Internet Thinking Boosts Hotel Management Upgrade Path Analysis

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Abstract. The emergence of the Internet has changed the traditional business model and people's living habits. With the application and development of the Internet + in various industries, traditional hotels are also facing the challenge of transformation and upgrading. By exploring the nature and connotation of Internet thinking, and focusing on the serious pains of traditional hotel homogenization, aging business model, and serious waste of resources, combined with the characteristics and advantages of the Internet, the Internet thinking can be reasonably applied to hotel marketing, product services and internal management, etc., is the key to hotel transformation and upgrading. This paper analyzes the relationship between Internet thinking and its emergence, and combines hotel management to explore its future development path under the Internet thinking.

Keywords: Internet Thinking, Traditional Hotel, Transformation And Upgrading

1 Introduction
With the rapid development of China's economic, political and cultural culture, people's living standards have been continuously improved, and there has been a higher pursuit of material and spiritual aspects. In this context, the tourism industry has been greatly developed. In recent years, the hotel industry has developed strongly and there is still much room for expansion. Nowadays, the development of information technology has brought about changes in the Internet age, and Internet thinking has come into being. Internet thinking has led people to revisit today's business markets and business models from a new perspective. For the hotel industry, "Internet + hotel" has become an inevitable trend. Traditional hotels have gradually exposed many drawbacks and problems in the rapid development of science and technology.

2 Analysis of the development status of traditional hotels

2.1 Lack of personality, serious homogenization
At the beginning of the development of China's hotel industry, the market has not yet been completely subdivided, and the products are relatively single. Domestic hotels are built and improved by reference to the standards of foreign star hotels. With the improvement of China's economic and political level and the development of tourism, in order to meet the diverse needs of people, comfortable, high-end,
hotels, B&Bs, apartments and various theme hotels have gradually emerged and expanded the market, and the domestic hotel market has been further developed. Subdivision[1-4].

2.2 The business model is aging, and the business is single
The traditional hotel maintains offline booking, check-in and other business methods that are deeply blocked by time and geographical conditions, and the smart hotel in the new situation is completely unconstrained by these factors. Even nowadays, more and more hotels are aware of the importance of online channels, and with the trend of the OTA platform sweeping the hotel industry, they have started to cooperate with major OTA platforms to start their own online business, but still not fully utilized. The advantages of the Internet +. Many hotels have only tasted it. After the OTA extended the source market, it stopped. In fact, the road to go is still far away. If you don't find your own development path, it is easy to attach to the OTA platform, or to stay in place, and gradually disappear into the wave of competition in the industry.

2.3. High operating costs and serious waste of resources
For the hotel industry, there is a great relationship between cost and profit. It is a problem that hotel managers need to pay attention to in order to control hotel operating costs within a reasonable range and to reduce costs as much as possible. With the development of science and technology, the business model of traditional hotels has not adapted to the development trend of the times[5, 6].

Table 1-1  Comparative Analysis of the Cost Rate of Chinese Star Hotels in 2018

For example, Wisdom Hotel fully develops its online business. Guests can self-book hotel rooms, even after the store, they do not need to go through the cumbersome check-in procedures, and they can quickly check in with relevant identity information. This aspect not only saves the precious time of the guests, but on the other hand, compared with the traditional hotels, the human resources in the front desk also saves resources to a certain extent and reduces the cost of sales. In addition, the introduction of smart devices by smart hotels has generated huge costs, but in the long run, not only saves human resources, but also intelligent equipment can achieve the purpose of energy saving and emission reduction. Compared with traditional hotels, it can use resources more effectively and reduce resources waste.

3 Third, the impact of the Internet + on traditional hotels
The arrival of the Internet big data era, for the "traditional" hotel group, there is not an OTA platform concept, but the communication platform between hotels and customers, hotels and suppliers, managers and employees has changed, and the communication method has changed. The business model has changed. The impact of the Internet on the hotel industry is obvious, driving the transformation and upgrading of the traditional hotel industry, thus adapting to the development of the times[7, 9].
3.1. OTA distribution, loss of hotel profits and loyal customers
With the diversified development of the network form, the "decentralization" trend of the Internet has become more and more obvious. In simple terms, the “centralization” of the traditional model means that the center decides the node, the node must exist on the center; and the “decentralization” means that there are multiple nodes in a certain area, and each node can become a staged center. Nodes interact with each other and can also be connected to each other as new units. The formation of a flat, equal, and open structural model like this is the “decentralization” trend brought about by the development of the Internet.

The emergence of OTA is the embodiment of breaking the traditional “centralized” sales model of the hotel. OTA is Online Travel Agency, which is also known as “Online Travel Service Agent”. The main representatives are: Qunar.com, Ctrip, Yilong, Tongcheng, Tuniu and so on. Through cooperation with hotels, OTA platform provides consumers with a variety of channels of choice, selling products and services to consumers through online sales, consumer online payment, offline experience.

Compared with the traditional hotel reservation mode, in the past, guests can only book and check in through offline consumption or hotel official website. The entrance to the consumer is only the official channel of the hotel. This is a typical “centralization”. mode. Nowadays, the production and development of OTA enables customers to make reservations at any time on all major platforms. Not only the channels are increased, but also the choice is diversified, and price comparison can be carried out. At this time, the hotel is not the only center. When consumers choose, they become the center of this stage.

3.2. Increased personalization competitors
With the changes in the trend of the times, the popularization of various concepts such as “health”, “e-sports” and “cinema” has gradually merged into the hotel industry, and a variety of theme hotels have been born in combination with hotel products. Different from ordinary theme hotels, these smart theme hotels fully integrate smart technology with the hotel business, and guests enjoy the ultimate, high quality and immersive experience.

Or a cultural-themed hotel with local characteristics, such as Xi'an's historic garden wind palace hotel, Xiangyang Palace Wisdom Hotel, which makes full use of modern technology to combine it with Shaanxi's historical culture and traditional palace architecture. Visitors are more vividly aware of historical and cultural folklore. The hotel's exterior, lobby, and promenade can be used to create a strong historical and cultural atmosphere through the architectural design. Smart technology makes these scenes more vivid. The hotel rooms are mainly decorated with intelligent equipment. Each room represents a different cultural story theme. The smart facilities in the room meet the entertainment and rest environment of the guests. These new smart hotels have attracted the attention of the public, avoiding the pain points of traditional hotels and quickly grabbing the market and winning the favor of customers.

4. The hotel upgrade path analysis
At present, the development trend of the hotel is to use the Internet thinking, relying on artificial intelligence terminals, and using information science and technology and artificial intelligence equipment to create a smart, safe, comfortable, free and convenient future smart hotel accommodation experience, and even launch an unmanned hotel. However, for the constantly evolving market, hotels need to constantly upgrade and innovate, and properly avoid the risks brought by Internet technology, in order to grasp their own resources, not to fall behind the pace of the times.

4.1. Identifying market positioning
Hotel managers should correctly understand the Internet thinking, and transform and upgrade according to their own hotel positioning, instead of blindly following the trend, learning the empty shell of the surface, and can not simply interpret the Internet + hotel as a combination of hotel and
smart technology. In the long run, hotel managers should explore the development path that suits them.

4.2. Establishing a pricing decision for the “hotel + OTA” dual-channel supply chain

The conceptual model of a “hotel + OTA” dual-channel supply chain consisting of a hotel and two OTAs, clearly shows the relationship between the hotel and the OTA and between the two OTAs:

![Diagram](https://example.com/diagram.png)

**Figure 1.** "Hotel + OTA" dual channel supply chain conceptual model

Based on this, the consumer utility model is constructed, and the hotel room demand function considering the OTA competition relationship and commission rate can be obtained, and the multi-follower's Stackelberg game model is used to derive the profit function of the hotel and OTA. According to the principle of maximizing profit, the channel pricing strategy of the “hotel + OTA” dual-channel supply chain under the influence of different commission rates is formulated. In addition, the competition relationship between the two OTAs is discussed. By considering the commission ratio issued by the hotel to the OTA, the Cournot competition model is used, assuming that the two parties are completely information-to-hotel, and the OTA pair is solved by the response function of both parties. The online booking price of hotel rooms, through discussion, the impact of the pricing of the two OTAs on consumer demand, it can be seen that the price of the hotel room for different OTA is related to different commission rates.

4.3. Application of big data management

Big data refers to a collection of data that is so large that it cannot be collected, managed, processed, and integrated by conventional software tools in a large amount of time. Big data applications are not simple data calculations. The real core is to mine the value intelligence behind the data. For the hospitality industry, big data applications can help hotels to be precise, efficient and intelligent in marketing, revenue management and service quality.

In order for a hotel to achieve good results in marketing, it is crucial to grasp the ideas of the consumer community. Today, with the rapid development of the Internet, every day, on the major social media platforms, there will be huge amounts of data from the consumer market. These data hide the important value of the current trend of the tide and the consumption needs of different groups of people. Hotel managers should capture and analyze these data in order to produce the products and services they need to produce.

4.4. Controlling costs by means of Internet word of mouth

The operating cost of the hotel is a major issue that hotel managers need to pay attention to.
Effectively reducing costs is also the key to the success of the hotel. The cost structure of traditional hotels mainly includes salary, energy loss, food and beverage expenses, etc., especially for large hotels, which have greater demand for front-line employees and relatively high labor costs.

Unmanned smart hotels have avoided this point in terms of labor cost control, replacing labor with intelligence, and spending on labor costs is negligible compared to traditional hotels. In contrast, the maintenance cost of smart devices is a big problem that the hotel needs to solve. Therefore, for hotels that introduce smart technology, it is necessary to reduce the cost of the hotel in terms of human resources and energy waste, and use the advantages of smart technology to achieve the effect of energy saving and emission reduction, reduce waste of resources, and thus the overall cost of the hotel. Control is in a suitable range.

![Diagram showing the relationship between Internet word of mouth and line sales]

**Figure 2** The relationship between Internet word of mouth and line sales

5 Conclusion

The Internet + hotel has ushered in a new round of development momentum in the traditional hotel industry. The emergence of the Internet has impacted the domestic hotel market, which has transformed the operating mode of traditional hotels. At the same time, it has also changed people’s living habits, bringing people a new way to book a store, and the convenience of consumption has made the market of the industry expand.

Therefore, if a hotel wants to be successful in transformation and upgrading, it must understand the essence of Internet thinking, re-examine the market of the hotel industry with new thinking angles and models, and appropriately apply the Internet and related information technology to hotel marketing according to its own development characteristics, product services and internal management, to achieve their own business characteristics. In addition, the Internet is a fast-growing industry. When the hotel is integrated with the Internet, it should maintain its own continuous learning and innovation, grasp the flow of the market, and improve its competitiveness, in order to avoid competitors with the same industry in the development process of the market. Drop the gap.

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