

5 TECHNOLOGY TRENDS IMPACTING THE HOSPITALITY SECTOR

2018
THE FUTURE STARTS NOW



The hospitality sector has long recognized the value of technology as a catalyst to providing outstanding guest experiences and reducing operational inefficiencies. Technology is so important to the overall mission of many locations that, despite softening IT budgets in 2017, 52 percent of hotels planned to increase their IT investments while 47 percent planned to spend the same as the previous year.¹

The type of technology a location spends its IT dollars on is becoming even more critical, as changing consumer attitudes and expectations continually raise the bar for excellent guest services. High-speed WiFi, for example, is now an expected in-room requisite, just like shampoo and conditioner, as is the ability to connect multiple wireless devices.

Hotels, conference centers and other hospitality locations, therefore, must continually be one step ahead in providing the right technologies that will “wow” their guests—and some that simply provide an extra level of convenience that guests will appreciate. Consider, for example, hotel rooms that measure the body temperature of guests as they enter and automatically adjust the room temperature for maximum comfort. Or the ability for guests to begin a call using their in-room desk phone and seamlessly switch to their mobile devices mid-conversation. Or connected rooms with Siri-like interfaces that enable guests to request extra towels, order room service or call up a movie on Netflix simply by asking.

TRENDS IN THE HOSPITALITY SPACE

Some of these technologies may sound familiar—the concept of near-field communication for seamless call handoffs, for example, has been around for a while. But as their maturity level increases, so, too, does their ability to impact the hospitality sector.

Five technologies in particular—service automation, fixed mobile convergence, location-based services, connected meeting rooms, and chatbots and mobile apps—are poised to change the guest experience and create areas of opportunity for hospitality locations to become differentiators and innovators in an already technology-centric industry.

SERVICE AUTOMATION

Service automation can include everything from automatic check-in via apps and using facial recognition to unlock guest room doors to automatically providing guests with amenities and services based on their preferences, such as extra towels or booking spa appointments, upon check-in. With service automation, both customer-facing and customer-centric activities are automated, freeing staff to provide more meaningful guest experiences or enabling locations to work at peak efficiency even with a reduced headcount.

Artificial intelligence is expected to be a major component in service automation, with AI in some instances acting as a concierge service to “learn” guest preferences, such as their ideal room temperature or their favorite cocktail at happy hour. That information can be stored for future stays—upon check-in, the guest room thermostat is set automatically to the guest’s preferred temperature and, when he visits the hotel bar, a martini made with his favorite gin is waiting.

Automation is becoming more common in every industry. In fact, a study by PricewaterhouseCoopers estimates that by the early 2030s, 38 percent of jobs in the United States would be automated. In the hospitality and food service sectors, 25 percent of jobs would be automated, the firm believes.² At the same time, hotel guests still crave the interaction with hotel employees.³ The onus is on hotels and other hospitality locations to ensure their automation efforts add value to, rather than detract from, the guest experience.

FIXED MOBILE CONVERGENCE

The desktop phone in most guest rooms is perhaps the least advanced of all technologies in a hotel, as digital transformation has touched just about every other guest experience, from ensuring rooms have enough hot water to creating in-room entertainment hubs personalized to each guest. But that is likely to change, as the focus is shifting to making the in-room phone more than simply a phone.

Imagine, for example, in-room systems that allow guests to pair their mobile phones with the in-room systems so, they can not only switch between the devices to take calls anywhere, but also order room service, adjust the lighting or view the in-room entertainment menu of selections from anywhere, even outside the hotel or off-property. Guests also could be notified via a text on their mobile devices if they have a package waiting at the front desk, or they could be reminded of upcoming spa or personal trainer appointments, for example, or reservations at the hotel restaurant—or even be provided with recommendations for local activities and events.

LOCATION-BASED SERVICES

Keeping guests happy from check-in to check-out—and anytime in between—is one of the main tenets of hospitality technology. Location-based services are a perfect example, and one technology that also serves to help the hotel, conference center and other hospitality locations increase their efficiency.

Indeed, knowing where guests are while they are on the property can help improve marketing efforts, such as pushing out coupons or special offers to a guest’s mobile device when he is near the hotel restaurant or gift shop, or providing outstanding customer service, such as greeting the guest at her room door with a bottle of water when she returns from her morning run.

Location-based services also can help hospitality locations understand where their staff is at all times, so they can respond to guest needs more quickly. If a guest on the 12th floor requests a toothbrush, for example, the hotel can immediately see who is on the 12th floor and dispatch an

employee to deliver a toothbrush—even if that person is a maintenance worker or IT administrator. Likewise, if a guest room hasn’t been serviced by a particular time, the closest house-keeping worker can be tapped to clean the room immediately.

IN CREATING A GUEST EXPERIENCE THAT ADDRESSES THE NEEDS OF “WORKCATIONERS” AND “BLEISURE TRAVELERS”, HOTELS AND OTHER HOSPITALITY SITES MUST PROVIDE TECHNOLOGIES THAT WILL HELP TRAVELERS GET THEIR WORK DONE IN THE MOST EFFICIENT AND IMPACTFUL WAY POSSIBLE

CONNECTED MEETING ROOMS

Despite predictions to the contrary, business travel is still on the rise. In 2017, an estimated 466 million domestic business trips were expected to occur, with that number rising slightly in 2018 to 471 million.⁴ In addition, the lines between business and leisure travel are blurring, with travelers extending their business trips to include leisure activities or personal experiences—an estimated 43 percent of business trips now are considered “bleisure.”⁵

At the same time, record numbers of employees report doing some amount of work while on vacation—66 percent, according to one study.⁶ These “workcationers” and “bleisure travelers” alike need more than in-room WiFi and a

public printer to accomplish their work while on the road.

In creating a guest experience that addresses the needs of “workcationers” and “bleisure travelers”, hotels and other hospitality sites must provide technologies that will help travelers get their work done in the most efficient and impactful way possible. Conference rooms—once a technological afterthought to in-room and on-site guest-facing services—are growing in importance as travelers’ technology demands increase in scope and depth. Today’s connected conferencing rooms can include videoconferencing capabilities, projection units and smart whiteboards, among other technologies.

The next generation of these technologies could be included in the guest room as part of the entertainment hub, giving travelers access to work-related services and helping them be even more productive. Imagine being able to use a voice remote to binge-watch a favorite TV show or conduct an instant video meeting with a colleague.

CHATBOTS AND MOBILE APPS

Loyalty programs are an important element in a hotel or hospitality location's marketing efforts as it seeks to increase interaction and engagement with its guests. That will only increase as mobile apps take center stage in the lineup of technologies driving loyalty programs. One recent study noted 56 percent of millennials and 50 percent of Gen Xers prefer to use a loyalty app over a plastic loyalty card.⁷

Mobile apps have evolved to permit payments - via stored credit and gift cards and the redemption of loyalty rewards. Certain apps, such as Hilton's Digital Key app, allow hotel guests to choose their guest room, check in, and unlock their door using their mobile device. Others serve as a full-blown concierge, enabling guests to book spa appointments, arrange for transportation and even choose which amenities they want stocked in their bathroom.

The next generation of mobile apps will serve as one-stop shops, letting guests control their room lighting, order movies on the entertainment hub, and view augmented reality maps to navigate the property and locate the nearest hotel employee for assistance. Bundled in with these services are loyalty programs that can be tied to location-based marketing efforts, instant upgrades or free services upon check-in, and other perks based on the level of loyalty program the guest is enrolled in.

Hotels can use WiFi to connect via loyalty programs with their guests to personalize offers and provide incentives to visit restaurants or take advantage of spa services during their stay.

Chatbots, too, are adding even more value to mobile apps. Chatbots utilize the power of predictive analytics and artificial intelligence to provide a more personalized level of customer service, such as offering recommendations based on a guest's previous stay, helping guests find locations within a property and even placing room service orders on behalf of the customer, for example.

Hotel chains Starwood and Hyatt have begun using chatbots as a way to provide instant customer service. And Marriott International's Aloft Hotel group is using a technology called ChatBotlr, which the company says has a 5-second response time to customer queries. Using ChatBotlr, guests can request services, receive information about the hotel, listen to music playlists curated by the hotel and connect with the front desk team from any location, even off-property.⁸

THE NETWORK MATTERS

The bevy of technologies already impacting the hospitality sector are transformative, each with the power to push the guest experience well beyond today's standards of excellence.

In embracing the next generation of technologies, hotels, conference centers and other hospitality locations first must prepare their networks to certify they are able to handle the increase in traffic and demand for bandwidth. Service automation, location-based services, connected meeting rooms and other technologies will stress the bandwidth of traditional networks, leading to delays in response time, lags in performance or—in a worst-case scenario—network crashes and downtime.

Hospitality providers need to ascertain if they have the right foundation for both guest-focused and back-office operations, as well as new opportunities yet to be imagined. Today's efficient

networks comprise multiple technologies and platforms all chosen to ensure the solutions they support operate at peak performance without issue.

In building a network that supports these new technologies, hotel operators should consider an environment that includes both on-premises, cloud, and networking technologies such as SD-WAN and high-speed broadband to make certain traffic is handled efficiently. And networking components such as WiFi and unified communications can ensure users of the network—guests and hotel employees alike—interact and transact using their preferred method of communication.

To help ease stress on a provider's current network—not to mention the daily burden on IT managers—managed services can be utilized to offer certain services, such as front-desk management systems, without further impacting the network. Managed services can be used to help tie disparate systems together and “fill in the gaps” as hotels, conference centers and other hospitality locations update their current infrastructure and can prove useful even after networks have been upgraded.

Working with a network service provider can help ease the burden associated with building and maintaining a network capable of handling the bandwidth-intensive needs of the technologies powering hospitality today and in the future. By working with a third-party network services provider, hospitality providers can leverage virtual and physical private Ethernet connectivity to assure critical applications perform as expected. They also can receive all or some of their most critical connectivity functions as a managed service, including managed connectivity, WiFi, security, voice and business continuity, among others.

CONCLUSION

Technology is a critical component in delivering exceptional guest experiences in hotels, conference centers and other hospitality locations. As technology serves to further transform the hospitality sector, the network will play a leading role. Having the right network infrastructure in place to handle increasing bandwidth and data management needs will help improve and create new guest experiences that anticipate and meet evolving guest expectations.

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