-up and everything, I don't actually even know what SmartHOTEL costs. Because it was built so long time ago, we don't really have a comparison for that. And to be quite honest, I don't remember now what the initial capital cost was for SiteMinder. Thus, I would have to check that. But it will not help so much at this stage because I don't have the comparison, you know. It was just something that we agreed on. I think it was approximately 10k. That we actually invested in the whole set-up of the system. Then just comes the running costs which is like €250 per hotel per month. There is no transaction fee which would pay for each reservation. So for us, the most important thing was sort of identifying what the running costs are.

RS: So it was €200 per hotel?

RM1: It was €250 approximately. But let me check it for you. And it was so that the initial investment was approximately 10k for all the hotels together

RS: I think it was the second factor because at the moment we don't have any transaction cost, but only the "running cost" of €250.

And for the achieved transaction volume, so do you consider it in evaluation?

RM1: yeah, sure. But on the other hand, it doesn't really affect the volume as such because it is the same booking coming in as did with Sermato.

RM2: We had a similar system up and running.

RM1: But the difference is though that we have a larger potential with SiteMinder because they can connect with much bigger variety of channels and OTAs than SmartHOTEL can. Although I don't remember the difference now. But there is a large difference.

RM2: But so far we have not benefit in that. But maybe in the future we will.

RM1: And actually I think you can find data on that on SiteMinder's site because they are very extensively, you know, want to publish how many channels they can connect to; versus to other channel managers. So potentially there is, but we have not made used of that so much.

RS: So, what do you think of this factor? When you want to evaluate SiteMinder, would you add this factor into the evaluation list?

RM1: yeah, certainly because that has to do with the revenue potential. So in that sense, yes.

RS: So it's more like "potential transaction volume"

RM1: Yes, and you can add potential achieved revenue as well.

But really, as it is now, we are using it like we did with SmartHOTEL. It's just another system, you know

RM2: just the different system.

RS: And about the "joining fee", would you consider it. Or is it quite similar to "initial capital cost"?

RM1: It is. Yes.

RS: So we actually don't need it here.

And the "forecast transaction volume"

RM1: It's pretty much the...How do you mean that?

RS: Can you use the information from SiteMinder to forecast transaction?

RM1: Well, not really. Because that's something that is...

Well, in the sense, yes, in SiteMinder we can see the traffic. But we couldn't do that with SmartHOTEL. You know that when you are in SiteMinder you can see how many

bookings there are and how much revenue has been generated from Booking.com or Expedia. So you can of course, use that data a little bit but not in a very detailed way. Or what do you think?

RM2: maybe in the future. Again, so far we have not really done that much. It is possible in SiteMinder. It is possible to take different reports which was not possible in SmartHOTEL.

RS: So does it like we can add this as “possibility to forecast transaction”? For volume and revenue?

RM1: yes, we can. As something to be investigated more and maybe use more.

RS: and the “effect in room rate”. Does the use of SiteMinder affect room rate?

RM1: compare to other channel manager or compare to SmartHOTEL?

RM2: like public rate

RS: yeah, does it affect anything?

RM1: it doesn't really affect but it is again there are some situation like for example Expedia has launched their Expedia Travel Reference programme which means guests can pay at hotels or then they can pay to Expedia. Well, the Expedia ETP's agreement has sort of included two commission levels. We couldn't do that with SmartHOTEL but SiteMinder can. They can have 2 commission levels per channel which enable better revenue for us because we can do more complex agreements which can be in our favour. So in that sense, yes, but not rate-wise really. Because the rate remains the same for the guests. So that is just more about the profit than revenue

RS: So, basically it doesn't affect the room rate but it would affect the profit

RM1: Yeah, it can affect the profit, because it can handle different commission levels comparing to SmartHOTEL.

RS: So, would it be possible if next time, I would ask you about the effect of SiteMinder on the profit?

Will you able to evaluate it?

RM1: Not yet, because we just launch the ETP for Art and we can't see the effect yet. So basically it mean that...I can draw to for you so that you can understand it better.

So basically it means that Expedia has 2 kinds of booking: Hotel direct and Expedia direct. Then we pay commissions to these based on where the booking comes from. If it comes from Scandinavia, if it comes from international point of sales. We pay commission only per hotel booking. So, there is a different commission percentage here which would be Y for this and X for this. And now, before Smart HOTEL could only handle one commission level. But now we have 2. And the other one is better for us, so it's a lower commission and this booking is just starting to come in for GLO

Hotel Art. But before we can see the differences, really it takes time because we can't just have the sample of 1 month or something and compare. It needs to have many transactions before we can see if there is any real difference. So I'm not sure how long it would take that we can have the actual figures

RM2: But basically, it is already we can say that it will profit us. Because the commission level is lower

RS: that's only for Expedia.

RM1: It's only for Expedia because so far Expedia is the only one that has this kind of an agreement. But if others would have. Then it would be the same situation with them

RS: So basically it is the factor that you can evaluate in the future but not at the moment. Then, I could make a few questions, maybe one or two for next interview.

And the "management factor", including "the ability to recognize customers". I asked this before

RM1: Do you mean by customers, do you mean individual customers or other guests?

RS: I think so. Because this is only for the channels. Maybe they have some reference programme, something like loyalty, in the channel.

RM2: the channel themselves they have. But the ability to use it, to recognize individual customers from SiteMinder, that is not possible.

RM1: Yes. And we are not part of those channels' loyalty programmes because we are sort of against them. Because they are against driving business to our own channels. So we are now a part of the GHA, including the GLO hotels and that's what we want to push. And not that we want to become booking.com's genius loyalty member who actually fee on our commissions. They pay those really nice without those commissions so there is no point for us. But I wouldn't say that they have any like elements or parts in the systems that would drive customer recognition. It's just to transfer the bookings.

RS: So basically, we don't consider it at all.

And the "availability of alternative electronic channels"

RM2: What would that means?

RS: if you consider in the channels' point of view, you would think like do I take this channel or do I have like alternative ones?

So in this case, it would be the availability of alternative channel managers.

RM1: ...to have side by side

RS: maybe something that can replace SiteMinder, for example. Do you consider that?

RM1: No well, not really. I mean they have a trial period but to change a channel manager is such a huge task that you don't change it that often. So now that we have implement with SiteMinder, we just have to find the best ways to make use of that, And I am sure there are many benefits but we just need to get those going. But no, we don't really consider it now.

RS: yeah, I also think so. Such a huge work.

And "effect on existing channel of distribution"?

RM1: you mean the share of distribution channels?

RS: Yeah, something like that

RM1: No, not at the moment, because we use it as we use SmartHOTEL. But if we start to build more OTAs into SiteMinder, we could expect that OTA channels to grow

RM2: like new OTAs

RM1: but that's not really in our strategies to grow the OTA business, so that's not the main focus now. But anyway, it can have an effect on that...on the distribution share

RM2: it's kind of like how the OTAs work with SiteMinder. That's one of our criteria now if we need to choose more channels. It has to be compatible with SiteMinder because we don't want to manually update any channels

RM1: and the same for wholesalers

RS: well then, should be consider this factor?

RM1: Well, I think you could actually have it there because you know it can have an effect on that

RS: Well then, do you have any changing in the phrasing?

RM1: I would say the effect on the share of different channels...of distribution channels

RM2: and about the possibility for new channel

RS: Actually in the "marketing factors", there is the "potential to open up new marking segments"

RM1: yes, actually it is. You can take it away from here as it's already there. Market segments and channels.

RS: And "the effect on brand image". Do you consider SiteMinder have an effect on GLO hotels' brand image?

RM1: no, not really, because it is something that is hidden to the customers. It is only about channels through which the bookings come from. In that sense, no.

RS: and “the potential to open up new market segment”. Yes, as we discussed before. “The potential to address current market segment”. Does SiteMinder have all the channels that you are currently using?

RM1: yes

RS: So we also evaluate this factor. And the “effect on existing customer relationship”

RM1: no, not really. Because this is some clear thing, while many other things are not yet, SiteMinder is really a tool that is hidden through the customers. The bookings just come through that but the customers don’t know anything about that. It doesn’t have that kind of features that somehow be shown to the customers

RS: next, “presence of competitors in channels under consideration”. I think it’s almost the same as above.

RM1 & RM2: yes

RS: We don’t need to add it. And the “operational factors” include “capability to provide management information” from SiteMinder.

RM1: yes, in the sense that I think the reports that we don’t know yet so well might provide something. I know that because Klaus K has a very different setup. They are taking their rate code reports, some of those from SiteMinder...

RM2: Like production report for each channel.

RS: Yeah, that’s much easier. And the “ease of use from hotels’ perspective”

RM2: The use of the system is partly easy but the problem is with the setup and the lack of information at the point

RM1: In the first stage of the implementation

RM2: ...and that actually cause all the problem that we had.

RM1: yes, I agree it is. And I don’t know if you have it somewhere to but you can add the level of support and how the support is functioning with SiteMinder

RM2: Indeed

RM1: As you actually divided it into the adoption and the implementation stages and then there is the continual use but you know, if we would have to evaluate the adoption and the implementation stage, the degree would be poor, really poor, you know. But then again, I think the support is working ok...do you think it’s a no?

RM2: No really, because we do not have any person dedicated for us so it’s always a new person who doesn’t know our system or our hotels or the setup. So for me, if I need something from them, it feels like the first two or three emails, I have to explain because they don’t get the ideal what I am looking for. They are just giving us

general information about how the system works. But they are not actually looking into the actual problem or setup.

RS: So they don't really personalized the respond...

RM2: And the response time is quite poor.

RM1: It is.

RS: Ok, I get that. Because the salesman whose email you gave me last time, he haven't answer back anything. So, I think I'll add the level of support under operational factors.

RM1: yeah, maybe, talking about ease of use and you know...using the system, it's connected to that.

RM2: But basically, it's good if... I don't know if it comes here. But what is good that basically the mapping and everything it is easy to do in the system and there are a lot of things that you can do yourself. Before, we did not have even access to the SmartHOTEL's system, we couldn't see anything like what is done there. Now, we have the access for the system and there is a lot of things that can be done ourselves.

RM1: So that's sort of the potential as soon as we can get the setup correct. But before we totally depended on My Fidelio to do whatever needed to be done in the channel manager because SmartHOTEL didn't grand access for us you know

RS: So, is it like the ability to access the system?

RM2 & RM1: or control

RM2: and kind of create new products.

RM1: in that sense it can go to the potential to open new market segments, products and channels

RM2: or new rate types for certain channels

RS: So, is it more like control and set-up?

RM1: yeah, it is pretty much everything because you can control room types. Or however you like to call it, market segment or rate type you know.

RM2: For example advanced payment.

RM1: so we can do it by ourselves so it's more independent use.

RM2: And also, if there is a problem that somebody reports, e.g. rate is not correct in some channels or they are not given availability, we can login to SiteMinder and see what is going there ourselves.

RS: then, I think it's like independence in controlling and editing the system.

And, "integration", has SiteMinder been integrating with PMS?

RM1: yes, it's a two way interface so they are really integrated as such

RS: So I can consider it as an evaluating factor.

RM1: yes, sure, but it is kind of a main criteria for a channel manager for us to have that integration you know, two way interface. So basically everything goes directly from one system to another. But then again, it drops to the technical factors because it has to do with what you have here, the transaction speed and the update speed and everything with which we had had some challenges. So whenever we change a rate in PMS, it might be that it takes too long to go through SiteMinder to some channels so that Booking.com can have the correct rate in 2 seconds and the other one has in 2 hours. Which again results in parity problems and the OTA will ask why booking.com have the other rates than we do and stuffs like this so.

RS: maybe I can use this question for next time because I was just thinking of asking what the longest period that they have delayed the update.

RM1: it's difficult to say

RM2: I don't know how to answer. But basically I think it is very fast but then again, it feels likes...well, compare to SmartHOTEL, it may be the rate is updated only to some room types. Because in SiteMinder, if there is a problem then it's the same in all the room types. But for SiteMinder, I maybe so that if I make a rate update, it will go only to certain room types but not all. So, I should always check everything, all the room types. But that's basically because of the setup how it is done to SiteMinder because of all the different room types and rate types, they have their own unique codes

RM1: yes, exactly, all the independent unique code which is sort of the source of our problem, of the complexity. So, once it's all built as a master hierarchy, which comes from one rate, then that should maybe solve the problem.

RS: I think I see that in their mapping table during the time I participated in the process. I can see the differences between their example and our rate and everything. So it would make it more complex. So how would you comment on the "traffic level under technical factors"? Do you think traffic level is necessary to rate?

RM2: what do mean by traffic level?

RS: Channel wise, it can be the ability to get a lot of reservations at the same time.

RM2: I don't think there have been many problems with that. All reservations come through our systems.

RM1: Do you mean that if there is some limits?

RS: Yeah, is there some limit?

RM1: Should not be. Basically

RM2: For reservations, updating rates as well?

RS: Yes, for all the reservation and updating rates. Is there any limits?

RM2: I don't think so

RM1: I don't think so either. It should be pretty much limitless.

RS: Sure. We have discussed the "updating speed". How about the "transaction speed" when there is reservation coming in?

RM1: That varies but basically it's normally very good but sometimes it may take time

RM2: It is very good but first we had some issues but lately I have not heard

RM1: then the other thing that may go under the technical factors is the compatibility of the system with the OTAs' extranet. Because, for example we have a channel HRS which has a very outdated system of their own so how that can build compatible with SiteMinder. Because then again, it's good that our PMS is compatible with SiteMinder and everything goes well. But for example there is HRS corporate rates until this day they have not been able to find a solution so that we will get the corporate rated reservation to come properly to our PMS.

RM2: at the moment, they are sent manually by email. And also there is other examples about the differences with different channels. For example, Hotelbed used to have so that it is not possible to set any minimum length of stay restriction for example so the channel performs differently.

RS: So, we really need to take this on under consideration.

RM1: Just one thing in the meanwhile before we go on with the factors. I found the prices for the integration. The EUR 10k was approximately what was calculated for the first year overall. And the setup fee was approximately EUR 500 per hotel. The normal reservation delivering fee and the monthly fee is approximately EUR 250 per hotel per month.

RS: And because you don't know about the setup cost of SmartHOTEL so the running cost comparing to SmartHOTEL, is it cheaper?

RM1: it should be cheaper but I can look it up for you. Because there is not so much so there is a slight additional cost with SmartHOTEL. I can find it somewhere for you.

RS: Maybe I can get it next time....And how would you consider "security factors"?

RM2: well, we have not have any challenges with security at the moment actually. And they have recently improved their credit card information...how they send the information on credit card, for example. So it's not that easily accessible. Well, it was not easily accessible before either but they are still improving that.

RS: So basically we can take this factor out. And the last one, so "system provider". For "reputation of system provider", would you be able to rate it?

RM1: Well, I think the reputation overall is really good because what they kept on telling me that it's fully integrated. Everybody keeps telling this and yes, might be that it is the most integrated system that there is; but of course the reputation for us has suffered a lot because the implementation stage was so poorly handled.

RM2: And there have been any follow-up from their side

RM1: and you know, I can actually give you the list of my suggestion that I will discuss with SiteMinder at the end of this year. They could use it to improve their process or they may just throw it into the thrash. But you know, the thing is, when you do this large implementation, you would like to have for the hotel, things like this is our step by step and this is your step by step. This is what you do and this is what we do. But it was handle so poorly, as you might remember.

RM2: we was not fully understand the Excel and they was even didn't know we had some question about the Excel?

RM1: what was actually My Fidelio code and what is the PMS code and whatever you know

RM2: We weren't able to get answer

RM1: it's true. So, I think overall, the public reputation is very good. But how we perceived it is not so good

RM2: and you can really feel it how they expanding quite quickly so we can see the effect. They can just doing every quickly

RM1: exactly. And like PMS system itself feels good, it's easy to use and everything but they are not working with the customers for the customers to get the most out of it. The product is good but the service is bad

RM2: I don't know what the difference is if you use it as a traditional channel manager. At first, when I was using their help, they have a very nice help site but it was for me, it was very difficult to understand which part of the channel manager which is or is not integrated to the PMS. Then again, it is our way of using SiteMinder. So it was difficult to find information there.

RS: I was also planning to interview the people from SiteMinder the same thing. Do they have follow-up? Do they have any...?

RM1: Well, actually, once we had a follow-up with the Averlance Smith who was the business controller. But then it was just a follow-up if everything has been implemented and everything. And I told her that it was still pending, but then she never came back to that. It was a long time ago.

RS: Is it possible if you give me her email because the other person haven't answer any of my email.

RM1: yes, I can do it very well....

RS: ...So, to return to the point. Do you think we should take reputation into consideration?

RM1: I don't think it is so relevant.

RS: yes, sure. I think it is more applicable if you look for a channel, you would consider this one. Then, the "independent from channel provider". Do you think it is similar to the control and edit? Would you add it in the system provider or the operational factor?

RM1: I think it is more in the operational factor because it's about using the system

RS: So, all the factors are discussed. Is there anything that you would want to add? Because at least under "system provider factors", we don't have any factors at the moment. Or do you really consider to evaluate system provider factors at all?

RM1: Do you mean that now we have SiteMinder, do we evaluate if we should keep using or...?

RS: Yeah, like for both stages, do you consider evaluating it?

RM1: yeah, I think we are evaluating as we go along so after everything have been done, that we can do like changing the setup and doing everything. But yeah, it's like day-to-day evaluation. And if we are happy with the system then we just continue using it. And because it is a huge task to change it, we don't consider changing it for a while. And of course, it is a good system, you know. You have a EUR 500 setup fee and then you have the monthly fee and then there is no transaction fee. There is no sense from financial perspective to change that. So if everything runs ok, we'll just continue using it.

RS: then, I think in the evaluating channel manager here we'll only need financial factors, management, marketing, operational and technical. But at least from my list, we don't have any factors under the "management factors".

RM1: ...because now, under the financial factors, you have sorts of the cost factors but then you have the revenue generating factors. But these can be different. Cost factors are a bit different because those are what costs us. But the other, the potential revenue that the system can generate, that's a little bit different thing in my thinking. So those could be divided and have those things that go under the revenue generating factors. How do I call it...the...

RS: Is it the potential revenue?

RM1: yeah, something like that. Then you can have the potential to open new market segment, which again effects revenue that you can have through the system. So a little bit may change from this place to another place. Because "marketing factor" is, well, it can be changed to revenue potential factors.

RS: And also the management factor from my list, I marked no for everything. How about the effect on existing share?

RM1: About that, if we think about...how it can affect the share of distribution. Well, that affects the cost. Because you know different distribution channel has different kind of costs. So from that perspective, we think that would go under financial factors, in that sense. But partly it goes under potential revenue factors because it's also for the revenue. Maybe I will put it under the revenue factors. And you can put more thing under that actually

RS: So I think basically we can have financial factors and then the revenue generation factors. And then we have operational factors and technical factors.

RM1: I can still keep thinking about it you know, maybe if something could be added or changed from place to place

And there is one more thing you can add to the integration factor. The operators of our CRS, which is My Fidelio, does not familiar with SiteMinder so they gave us some wrong information during the setup process. That may be something worth looking into.

RS: Yeah, that's for sure. I can add that to the list. So that's it. Thank you very much for your effort.

Appendix 6: Guideline of the assessment interview

The table below was used as a guideline for the assessment interview. In this table, all the factors that need to be evaluated are listed in the first column. The second column showed the information that were already said from previous interviews and discussion. This column was added to avoid repetition of certain facts, which would take more time. The last column includes questions that were asked during the interview. These questions act as a guideline; hence, the wording and order were not strictly followed.

Factors	Known information	Questions
<u>Financial factors</u>		- How satisfy are you with the trade-off between the costs and financial benefit of SiteMinder?
➤ <u>Cost factors</u>		
Initial capital costs	- 10k for installation	- How do you compare the initial investment cost with your expectation? (And with your benchmark?)
Running cost	- 250/hotel/month, slightly less than that of SmartHOTEL	- How satisfy are you with the monthly cost of using SiteMinder comparing to your expectation? (And to your benchmark?)
➤ <u>Revenue generating factors</u>		
Potential to open up new market segment	- Yes, list of channels from SM's site → many possible new OTAs. - The criteria for GLO before connect to a new channel is that it has to be partners with SM - GLO hotels don't intend to grow the OTA business.	- How the use of SiteMinder may affect the growth in customer segment of GLO hotels?
Potential to address current market segment	- Yes to all the OTAs, except for the wholesalers	- How happy are you with SiteMinder's ability to connect to your current market segment of SiteMinder (Customers from OTAs and wholesalers)?
Potential increase in room profit	- Yes, because SM can handle 2 commission levels	- How have you use the ability of SiteMinder in handling 2 commission levels? (How is your

Continue next page

Continue from previous page

	<ul style="list-style-type: none"> - Every channel have their own cost. Thus, using SM can help to limit some channel's costs 	<p>experience with that function so far?)</p> <ul style="list-style-type: none"> - How do you evaluate the potential of earning more room profit from SiteMinder?
<u>Operational factors</u>		
Capability to provide management information	<ul style="list-style-type: none"> - Yes, through their reports (rate code reports, production report for each channel) 	<ul style="list-style-type: none"> - What kind of management information that you can get from SiteMinder? - How this information is different from those that you get from your PMS systems? - How appropriate this information is in assisting your channel management routine? - How do you think about the display of the information?
<ul style="list-style-type: none"> • Possibility to forecast transaction volume 	<ul style="list-style-type: none"> - From SM, traffics (booking and revenue can be seen directly). Not being used much now but it can be investigated more and used more in the future. Channels' production reports can be exported from SiteMinder 	<ul style="list-style-type: none"> - How does SiteMinder help you with forecasting room demand and revenue from each individual OTA? (<i>Is the programme has a forecasting function or it only gives reports</i>) - How easy it is to use SiteMinder reports for forecasting purpose? (<i>Does the report's output suitable for the current forecasting method? As well as possible revenue managing programme in the future?</i>)
<ul style="list-style-type: none"> • Possibility to forecast revenue from channel 		
Ease of use from hotels' perspective	<ul style="list-style-type: none"> - No. - The use of the system is quite automated - 2 way integration (automation): the pushing of rate from PMS to channels vs the pulling of transaction from channels to PMS - Set-up, rate mapping is still too complicated at the moment. That actually causes most of the problems 	<ul style="list-style-type: none"> - How user friendly is the programme in general? (<i>Website layout, display of data and icon, etc.</i>) - How user-friendly is it setting-up new channels or rate codes? - What factor may affect the ease of use in your opinion?

Continue next page

Continue from previous page

Level of independence in controlling and editing the channel manager	<ul style="list-style-type: none"> - Low. Still much better than in SmarthHOTEL - There is a lot of things (set-up and mapping) that GLO could manage by themselves but better training and a better access with the programme from the beginning 	<ul style="list-style-type: none"> - How much control you have over the programme setting, updating and editing? - How satisfy are you with your current level of independence? - What may be the reason for this level of independence?
Level of support from software provider (installation, training, assisting and following-up)	<ul style="list-style-type: none"> - Mapping table: confusing - Installation: took long time - Training: the trainer was more like a programmer (IT) than somebody who know about hotel distribution. The answers were all very generally - Assisting: there is not a specific person assigned for the task. Actually, it is more like GLO gets a new personnel every time they contact for a problem. Explain the situation again and again - Follow-up: close to none - Response time: slow 	<ul style="list-style-type: none"> - How did you experienced the installation, set-up and training from SiteMinder? How does it match to your expectation? - How often you need support from SiteMinder? - How was the response time? - How helpful were they in supporting you with your problem? - How detailed was the follow-up process? - How have they improved their service after the follow-up?
<u>Technical factors</u>		
Transaction speed	<ul style="list-style-type: none"> - Varies. There was some problem at first but not anymore lately 	<ul style="list-style-type: none"> - How do you think about the transaction speed, compare to the old methods (manual connection and direct connection – Booking, Expedia)
Updating speed	<ul style="list-style-type: none"> - Can be slow and faulty 	<ul style="list-style-type: none"> - How do you think about the updating speed of SiteMinder, compare to the old methods (manual update and direct connection – Booking, Expedia)
Compatibility with other distribution systems (CRS)	<ul style="list-style-type: none"> - CRS – my Fidelio: doesn't familiar with SM 	<ul style="list-style-type: none"> - How well have SM and My Fidelio have been cooperated until now? - What do you think was the reason for misunderstanding between My Fidelio and SiteMinder?

Continue next page

Continue from previous page

		- How does this scenario fit to your expectation?
Compatibility with other electronic distribution channels(OTAs and wholesalers)	<ul style="list-style-type: none"> - The compatibility between the programme and OTA's extranet (HRS, e.g.) - Hotelbed (Restriction, ...) → the channels perform differently - Wholesaler: no 	<ul style="list-style-type: none"> - How do you think about the compatibility between SM and your current channel portfolio? - What have SiteMinder done to solve the problem? - How does this scenario fit to your expectation?

Appendix 7: Assessment interview script

The information below is the content of the pilot interview. In order to maintain the objective and convenience of the content, interviewer and interviewee are coded as presented below.

- Date: 28.10.2014
- Interviewer: the researcher – RS
- Interviewee: Pia Huhtaluoma (Supervisor, Revenue & Distribution) – RM2
- Interview content: Evaluating the performance of SiteMinder
- Interview script:

RS: Do you have any benchmark which you use to compare the investment cost of SiteMinder?

RM2: This is something that we would need to check with Elena. If the answer that Elena gave in the previous time is not enough and if there is more that you are looking for. Because Elena was the one who was involved in the process of choosing SiteMinder. I am sure that they did go through the cost as well. And as we discussed the last time, it's basically the setup fee is not the most critical thing because it is only the one-off kind of fee. And then again, as we discussed last time, there is no transaction cost for the reservation so that kind of things are the thing that matters.

RS: Ok! I was just thinking that I can compare how do you think about the initial cost that they charge here and the benchmark, how do you compare that?

RM2: Do you mean like the set-up costs or ...?

RS: yes.

RM2: That's something that you can email Elena later and ask her. I'm afraid I'm not aware of that

RS: And the running cost as well?

RM2: yeah, and for the running cost as well. I am sure that some of the systems like my Fidelio, they have a transaction cost for each reservation and SiteMinder doesn't. But I don't know about the benchmark. So I can't answer your question.

RS: Yes, that's totally alright. How about the "revenue generating factors". We know that there's options to have more OTAs but you don't actually need to have more of it at the moment.

RM2: yes, it is. But of course, business is changing all the time so it might be useful for us to find new channels. And maybe because with these OTAs, the commission can be very different. But Booking.com and Expedia are so big, of course I don't think that they are replaceable. But maybe some other small channels, we can look for replacing those and adding more channels that can be more cost effective for us.

RS: How the use of SiteMinder may affect the growth in customer segment of GLO hotels?

RM2: So the answer would be that at the moment, there is no need to increase OTAs. But later on, when the setup is completed and everything works as they're supposed, it would be easier for us to add channels because the setup itself is so easy to do and there is no cost for that.

RS: The current OTAs and wholesalers that SiteMinder can connect, do they have enough variable?

RM2: yes, there is enough. But of course the FIT channels (wholesalers) which are not yet connected. Those we know that not all of them which we are contracted with are compatible with SiteMinder. That's one challenge.

RS: And how would you rate this factor based on your expectation? I have an example here in the paper you had.

RM2: ok, for this factor, I would said 3 because we are well aware of the possibility that we had.

RS: Do you also aware that there is not enough FIT channel?

RM2: yes, we are aware because that is the first things we would check, that is which channels we could use SiteMinder for.

RS: And the second one is the "potential to address current market segment".

How happy are you with SiteMinder's ability to connect to your current market segment of SiteMinder? (OTA and wholesalers)

RM2: yeah, that is a little bit the same.

RS: Yeah, but the other question is more like future perspective...but, I think your answer have covered both questions already. Next is the “potential to increase in room profit”. And last time you did say that SiteMinder can handle 2 or more commission levels.

How have you use the ability of SiteMinder in handling 2 commission levels?

RM2: So far, because Expedia have this ETP programme where there is a possibility to use 2 commission levels for certain point of sell. So we have the Nordic countries where we pay less commission than that of international guests. So that’s clearly a big increase in room profit. Before we have all the reservation with the same commission level. But now we actually have two. We are having that in used in one of the GLO Hotels, GLO Art. It is again such a new thing that we don’t have clear figures yet like how much it is effecting but it is going to be a clear effect because it’s like almost 10%. No...no, I need to check that but, let say... 7-8% commission level. It is indeed really nice.

RS: So the result so far you haven’t follow up or the number has just been so small?

RM2: No, we haven’t follow up because it has been on like 1 month ago, maybe 6 weeks ago. So that’s why we don’t have the result for it.

RS: So how would you evaluate the potential for earning more room profit?

RM2: Well, I would say 4

RS: So you haven’t expected this. Or you don’t know that it’s exist.

RM2: Because always with this thing, with my Fidelio, there are some challenges. Before, it is informed that there is a problem to handle 2 commission levels. But afterwards, we found out that it can handle well. In that way, I would say that was exactly what was expected but then again, it was always a little “but” in all of these things because it should really work as it should.

RS: Yes, it should be. And the next factor, “capacity to provide management information”...so all of these reports so far.

What kind of management information that you can get from SiteMinder?

RM2: So, that would be Channel Yield and Channel Analysis. Basically, all this information we can get from PMS as well and with better form. They are usually in Pdf. That can be exported to Excel as well. But the excel report from Opera is looking quite the same as the ones from SiteMinder. But the Pdf, those are working fine.

RS: The second question is how this information is different from those that you get from your PMS systems?

So, it's like what you just said.

Next one is how appropriate this information is in assisting your channel management routine?

RM2: well, this is something I haven't been so far using from here. For me personally, it is very handy to have the dashboard where you can see how many reservations. Here we can see in one glance that how many reservation we receive today. For example, if there is a problem with one channel that we suspect that it is not working as it should, then we...

...yeah, this combine all the reservation. But here, I could see how many reservations. Here, Booking.com is the biggest one.

RS: So, but besides that, do you use the information from the report?

RM2: I have not use the report at all.

RS: The fourth question is how do you think about the display of the information?

RM2: it is easy to understand but it would be more useful if it is able to export the information. That's maybe something.

RS: That's for sure. Now, we can move on to the next one – "possibility to forecast transaction volume and revenue from channel". I add them together because actually they use both pretty similar questions

RM2: Forecasting from here, not exactly. Let see now. I can try that if I am able to take the information for the future. Ok, here I can see the booking situation from exact on the book. This information I can get from Opera as well. But here I can have the possibility to get all the hotels in 1 report. Because that is something that I can't do in Opera. You know that in there every report can be only done per hotel. So let

see, that maybe something that may be different and better from Opera. But it is pending now so we can continue to see what is the result ... look, it shows error.

RS: Ok, that doesn't look good. But then again, how would you rate the capability provide management information.

RM2: Well, that would be...I would say 1. Because basically there is no use for that.

RS: **So, how do you compare the report from this version with the one you've tried before? Did they provide any management information?**

RM2: not addition information. No. It was exactly the same system but it was offline.

RS: Ok, then moving to the next one.

How easy it is to use SiteMinder reports for forecasting purpose?

RM2: we are not using that at all. First of all, we do not forecast channels. We only forecast totally for the whole month. And in SiteMinder, we only have one file of our reservation data. So for forecasting purposes we only use Opera's information

RS: **Do you thing in the future you may be able to use information from SiteMinder for forecasting purpose?**

RM2: maybe if we would start forecasting per channel or we would need to use this information from for some other purposes, then it would be useful. If you only would need the total number of room nights and the revenue. And those are every easy to access. But if you need some more detailed information, then you would need to use Opera's information.

RS: then, how would you rate each of these factors?

RM2: Well, we did not have any expectation for forecasting purposes so it is not actually that. But I would say 2, lower than expected. And the transaction volume, that would say, may be 3. But do you want to rate this as a whole?

RS: No, not really. Because they have different purposes. So basically, the transaction volume is rated so because you can see the traffic in each channel. Then again, in the revenue, you can't see the different room rate?

RM2: Yes, that's true. You can't have any detailed information per rate code or rate

type.

RS: Next is the “ease of use”. So here I mean the use of system is more like the setup and the rate mapping.

RM2: yes. Now, when the setup is done and the system itself it is very easy to use. And even the setup for use it did not cost that much work. The only problem was the lack of information and an instruction. Or even the information like what are the differences possibilities how to set it up. At Klaus K, the setup was much simpler. And with them as well, because they have the revenue management system RevPar Guru. And for them, the setup came together with all ... they are somehow combined. So with their setup as well, they didn’t have to depend on instructions from SiteMinder. But they got them from RevPar Guru.

RS: well, that’s great.

And how user-friendly is the programme in general like the layout or the display of information?

RM2: yeah, it is very user-friendly, I would say. It’s not very heavy. So it’s quite fast to create a new rate type and you map them to the channels itself. And then we map it to the PMS. And those always work quite nicely. So the system retrieves information from channels for example, retrieving information like what room types, or rate types are created there. And it has always working quite nicely.

RS: And, the second question is how user-friendly is it setting-up new channels or rate codes? But you just answer that as well.

And what factor may affect the ease of use in your opinion? Like you said before, like the instruction or more information in the beginning...

RM2: What I would like to have more. Maybe...like they have quite detailed help but then again because SiteMinder can be used for different purposes. It can be the traditional general manager, the offline as we had before, or it can be the two way interface now. But for me at least in the beginning when I was trying to find information in their help, I could not find for example, if this one is for channel manager’s purposes online or this is for our way of using SiteMinder. They have a lot of information but you cannot find easily. So there is a lot of improvement should be

done in that tech support. And even their support desk, as I may have mentioned before as well, they normally just offer general information and they are not looking in the exact problem.

RS: So, how would you rate this factor, ease of use?

RM2: I would rate 4, much better than expected.

RS: And the “level of independence in controlling and editing the channel manager”. Like last time we were discussing about the setup and the mapping. In the beginning, they could have been training you and giving you more access. Therefore, I just have some questions.

How much control do you have over the programme setting, updating and editing?

RM2: What do you mean by programme setting? Or like SiteMinder setting?

RS: it's the SiteMinder setting.

RM2: basically, not really. I am trying to think now what we may like to controlling. But for updating and editing, that we can do ourselves, definitely. You mean different rate types, different channels?

RS: Updating and editing are for different rate types and the setting is like to make the programme fit to your current situation.

RM2: basically, I don't think that we have possibilities to do that. Because it is what it is and there have not been any discussions with SiteMinder, for example, what could be done to make it better for own purposes?

RS: So they only adapt to the situation when you have like a master rate code?

RM2: Yes, that's the only thing with the setup, there were like different ways to do that. But the programme itself it does not affect. It's like the different ways of doing the rate.

RS: But then, the way that we have been using, is it more complicated than if we has a master rate code?

RM2: yeah, because at the moment how is it done. Here I have the different

channels. For example, for the booking.com, you know how our setup is in Opera. We have, for example, the rate code BOOKING which is including breakfast. And inside that rate code, we have other different room types. But here actually, you need to have kind of like an own rate code for each room type and rate type. That we might already discussed. So for example you can see for Expedia, we have 82 room rate maps. So that the thing that makes it complicated.

RS: So basically you don't have control over programme setting but do you need control over that?

RM2: I am not actually very clear now, what kind of programme setting you would mean?

RS: Like the ability to match the programme with your need?

RM2: yeah, like for example, if you would like to have it the same way as Opera setup. If so, no, we actually don't have that possibility.

RS: So, you basically do not need that possibility?

RM2: Well, for us, it would be ideal if the logic behind the setup would be the same. For example, My Fidelio and Opera, they come from the same company. So their logic is really the same. So, in that sense, it would be very useful to have it setup same way.

RS: Ok then, how satisfy are you with your current level of independence?

RM2: Maybe, I would still say 3.

RS: ok, then I think we can skip the next question because it has been included in your answer. And next is the "level support from software provider".

How did you experienced the installation, set-up and training from SiteMinder?

RM2: well, as said. I would already know what to rate. It's 1. Because it was really poorly handled. Basically, the online information that we got was when they sent us the Excel sheet. And that was it, nothing else. So we started to fill those in as we thought how they should be done. And actually even that table which was something that My Fidelio provided us with. Even that did not come from SiteMinder originally. And with even that table, there was something that I remember that we were filling it

one way and SiteMinder was given us some instructions. Then, My Fidelio said it should be the other way. So that explains. So it's like they did not even themselves know.

RS: Ok. Next one is, how often you need support from SiteMinder?

RM2: In the beginning, it was more of course, it was almost like daily basis. Nowadays, may once every three week. But of course it was at the starting stage

RS: And how was the response time?

RM2: At first I was a bit disappointed because it took a few days even. But now lately, especially if it a very urgent things like the rates are not updating correctly. Those, I think they are responding quite well. So even just a few hours.

RS: How helpful were they in supporting you with your problem?

RM2: Well, this is the problem that they would not go into detail to my problem but only general information was given.

RS: Well, has it always been general information?

RM2: yes, very much. And even if I would answer back to them and explain the situation more detail, it would still remain the same kind of like the general style. They would not go to our setup and see what it is done. They just read my questions and reply in general. And that is something which is very different from My Fidelio. Of course, it is a big company so we don't have any dedicated support person. It always like a new person answering to us. And with My Fidelio, they always have 2 or 3 persons working there. So, they would remember something and they would know our system.

RS: How detailed was the follow-up process?

RM2: there was no follow up process. Well, and that apply for the setup as well because there has been no follow up at all

RS: And the "technical factors", the "transaction speed". I already know that it varies. Sometime it can be fast, and sometimes there are delays.

So how do you think about the transaction speed, comparing to the old methods like manual connection or the direct connection from Booking,

Expedia, etc.?

RM2: I would say I am quite happy with that at the moment. Because lately with the reservation delivery, I have not heard any reports if there would be some problems.

RS: So, how would you rate them?

RM2: I would say 3, exactly what it is expected. I would even think that it could be 4 but then again there has been some problems with, as you saw Hotelbeds with slow update. That I think comes quite often. But now you can see that now it has been corrected. I think I am giving a 3

RS: And the “updating speed”. How do you think about the updating speed of SiteMinder, compare to the old methods?

RM2: Well, that is quite good as well. Because problems that we had, I think that there has been mistakes in the setup. So I believe that when we have everything corrected, one day, it would be good. It seems to be quite solid system but the challenges that it has are due to the setup, I would say.

RS: and how do you rate this factor?

RM2: I would say 3.

RS: And the “compatibility with other distribution systems”. So in this case, only My Fidelio right? How compatible these 2 systems are?

RM2: yes, you are correct. Well, it is otherwise good. But as you have noticed here My Fidelio was not that familiar with SiteMinder. As a result, they gave us some incorrect information.

RS: How well have SM and My Fedelio have been cooperated until now?

RM2: Well, system wise, they are cooperate very well. And actually so far we have not needed My Fidelio’s help that much. I cannot comment really if their knowledge has improved. I would say little by little. And the question about misunderstanding. It was just like the lack of information. Well, just was just that they are so used to the SmartHOTEL.

RS: So it’s only about the lack of information. So how would you rate this factor? Have you expect their misunderstanding previously?

RM2: Well, I think system wise they are working quite well together. But then again, the knowledge of the employees that was not. I would say still it can be 3. I would say that it was expected that they are not that familiar with this system so it didn't come as a surprise.

RS: And then the "compatibility with other electronic distribution channels" like OTAs and wholesalers. At least, I know that wholesalers are not connected at the moment because they are not compatible.

RM2: they are compatible but not the way that we thought they would be. At the moment, because we have all the OTA channels connected with the two-way interface so that are getting our rates and availability. But for wholesaler, we don't want to give all the availability. So for wholesalers, we would need to have kind of like offline system and that's something that they have so far not been able to answer us, like is it possible to have within the same SiteMinder or do we need to have like different SiteMinder for them or different log-in? Because basically what we thought we would get is that we can choose the allotment with SiteMinder as well. And that is what we had before when we had the offline version so that we could control. Let say, for that day I want to give around 10 rooms for all the wholesalers. So that's what we were looking for. And that's what Elena has discussed with SiteMinder before decided to purchase this. But now, it looks like that they were not that familiar with the system and the idea of this, what the differences between OTAs and wholesalers are and how we want to have that.

RS: How long has the problem been?

RM2: well, basically we have not been really concentrating on that now because we had so many other things but we will focus on that later on then. But so far, with the FIT channels we still have the old way of doing those.

RS: So, how do you think of the compatibility between SiteMinder and your current channels?

RM2: Well, that's fine. There are no problem with that.

RS: ok, but in the last interview, Elena has told me that there was some issues with Hotelbeds and HRS.

RM2: That's true. The HRS, they have a problem with the corporate rate. But since our last meeting, they have now found a way to do that. So that's problem is solved. So in the future we have that possibilities. And the Hotelbeds, the minimum length of stay restriction, I think that has been solved as well. As you see, they are improving the system all the time and these kind of problems are getting solve. So that's something that's good about the system and they are expanding so fast now. So that may explain the certain problem with the system, support and setup, because they are doing everything in a hurry.

RS: And how would you rate this factor?

RM2: I would say because of the FIT, and even the differences with the different channels...that is something we did not have before with the SmartHOTEL, or at least, we are not aware of those. So I would say 2.

RS: There is still one more question left.

How satisfied are you about the trade-off between the cost and the benefit?

RM2: That is a little bit early to say. It has only been a few months that we've used the system. So I may not be able to evaluate that.

RS: then, I think the main problem with the system is about the setup, supporting, training as well.

RM2: Yes, I think so too. I believe that the system is easy to use, the display is good. All the problems just come from that.

RS: yes sure. But have you think of communicate with them about how they would fix this problem?

RM2: Sure, it is just that we haven't have the time to concentrate on it. And to be honest, if I give them some feedbacks, they are not replied those. So, the thing is that maybe because of the speed how fast they are expanding on the size and customer base. But I believe that the improvement are coming, slowly but for sure.

RS: I hope so too. But now, thank you very much for you time and effort. The information we discussed today are very helpful.