RESEARCH SNAPSHOT

The Institute for Hospitality and Tourism Research

The Institute for Hospitality and Tourism Research was founded in 2010 to undertake both academic and industry projects that aid business, policy makers and the overall industry with key issues in hospitality and tourism.

E-procurement Application in the Canadian Lodging Industry

What is the issue?

Effective and efficient purchasing can save significant costs and contribute directly to the bottom line. With the rapid development of IT technologies, especially, the internet, many traditional functions within a hotel have been changed fundamentally, however, little is known on the current status of e-purchasing as applied in the lodging industry.

What did the researcher do?

This research aimed to examine the current status of e-purchasing management applied in the lodging industry and explore factors affecting the implementation of e-procurement. First, a three-stage of E-procurement Development Model was developed as a theoretical framework. Secondly, a structured questionnaire was designed from the literature review. 172 hotels located in the GTA were contacted and 117 hotels participated in the survey. Face-to-face and telephone interviews were conducted in 2009.

Why is this research Useful?

The research findings are not only useful in providing empirical evidence of the e-procurement applications in the lodging industry but also could help the industry practitioners and e-commerce vendors to better understand the barriers of implementing the e-procurement in the industry.

What were the outcomes?

The research found that lack of awareness of the benefits and the knowledge of e-procurement are the main barriers of popularizing the e-purchasing applications. E-procurement has not yet been widely adopted in the purchasing functions, especially, in small and independent hotels. Most hotels e-procurement applications are at the stage 1 or 2, i.e. using internet in sourcing and placing orders. Most hotels purchasing professionals still believe that face-to-face or telephone communications with suppliers are more reliable and efficient than "cold" internet interfaces. The other main barriers of adopting e-procurement are lack of awareness of the benefits and the knowledge of the e-procurement from the hotel management.

About the Researcher

Dr. Zhen Lu is an associate professor at Ryerson University with a main focus on e-procurement, strategic and crisis management in the lodging and tourism industry.

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