

Unit 17: E-business for Hospitality

Unit code:	M/601/0486
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim of this unit is to enable learners to gain knowledge and understanding of e-business in the hospitality industry, the benefits, impacts and barriers to the development of e-business within hospitality businesses and the relevant features of effective hospitality websites and key sales and marketing issues.

● Unit introduction

The term 'e-business' relates to business activities that are carried out using the internet (the web and email). It encompasses e-commerce, which relates to buying and selling, but also includes servicing customers (ie business to consumer) and collaborating with business partners (business to business).

E-business is having a huge impact on the hospitality industry, an impact that looks set to continue. An increasing number of people are booking and viewing restaurants and hotel rooms online, and they are working with the smartest time-saving electronic systems. Businesses are using the internet to communicate better with suppliers, and are increasingly bypassing intermediaries in order to communicate directly with customers.

Learners will explore the benefits for consumers and businesses. However, alongside the benefits there are barriers. For businesses, these barriers include issues connected to employee resistance, planning, resources and training, while for consumers, they include website design and payment security. Learners will look at ways in which these barriers can be overcome.

Learners will have the opportunity to evaluate hospitality websites. They will identify the main criteria by which websites can be judged, both in terms of usability for consumers and the usefulness for hospitality businesses. For consumers these issues include usability, such as navigation, quality of information, ability to make bookings and user friendliness. For businesses they include search engines, advertising, and the capture of information about customers.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know about e-business in the hospitality industry
- 2 Know the benefits of e-business and its impacts for hospitality businesses
- 3 Understand the barriers to the development of e-business within hospitality businesses
- 4 Know the relevant features of effective hospitality websites and key sales and marketing issues.

Unit content

1 Know about e-business in the hospitality industry

Applications of e-business: definition (conducting business using the internet); business to consumer eg promotions, bookings, advertising; business to business eg e-procurement, advertising

Hospitality businesses: hotels; restaurants; pubs, bars and nightclubs; contract food service providers; hospitality services; membership clubs; events

2 Know the benefits of e-business and its impacts for hospitality businesses

Benefits: increased visibility; 24-hour information; up-to-date availability of information; worldwide accessibility; ease of taking bookings and payment processing; low promotional costs; opportunity to use web and email marketing; ability to obtain customer information; opportunity to protect and build brand; better access to suppliers

Impact on customers: increased choice; speed; greater independence; more information eg services, appearance, location, virtual room tours; ability to compare prices; increase in direct booking, less use of intermediaries

Impact on businesses: better communication with suppliers and customers; ability to bypass intermediaries; marketing opportunities; effect on prices (increased transparency, downward pressure); costs of meeting technological requirements for e-business

3 Understand the barriers to the development of e-business within hospitality businesses

Barriers: technological barriers for business and customers eg slow connections, inadequate hardware, slow download times, staff resistance to change, lack of staff training, requirements for web maintenance; inflexibility of business structure; lack of business planning eg cash flow forecasting, marketing strategy; poor website design; security for payments (perceived and real)

Overcoming barriers: organisational issues eg business planning, staff development, recruiting new staff; customer education and awareness campaign; support issues eg government support, support for web design, dedicated technical support

4 Know the relevant features of effective hospitality websites and key sales and marketing issues

Types: service providers eg hotels, restaurants; suppliers eg food and beverage, equipment; other industry bodies

Features of effective websites: ease of navigation eg navigation bars, links back to home page; content that is up to date and trusted by consumers; provision of information eg prices, services, availability, maps, contact details, virtual tours; ability to take bookings; user friendliness eg site map, search tools, foreign language pages; well-written content; professional appearance; fast download times for pages

Sales and marketing issues: use of website optimisation strategy; importance of search engines as source of traffic; positioning on search engines; use of pay-per-click advertising; capture of customer contact details; email marketing eg e-newsletters and promotions; analysis of traffic eg cookies

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe the applications of e-business in hospitality [IE 1, 2, 3, 4]		
P2 describe benefits of e-business for hospitality businesses P3 list ways e-business can impact on the hospitality industry	M1 compare the ways in which hospitality businesses make use of the benefits of e-business	D1 assess the impact of e-business on the hospitality industry, highlighting the benefits and barriers overcome
P4 explain barriers to the development of e-business within hospitality businesses and strategies used to overcome them [IE 1, 2, 3, 4]	M2 analyse the effects of the different barriers to e-business and the strategies used to overcome them	
P5 describe features of effective hospitality business websites P6 describe sales and marketing issues of which hospitality businesses need to be aware. [IE 1, 2, 3, 4]	M3 compare different types of hospitality business websites and assess their overall effectiveness.	D2 evaluate a website from a hospitality business and make recommendations for improvement.

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers	RL – reflective learners	SM – self-managers
	CT – creative thinkers	TW – team workers	EP – effective participators

Essential guidance for tutors

Delivery

E-business is a major growth area for all industries and this unit should give learners an understanding of the range of e-business and its impact on the hospitality industry.

Electronic business methods enable businesses to link their internal and external data processing systems more efficiently and flexibly, to work more closely with suppliers and partners, and to better satisfy the needs and expectations of their customers.

E-business is increasingly becoming an essential part of normal business processes. As a result, the challenge is changing from getting SMEs connected to the internet to the effective and productive integration of ICT and e-business into business processes. Small companies fall behind larger enterprises especially in the use of more advanced e-business applications.

Learners need to develop a clear understanding of how e-business is likely to affect hospitality operations. This outcome can be achieved by visits to providers or commercial users within the context of hospitality. First-hand experience will clarify the potential impact of e-business on hospitality operations.

Because of the nature of e-business, visits to businesses that are involved in e-business would be useful. Learners could then see first hand the role of e-business in the hospitality industry and the ways that enquiries and bookings are handled. Visiting speakers would provide a valuable resource for the development of learners' understanding of the opportunities, benefits and barriers. Such speakers offer direct experience of these areas, which could generate discussion groups to expand on the issues involved. Although learners should be encouraged to suggest imaginative solutions to potential barriers to the development of e-business, these suggestions should be workable solutions. Also learners should have a clear understanding of the constraints that may prevent smaller hospitality operations pursuing e-business opportunities.

Selecting industries with businesses that have a significant internet presence and those that do not offers opportunities to contrast the relative degrees of flexibility available to suppliers and consumers alike. Learners can contrast the web presence of different businesses and reach conclusions as to which business is most responsive to shifting consumer preferences.

The evaluation of websites will involve practical work, through investigating a range of websites online with particular regard to aspects such as user-friendliness, ease of navigation and the quality of information provided. Visiting speakers can also make a positive contribution by sharing their evaluations of commercial websites and discussing how they could be developed and improved.

Learners are expected to investigate key sales and marketing issues. The delivery of the unit may require the development of research skills and link to other units, eg *Unit 18: Marketing for Hospitality*. The skills would need to focus on information gathering, collating, analysing and presenting information for a given audience.

Learners need to be encouraged to use relevant e-business terminology. It should be noted that website design is not part of this unit and therefore would be unsuitable as a way of presenting evidence for assessment.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to the unit and the programme of learning.
Group discussion to describe e-business and identify its use and potential within the hospitality industry.
Visits from employers to talk about the ways in which items are promoted, sourced and purchased.
Learners investigate e-business for businesses and customers through online services and desk-based research.
Assignment 1 – E-business in the Hospitality Industry (P1)
Learners produce a presentation about e-business in the hospitality industry.
Visits to businesses which use e-systems to support their activities.
Group discussion to determine and compare the benefits of and barriers to e-business for the hospitality industry.
Assignment 2 – Benefits of E-business and Its Impacts for Hospitality Businesses (P2, P3, M1, D1)
Learners produce a portfolio of evidence which shows the benefits and impacts of e-business for hospitality businesses.
Group activity to identify the barriers to the development of e-business for the hospitality industry and a discussion on how the barriers could be overcome.
Assignment 3 – The Barriers to the Development of E-business within Hospitality Businesses (P4, M2)
Learners make a presentation on the barriers to the development of e-business and the strategies used to overcome them.
Visiting speakers describe the features of effective hospitality business websites.
Learners investigate and compare hospitality business websites.
Learners investigate sales and marketing issues of which hospitality businesses need to be aware.
Assignment 4 – The Relevant Features of Effective Hospitality Websites and Key Sales and Marketing Issues (P5, P6, M3, D2)
Learners produce a handbook describing effective hospitality websites and key sales and marketing issues for hospitality businesses.
Tutorial support and feedback.
Self initiated learning time.

Assessment

Any evidence submitted for criteria requiring the practical demonstration of skills, eg oral presentations or the ability to work independently, must be supported by an observation sheet(s) signed by the assessor which identifies how specific criteria have been met.

The sub-headings in this section mirror the funnelling opportunities in the grading grid. They suggest how the assessment can be grouped to allow learners to progress to the higher grades, however they are not prescriptive.

P1

The evidence produced for P1 must firstly describe different types of e-business, eg business to consumer, business to business. Then learners need to describe its applications in the hospitality industry. For instance, learners could identify how hospitality industries use the internet to promote sales and gain more business, such as using websites to advertise their business and sell rooms.

P2 – P3 – M1 – D1

For P2, learners must describe the benefits of e-business for hospitality businesses. One method of researching this would be to use questionnaires or interviews with one or more employers from industry. At least three examples of hospitality businesses should be included in the research. Information could be collected on the employers' perceptions regarding the benefits of e-business.

For P3, learners need to list how this promotion impacts on the business itself in the form of increased sales and online payment. Evidence could be in written format, eg a poster and a leaflet, or by means of a PowerPoint presentation.

M1 is a development of P1 and P2. Whereas at pass level learners are expected to describe e-business and list its hospitality industry impact, at merit level they have to compare the different ways e-business is used across hospitality businesses. A learner may consider if a business is making the best use of web and email marketing for its customers and which business is most aware of e-business and its impact on prices and access to suppliers. It should be noted that this grading criterion does not relate to the effectiveness of these businesses' websites, as this aspect is covered in M3.

For D1, learners need to take a more critical perspective of e-business. Learners need to assess the impact of e-business on the hospitality industry as a whole, not just on a few businesses or organisations. The way that e-business has been embraced by some businesses could form the basis for highlighting the extent to which the benefits have been recognised. The potential barriers may have been overcome in innovative ways. It is likely that learners will find that certain parts of the hospitality industry have recognised the benefits and addressed the barriers more effectively than others. Learners need to be given general information on a range of e-business resources. They should be encouraged to access the internet to research the topic area and could identify how e-business in hospitality has evolved in recent years.

P4 – M2

For P4, learners must explain the potential barriers for hospitality businesses and strategies for overcoming them. One method of researching this would be to use questionnaires or interviews with one or more employers from industry. At least three examples of hospitality businesses should be included in the research. A discussion on how the barriers, which have been experienced, have been overcome would be appropriate. Learners could present their work for P4 in a written format, eg a leaflet, or by means of an oral presentation.

M2 builds on P4. At pass level learners are describing the barriers to e-business; at merit level learners need to make a judgement and analyse the effect of the strategies used to overcome the barriers. They may offer their own suggestions and solutions. These strategies could differ from one business to the next. For example, in one business a barrier could be online payment systems. The barrier may be the perceived threat to the security of the payment and the customers' personal information. Strategies to overcome this barrier could include finding software to help to prevent fraud. Another example could be a barrier to the implementation of new technology, eg in a kitchen, managers may want to update an ordering system so that all orders are placed electronically. Chefs' training could be used to overcome this barrier. The new system could save time and money, which would benefit customers, employees and shareholders. Learners will be required to analyse the effectiveness of the different strategies that have been used. Learners could use the same businesses as those used for P3 and P4.

P5 – P6 – M3 – D2

For P5, learners should select three or four websites from hospitality businesses anywhere in the world. Learners would benefit from the tutor or a speaker demonstrating the features of several websites. The learner could evaluate the sites against set, agreed criteria. As part of the descriptions, learners need to identify the extent to which each website fulfils the requirements of being an effective website. Depending on the type of business, not all the features will necessarily be relevant to all websites.

For P6, learners need to describe key sales and marketing issues. For example, they should outline in general terms what a website optimisation strategy is and why search engines are so important in directing traffic to websites. However, learners do not need to understand the technical issues in carrying out optimisation strategies or to know how websites can improve their ranking on search engines. Learners could present their work by a PowerPoint presentation, with hyperlinks to named sites or through an illustrated booklet.

To meet M3, learners could select several hospitality businesses to use as the basis for their work. One possible way of generating evidence for M3 would be for learners to interview business representatives. Where learners are asked to assess the effectiveness of websites, the learners could offer their own suggestions, either in writing or by conducting a presentation, to the representatives they interviewed. Business representatives would receive something in return for the time that they have spent with the learners.

The evidence for D2 builds on P5, P6 and M3. The evaluation of one website forms the basis for this work. What sets D2 apart from M3 is that learners make recommendations for improvement. The recommendations could be prioritised and justified in terms of the costs and benefits to customers and the business as a whole. Learners would be able to demonstrate their knowledge of the unit as a whole and put this learning into practice when making their recommendations. If the learner makes suggestions about a website linked to the business explored for M1 and M2, then the employer may be interested in reading, or hearing, the recommendations.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1	E-business in the Hospitality Industry	Learners take the role of marketing executive and are required to create a presentation for use with new staff.	Learners create a presentation for use with new staff.
P2, P3, M1, D1	Benefits of E-business and Its Impacts for Hospitality Businesses	Learners continue in the role of marketing executive advising new businesses about how to go online using examples from companies that have made the transition.	Learners produce a portfolio of evidence eg slideshow presentation showing how established businesses have moved from offline marketing to using internet.
P4, M2	The Barriers to the Development of E-business within Hospitality Businesses	Learners continue in the role of marketing executive and create a presentation for new businesses going online.	Learners create a presentation for use with new businesses going online.
P5, P6, M3, D2	The Relevant Features of Effective Hospitality Websites and Key Sales and Marketing Issues	Learners take the role of business analyst and produce a handbook about the practicalities of going online.	Learners produce a handbook about effective hospitality websites and key sales and marketing issues for hospitality businesses.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the *BTEC Hospitality* suite. This unit has particular links with the following unit titles in the Hospitality suite:

Level 2	Level 3
Investigate the Catering and Hospitality Industry	Financial Control in Hospitality
Products, Services and Support in the Hospitality Industry	Marketing for Hospitality
Accommodation Services in Hospitality	

Essential resources

Learners must be provided with access to the internet and demonstrations of online transactions. They must also have access to specialist journals and textbooks relating to e-business in the hospitality industry. Learners also need access to specialist personnel who can discuss examples of websites in order to explore effective and ineffective design. They also need access to recently published material and presentation tools, eg Word and PowerPoint software.

Employer engagement and vocational contexts

The context for this unit is e-business and its influence within the hospitality industry. Employers or their representatives should be invited to support the unit especially by giving talks about the use and benefits of e-business. The speakers may explore their own use of e-business methods or the planned use within their business. Learners could be guided to look at e-business opportunities within a sector of the industry, eg food, beverages, equipment or rooms. Some employers will wish to be involved in the assessment process when the barriers to adoption are determined and strategies are recommended. Speakers may want to review any written material, eg the assessment of a particular website and provide specific feedback to learners.

Indicative reading for learners

Textbooks

Buckley P and Clark D – *The Rough Guide to the internet, 14th Edition* (Rough Guides, 2009)
ISBN 9781848361065

Chaffey D – *E-Business and E-Commerce Management, 4th Edition* (FT Prentice Hall, 2009)
ISBN 9780273719601

Journals

Caterer and Housekeeper – Reed Business Information

Hospitality Matters – British Hospitality Association

Websites

www.berr.gov.uk

Department for Business, Innovation and Skills

www.bha.org.uk

British Hospitality Association

www.bii.org

British Institute of Innkeeping – Professional Body for the licensed retail trade

www.businesslink.gov.uk

Business Link – Businesses support, information and advice

www.caterersearch.com

Caterersearch – Hospitality news

www.catersource.com

Catersource – Education, products and news for caterers

www.davechaffey.com

DaveChaffey – Guide to digital business

www.electronic-payments.co.uk

Electronic Payments – Online and Electronic Payment Solutions

www.instituteofhospitality.org

Institute of Hospitality – Professional body for hospitality, leisure and tourism industries

www.isoc.org

Internet Society (ISOC)

www.people1st.co.uk

People 1st – Sector Skills Council for Hospitality, Leisure, Travel and Tourism

www.statistics.gov.uk

UK Statistics Authority – useful for tourist and traveller figures

www.w3.org

The World Wide Web Consortium (W3C)

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	P1 describing the applications of e-business in hospitality P4 explaining barriers to the development of e-business within hospitality businesses and strategies used to overcome them P5 describing features of effective hospitality business websites P6 describing sales and marketing issues of which hospitality businesses need to be aware. [IE 1, 2, 3, 4]

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Independent enquirers	analyse the effects of the different barriers to e-business and the strategies used to overcome them [IE 5] assessing the impact of e-business on the hospitality industry, highlighting the benefits and barriers overcome [IE 6]
Creative thinkers	comparing the ways in which hospitality businesses make use of the benefits of e-business [CT 2]
Effective participators	evaluating a website from a hospitality business and making recommendations for improvement [EP 4].

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	using and evaluating websites
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	planning the use of websites and evaluating their effectiveness
Manage information storage to enable efficient retrieval	
Follow and understand the need for safety and security practices	
Troubleshoot	
ICT – Find and select information	
Select and use a variety of sources of information independently for a complex task	identifying the benefits of e-business
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	
ICT – Develop, present and communicate information	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> • text and tables • images • numbers • records 	explaining the barriers to the development of e-business
Bring together information to suit content and purpose	describing the features of effective websites
Present information in ways that are fit for purpose and audience	outlining key sales and marketing issues and making visual presentations
Evaluate the selection and use of ICT tools and facilities used to present information	
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	

Skill	When learners are ...
Mathematics	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	
Identify the situation or problem and the mathematical methods needed to tackle it	
Select and apply a range of skills to find solutions	
Use appropriate checking procedures and evaluate their effectiveness at each stage	
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	
Draw conclusions and provide mathematical justifications	
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	<ul style="list-style-type: none"> identifying the benefits of e-business identifying the barriers to the development of e-business describing the features of effective websites
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	explaining the effectiveness of websites and key sales and marketing issues.