Improving the GUEST EXPERIENCE

How Technology is Changing the Hospitality Industry

INTELITY
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As daily use of technology increasingly becomes the norm, demand for it to be integrated with the travel and hotel experience also increases. Technology is introducing new tools for the industry, which are becoming readily available for the savvy hotelier looking to impress guests and improve their stay experiences. More than half of hoteliers are already planning to increase hotel technology investment in 2016, with average technology budget at more than 6 percent of total revenue.

It’s inevitable that the development of new technologies will continue to spread rapidly and affect the hospitality industry, resulting in guests who place higher priority on digital features and use this as top criteria when deciding where to book. After all, modern times demand modern accommodations.
Society is increasingly technology driven, and technology has even begun to transform the ways in which we interact, evidenced by the fact that email and texting have become the most common means of communication. This is even translating to the relationship between customers and businesses. Sixty-four percent of customers prefer to use texting over voice for customer service needs, and over three-quarters of consumers between age 18 and 34 have an improved perception of a company that interacts with them via text.

Customers expect the businesses they interact with to be digitally savvy and connected. It’s become necessary to offer a mobile-optimized website, mobile app and other features that were wholly uncommon only a decade ago. It’s possible for hospitality businesses to become overwhelmed with the wide variety of innovative features available and to overstep their bounds with technology, making guests feel as if they’re receiving assembly-line hospitality.

That’s where high touch comes into the picture. High touch is the genuine human element of receiving a service. Guests should have experiences that reflect an “equilibrium of control” between the hotel and their own role in the creation of those experiences.
As we think about innovation in the hotel space, we do not believe the next generation of innovation will be a ‘thing’—a new bed or a new shower, for example. Rather, we believe that innovation will be about a more personalized approach to the guest experience," said Mark Vondrasek, Starwood Hotels & Resorts senior vice president of distribution, loyalty and partnerships. "We are continuing to innovate with the intersection of ‘high tech’ and ‘high touch’ at the forefront to better understand our guests, their preferences and the nature of each unique trip.”

The hospitality industry must discover how to maximize the positive aspects of these new technologies while still making guests feel that they are receiving personal attention. Guests will appreciate that they are being provided a blend of traditional and modern service from a business that is unafraid of adapting to the times. And once hotels take on this mindset of integrating new technologies while still giving their guests individual care, they will benefit by seeing boosts in their own efficiency and guest satisfaction.
Allowing guests to have a sense of control over their own experience during their hotel stay is key to improving their relationship with the hospitality industry, and the best way to do so may be through the incorporation of mobile devices into guest engagement strategy. Overall, 84 percent of travelers want information at their fingertips during travel, a benefit afforded by mobile connectivity. About 60 percent of travelers would not want to take a trip without a mobile device, and another 60 percent of travelers say they would never unplug while vacationing. Creating an app for guest engagement through mobile devices is now a necessary component of a hotel’s service strategy.

Eighty-nine percent of hotel guests surveyed said they wanted stay-enhancing technology that would provide them with more efficient, enhanced service. Using a mobile app, guests can:

- Check in and out
- Message with hotel staff
- Request housekeeping services
- Order room service

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These apps can be available either on the guest’s personal smartphone or on complimentary in-room tablets provided by the hotel. They can be customized with a full range of options and uses tailored to the guest’s needs.

A more recent development, hotels have begun allowing guests to enter their rooms in a whole new way. Keyless room entry allows for guests to use personal mobile devices to unlock hotel room doors, eliminating the need to use a traditional keycard.

Guests have responded very positively to this hotel technology so far. In fact, 64 percent of travelers are interested in using a smartphone for guestroom entry over a keycard.

“Guests’ tech needs certainly have changed over time,” said Martin Pinsker, director of investments for American Hotel Income Properties. “‘Telephone’ is no longer an operating department. Keyless entry and bypassing the front desk could easily be the norm for 50 percent of travelers this decade.”

Other new technologies that have been identified for rollout in the near future by hoteliers include:

- Location-based technology (30 percent)
- Front desk touchscreen tablet kiosks (27 percent)
- Mobile payment (24 percent)
- Room control devices (22 percent)
- Guest engagement mobile app (21 percent)
Imagine that any guest who checks in with your staff is greeted by name and offered a variety of amenities that they used during their last stay. Their guest room is stocked with the food and beverage they prefer. When they wake up in the morning, their favorite newspaper has been left by your staff outside their door, along with their favorite breakfast.

The hospitality industry has always been structured around anticipating and addressing the unique needs of guests, but this capability was always limited. Developments in hospitality technology have completely changed this and made it more of a reality for the industry to collect actionable information about guests’ preferences and stay history for improvement of the guest experience for each person.
Correct implementation of digital systems can enhance the ability of a hotel to provide individualized service and make guests feel engaged. Gathering insight on customers is a key capability provided by technology, and 73 percent of consumers between 18 and 59 are willing to share their personal information to receive benefits or improved service. And since 70 percent of consumers expect more personalized service from the brands they patronize, any hospitality business would be wise to get on board with this trend. Information collected can answer the questions hotel staff have about how to improve a guest’s experience, what food they like, what time they like to check in or out, which amenities they prefer.

Through all of the new means to collect data from guests, especially detailed feedback provided directly by guests through mobile devices and apps, hotels will be able to be more strategic about guest engagement and personalize guest experiences to build a stronger relationship that results in ongoing brand loyalty.

Guest Data and Experience Personalization

73% of consumers Age 18 to 59 will share their personal information to receive benefits

Welcome Back, Lian!

It’s time to put your feet up after a long day. Take 20% off a pedicure in our spa this evening.
The requirement for investment in safeguarding the privacy and security of guests’ digital experiences has increased dramatically over recent years.

About 62 percent of hoteliers identified payment and data security as a top hotel technology priority in 2016. The most popular security systems in use include card-swipe tokenization, end-to-end encryption for cardholder data, third-party Managed Security as a Service, and EMV transition roadmap.

The actual operational features of these new technologies will certainly improve confidence in the industry’s handling of sensitive data. For decades, the technology used in the hospitality industry has been old, bulky, and costly. But as Software as a Service (SaaS) and use of cloud technology increase in prevalence throughout hospitality, the industry as a whole will undergo an evolutionary leap forward.

No longer will hotels need a full-time IT team to maintain their computer systems. New software is being developed that allows for easy, remote management of several aspects of hospitality operations and systems at once, eliminating the need to maintain each item separately.

By ensuring hotel and guest data are stored securely, cloud technology can increase safety and satisfaction in service. Various software suites can interface with data in the cloud, allowing for integration of systems and data in a seamless way that allows for more efficiency.
At the start of the hotel technology revolution, it was primarily full-service hotels that were making headlines as early adopters of innovation. Select- and limited-service hotels have traditionally been more conservative with offering excessive “frills” in order to provide more modest room rates for travelers.

Views on technology in select-service, and even limited-service, hotels have changed for a number of reasons. One of these is the rapid expansion of the role of technology in the travel experience. Travelers are looking for accommodation of their digital needs at nearly every level of hospitality, and this is true for all travelers, even those who are more budget conscious.

Another reason is that select- and limited-service hotels have grown in demand. Hospitality analyst Ryan Meliker, of MLV and Co., said demand for select-service hotels had increased by 239 percent, compared to only 89 percent for full-service properties.
Much of the appeal to investors lies in the low operating costs and high profit margins. In 2015, construction of select-service properties accounted for half of Hilton Worldwide’s total target new build pipeline, and Starwood Hotels & Resorts has also expressed interest in significantly increasing the presence of select-service hotels in its portfolio. Installing technology is a way for all hotels, not just those that are full service, to combat rising competition as the number of available rooms in each market increases and as hotels look for ways to differentiate by offering exactly what guests are demanding.

Also, full-service hotels have seen success following the implementation of technology, making it more justifiable for select- and limited-service hotels to follow suit. With the costs of hardware and app development falling, more conservative financial investment is still sufficient for allowing a hotel with a modest budget to modernize.

In-room tablets used to be a luxury feature reserved for upscale properties. However, an off-brand tablet with nearly 90 percent of the capacity of an Apple iPad is now available in the range of only $100. As prices continue to fall for these devices, more of the hospitality industry will find it plausible to install them for complimentary guest use.
When guests board a cruise ship, they expect to receive a full-service experience from cruise line staff, complete with meals and entertainment. Full-service expectations have now grown to also include meeting guests’ digital needs, such as WiFi access and mobile connectivity.

This has long been a challenge for cruise ships as it has been a struggle to find ways to provide stable Internet access on every level of a ship and in every cabin room. But now more than ever, guests still desire the same level of connectivity at sea that they might enjoy during a hotel stay on land. This has led to a complete shift in the cruise industry with the embrace of new technologies by most major cruise lines, which has been absolutely crucial to staying in-step with guest demand.
Crystal Cruise Lines, for example, has successfully incorporated technology in a number of ways for passengers of the luxury line’s fleet. The brand has equipped ships with WiFi access and provides expanded complimentary Internet access for loyal guests. A few years ago, Crystal Cruises also introduced an expedited check-in service with coded tickets and scanners to allow guests to get to rooms more quickly.

Crystal Cruises recently announced the launch of a mobile app that would allow the brand to connect with its guests before they even arrive at a ship. The app can be used to gather information about the entire fleet and to plan a voyage. One of the brand’s ships, Crystal Espirit, has been outfitted with complimentary in-room iPads for enhanced service and access to information for each guest right in the state room.

As brands such as Crystal Cruises, Royal Caribbean, Disney and others continue to explore use of cruise ship technology, it will soon become an industry standard.
As technology progresses, so will the average traveler’s idea of what sort of service they should receive when staying in a hotel. That service will likely revolve around enhanced guest satisfaction through the efficiency of modern technological innovations.

Because of this, hoteliers have a responsibility to keep track of new developments in technology and potential applications for the hospitality industry. By keeping a forward-thinking attitude toward these changes, people in the industry will be able to adapt quickly, and both staff and guests can begin benefiting from all that new hospitality technology has to offer.
Intely, headquartered in Orlando, Florida, is the creator of the world’s first and most widely used integrated guest services platform, ICE (Interactive Customer Experience™). With certified integrations to all major hotel back-end management systems (POS, PMS, Ticketing, Spa and Room Controls), Intely’s ICE is a centralized property-automation system that delivers concierge-level services, guest request tracking and fulfillment, business-intelligence analytics, marketing/messaging capabilities, and a full content management system. The sophisticated back-end component of the ICE platform provides vital insight that hoteliers can leverage for enhanced revenue management, such as details about guest demand for various hotel resources through the availability of metrics.

Since beginning operations in 2007, the Inc. 5000 company has gained a reputation as a leader in hospitality technology with installations across six continents, including most major brands and many celebrated independent properties. Intely recently received Best Mobile App in Hospitality from Travel Weekly’s Magellan Awards and World’s Leading Hotel Brand App from the World Travel Awards. For more information, please call 1-888-RevPAR-1 (1-888-738-7271) or visit www.intelitycorp.com.