

Role of Knowledge Management System in Hospitality and Tourism Industry

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Knowledge Management (KM) has established itself as a key part of many organizations, the process of creating value from an organization's intangible assets. It deals with how best to leverage knowledge internally in the organization and externally to the customers and stakeholders. The growth of world markets, availability of technology and management know-how, the political and economic integration worldwide has led to increased globalization of hotel industry, hence the need to manage knowledge. Globalization of business has made it critically vital for organizations to adopt knowledge management as a strategy to build sustainability and improve customer services in the hotel industry.

[Because of the complex nature of hotel and tourism industry, its related providers and its way of organisational levels, the information and knowledge transfer is of utter importance.](#) The heterogeneous nature with its intangible goods and services puts special attention on the way hospitality and tourism knowledge can be managed and organised.



The hospitality system mainly consists of the following areas, which cooperate/network but also compete with each other:

- Agency
- Tour Operator
- Carrier
- Incoming System
- Hotel
- Regional and National Tourism Organisations

The tourism industry is a knowledge-based industry. Like in every organisation, the hospitality industry has a clear information overflow, hard for clients to pick the right holiday package available from numerous travel agents at similar prices. Lots of products and services, information and market partners are available. A big advantage for tourists is the freedom of choice and for tourism providers a variety of partners being available. But both tourists and travel partners have the task of evaluation to fulfil i.e. who has the best and nicest product, who really offers what comes close to the customers' wishes and needs?

The nature of tourism products and services are human beings providing the guest a "moment of truth", special experiences and a warm and charming feeling they should not forget quickly after their holiday. The knowledge intensity in tourism processes is the increasing importance of trust in relations between the acting elements.

According to Bouncken/Pyo, there are three forms of trust:

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- Personal Trust (the trusted is an individual)
- Institutional Trust (the trusted is an institution)
- Ontological trust (the reliance on one's own cognitive maps, built up by experience)

In the tourism industry, the knowledge intensive services and relations need trust building over time. Trust as being part of the implicit knowledge of persons and organisations is a core competence in this industry. Sources of trust can be, for example, the reputations of travel agencies, suppliers and the personal recommendation by trusted friends, colleagues, and partners.

Categories of Knowledge in the Hospitality and Tourism Industry

Different categories of knowledge can be found when looking at the various jobs and employees working in the tourism field:

Task Specific knowledge

Task specific knowledge contains the specific procedures, sequences, actions and strategies to fulfil a task. Both explicit and tacit knowledge is used to fulfil companies' goals. Examples are front and back office operations which are codified in manuals but also need to be learned by training. The way call center employees talk to guests, give them information; manuals help with used phrases but on-the-job training is necessary to internalise the knowledge. Therefore, to store all the agent training related materials and documents, deployment of a centralised repository such as [PHPKB](#) is mandatory in an hospitality organization.

Task Related Knowledge

Task-related knowledge contains individuals' shared knowledge not of a single task, but of related tasks, e.g. the form of teamwork in the firm. Not a single task but the network thinking of different tasks and how they are combined and intertwined help a team/group of employees to internalize similar working values. Examples of task-related knowledge are shared quality standards, standardized products, and services used in different offices of one company e.g. layout of bills, guest requests, offers to clients, and corporate culture components.

Transactive Memory

Transactive memory includes decentralized knowledge of the other organizational members' cognitive models. The main understanding of this form of knowledge category is the realization of each other's knowledge, preferences, weaknesses, and work values. Examples are yellow pages (finding the right expert for a certain knowledge needed).

Guest Related Knowledge

Tourism products and services are formed around their customers; therefore, the knowledge about guests is the core of the business. Examples are socio-demographics, preferences, expectations, culture, etc. Knowledge about guests should not only be based on demographic information such as age, income, education, status or type of occupation, region of the country, and household size but also on psychographics that includes people's lifestyles and behaviors; where they like to go on holidays, the kinds of interests they have, the values they hold and how they behave. A deeper understanding of the traits of guests will help to provide the right package that better suits their needs.

Customer/Supplier Related Knowledge

This knowledge is basically treated the same way as the guest-related knowledge; the difference here is to look from a business perspective towards the customers and suppliers (e.g. regional tourist offices, hotel chains, tourism consulting companies, event management companies, catering companies, etc.)

Market-Related Knowledge

Market-related know-how such as size, population, culture, and habits are important for every organization. The operating

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markets might vary enormously to the key market and the offered products and services will have to change and need to be adapted accordingly.

Network Related Knowledge

The organization should understand what kind of network it is operating, and who are the competitors. This externally linked knowledge is sometimes underestimated but is very important for the long-term success of an organization. Especially in the tourism and leisure industry, relationships with other players are extremely important. These knowledge elements help a national tourism organization to better market and offer different products and services to their customers and position itself on the market.

The management of customer relationships and experiences is also part of the knowledge management concept. Customer relationship management and customer experience management are a crucial part of every company's way of doing business (consciously or unconsciously performed). The root of these management techniques is the single customer being the key to performance success or failure. Knowledge management has the following main purposes and is implemented as:

- Networking of experts
- Document management
- Create new products and services
- Enhancement of customer and employee satisfaction
- Enhancement of innovation and competitiveness
- Enhancement of processes
- Development of competences
- Development of a knowledge friendly company culture
- Enhancement of communication channels within the organization

Hospitality Knowledge Management and Customer Experience

The travel and hospitality industry is extremely competitive, and margins are thin. Still, travelers demand great customer experiences. Delivering personalized customer service increasingly relies upon knowledge management for travel and hospitality companies. Your customers' problems are resolved quickly across each interaction, which is critical for market growth.

In fact, travelers are using the internet to locate the best deals, read peer reviews, and connect with travel and hospitality service providers. To keep a highly honed competitive edge, providers need to seek out aggressive differentiation and the capability to contact consumers whenever and wherever they need to connect with them. The travel and hospitality industry has more internet-influenced changes than almost any other industry. **Customers demand real-time data and online self-help.** In addition, they want a choice of contact channels, including options to have responses by email and text rather than talking directly to an agent over the phone.



With ever-increasing competition in the travel and tourism industry, it has become crucial for companies to utilize knowledge management and provide levels of customer service that surpass all previous standards in order to gain the upper hand when securing business from potential holidaymakers and travelers. Along with the increasing competition, the number of customers booking online has seen sharp growth over the last decade leading to the need to devise strategies in which these increasing demands can be managed.

People don't want to book their long-awaited holidays through travel agents; customers have access to a broad range of companies and travel options at the click of a mouse online. As a result of this customer contact centers are becoming more and more stifled with vast volumes of customer queries, be it a pre-sale or post-sale inquiry requiring agents to possess

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unprecedented levels of travel knowledge. Therefore, additional tools must be implemented for agents to achieve their full productivity potential.

The solution for managing these continually rising demands is **knowledge management software**, enabling the customer to self-serve and empowering the agent with fast access to an extensive resource of accurate knowledge.

Knowledge Management Software as Self-service Tool

Customers expect easy resolutions to issues via the internet, and in particular over mobile devices. They want to choose their preferred method of communication, including solutions that circumvent the live agent. Knowledge Management software is an ideal solution to not only reduce the volume of support-related calls to contact centers but also as an answer to reduce call escalations by significantly improving first-call resolution rates. This allows your agents the time to address more complex customer queries and provide the levels of customer service paramount to your company's reputation.

The above resolutions to modern-day travel and tourism challenges not only provide cost-saving measures to your hospitality company but also add an abundant value to improving customer satisfaction and experience, by greatly reducing the time taken to find accurate answers, as well as providing exceptional customer-friendly self-service channels.

PHPKB knowledge management system helps you create innovative, distinctive customer interaction hubs with knowledge management for travel and hospitality with such options as collaboration through forums and emails, and web self-service through an effective knowledge base. One of the most important steps when implementing a new knowledge base software to **build a perfect knowledge base** is to create a well-designed plan and then launch it systematically.

Knowledge Management Software as Agent's Support Assistant

A quick deploy knowledge management system reduces the wastage of time spent flicking through large numbers of company documents and PDF files. In place of this time-consuming process, customer service agents can effortlessly span an entire library of documents using a natural language search feature, providing results almost instantaneously. PHPKB knowledge management software can help you organize all customer-related knowledge and thus reduces the support cost.

Find out how PHPKB knowledge management software can help you to provide the best self-service experience to your users so they can easily find what they need. Get a privately hosted 30-day trial to take a deeper dive into PHPKB!

[Book a Demo](#)



The type and volume of customer queries can vary significantly depending upon the event or competitive offers. Knowledge management for travel and hospitality can support spikes in a volume created by events and special promotions. It will enable your company to receive alerts to potential interruptions in customer service, closely monitor trends, and disseminate responses across many channels.

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