HFTP
Hospitality Financial and
Technology Professionals

HOTEL Yearbook 2016

FORESIGHT AND INNOVATION IN THE GLOBAL HOTEL INDUSTRY

SPECIAL
EDITION ON **TECHNOLOGY**

DISTRIBUTION
HIGH-SPEED INTERNET
MOBILE
CROSS-INNOVATION
TECH ROI
KEY TRENDS
BIG DATA
FUTURE HOTEL KEY
PCI
DIGITAL STRATEGY
GUEST EXPERIENCE
OTA
INTERNET OF THINGS
WIFI
OPTIMIZING REVENUE
CMS
IoT DEVICES
SERVICE MANAGEMENT
CLOUD 3.0
WEARABLES
REVPAR
SMARTPHONES
PMS
PROFITABILITY STANDPOINT
DRIVE PERFORMANCE
BYOD
META SEARCH
DIGITAL STRATEGY
NFC
SECURITY
MOBILE ACCESS
ROBOTICS
SOCIAL CAPABILITIES
EXTENDED STAY
BUSINESS INTELLIGENCE
PROPAR
MACHINE LEARNING
UX

Dear readers,

Welcome to *The Hotel Yearbook 2016 – Technology*, the third edition of our special line of publications focusing exclusively on this rapidly-changing part of the hotel business.

Like all the previous editions of The Hotel Yearbook – whether the annual edition or one of our special editions focused on a particular set of management challenges within the industry – our mission is to bring you expert opinion and privileged insights on **foresight and innovation in the global hotel industry**.

Our outlook firmly remains forward-looking: What lies ahead for decision makers in the hotel business? This year, we are proud to have assembled editorial contributions from authors in more than 40 different organizations around the world, from hotel group CIOs to consultants, and academics to tech industry entrepreneurs. As you read the articles in this edition, you'll find that they cover a wide range of IT opportunities and challenges that managers in the hotel business will be addressing soon (if they aren't already).

The Hotel Yearbook has two powerful and generous partners, and we'd like to thank them both for their excellent support:

HFTP has been a patron of the publication since our very earliest editions. HFTP's CEO Frank Wolfe remains very active in helping us put this, and past, editions together, and we'd like to thank him for the help and ideas he is always eager to share with us.

The publication's other partner is **Hsyndicate**, whose reach within the industry and close connections with opinion leaders and senior decision makers worldwide enable us to tap into a very rich vein of the hotel industry's best thinkers, doers and visionaries, both as writers and advisers. With its outstanding network, Hsyndicate makes it possible for the publications in The Hotel Yearbook family to reach a much wider readership than ever before.

We wish you a thought-provoking read!

Woody Wade | Publisher   *Henri Roelings* | Publisher

Table of contents

Table of contents

First-ever search engine focused solely on resources for the global hospitality industry.

Pineapple Search

Produced by **HFTP**
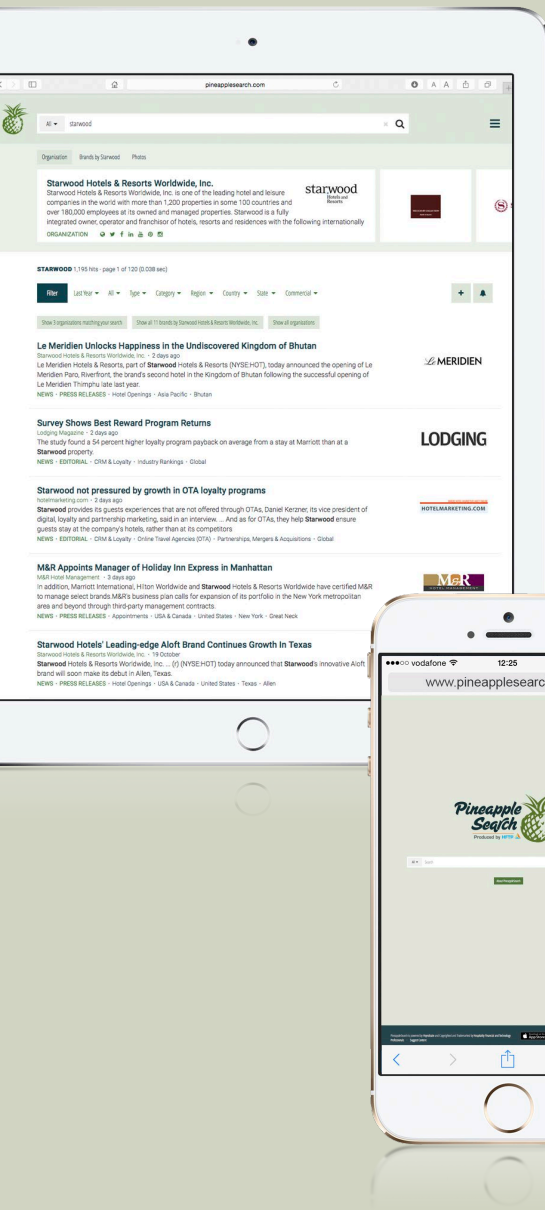
Curated content only

Pineapplesearch.com aggregates curated industry content from multiple sources into a single search platform, including articles, white papers, webinars and more. In addition, the site has an indexed industry directory.

Open platform

Pineapplesearch.com is an open platform ready for content submissions by all industry stakeholders.

Non profit

Pineapplesearch.com is operated by Hospitality Financial and Technology Professionals (HFTP), a global professional association in the world of hospitality.

start searching at **www.pineapplesearch.com**

Pineapplesearch.com is powered by Hsyndicate.org
info@pineapplesearch.com

We are very pleased and proud that the HFTP (Hospitality Financial and Technology Professionals), and its visionary CEO Frank I. Wolfe, have been such active supporters of The Hotel Yearbook since the publication's initial edition came out in 2007. Since then, we have branched out with a number of special editions, notably on hotel technology – the issue you are reading now. Once again, the HFTP has expressed its support by agreeing to be our publication partner and adorning our cover with their illustrious name. We couldn't be happier.

An enduring partnership, underpinning a myriad of innovations

HFTP — Hospitality Financial and Technology Professionals — is a professional association which primarily works toward providing continued professional development and industry resources. We uniquely understand our industry segment and assist our stakeholders in finding solutions more efficiently than any other organization because of the power of our volunteers and their dedication. While HFTP produces a number of acclaimed educational events and publications, we rely on sourcing from a variety of resources, including allied partners for their expertise. And for that reason, we are only too happy to continue being a partner with The Hotel Yearbook.

This past year HFTP has continued with its directive to distribute hospitality-specific resources to the industry at large in a number of ways. One, in which I am very proud of, is the launch of Pineapplesearch.com. The site is an aggregated content destination that focuses on news, articles and reports of primary interest to the hospitality industry, with priority placed on information-based results. It is a super-charged resource, with numerous functionalities to help customize a hospitality-specific search.

In a basic search, a user can narrow results by: date, information type, category and region. Registered users can also sign-up for news alerts on pre-selected topics, build a must read list and save queries for future use. It also has a leaderboard across the top with information blocks on the search topic and a database of hospitality-related companies.

We are also growing our global network by bringing educational events to multiple regions across the globe. This year, in 2016, HFTP will host two new CIO summits, one in India and the other in Far-East Asia. These exclusive, invitation-only, boutique events will serve to unite the technology professionals leading the hospitality industry around the globe for the purpose of education, networking and industry growth. And in 2017, we are on track to extend HITEC (Hospitality Industry Technology Exposition and Conference), with one in Asia and the other in Europe.

HFTP is constantly striving to improve the industry as we have been doing for more than 60 years. Please enjoy the following articles, if you like them, help us tell the industry by sharing them with your colleagues around the world. If you dislike them, help us tell the industry by telling your colleagues around the world why you think they should have been more interesting!

Frank Wolfe, CEO, HFTP

Hotels and the digital marketplace

*by **Cindy Estis Green*** 🅻🅸

In the years ahead, hotels that can successfully differentiate both the purchase and the stay experience will be the winners, writes Cindy Estis Green of Kalibri – in spite of the gatekeeper power asserted by OTAs and third parties.

It's been quite a year in 2015, with rate parity outlawed in France and pending regulation in many other European countries. Acquisitions abound. Expedia gobbled up Travelocity, Orbitz and HomeAway. Priceline is consolidating into a giant distribution platform for independents that includes a property management system, revenue management tools and online marketing services. Accor launched AccorHotels to offer those same independent hotels a distribution platform without affiliation to an Accor brand. Amadeus acquired Newmarket and is building a CRS to provide an end-to-end enterprise level distribution platform for hotel chains with an eye on replacing 40+ year old legacy systems. The European Commission (EC) is undertaking a deep multi-year review of all digital commercial platforms (not just in travel) to determine if the European Union economies would benefit from regulation. The EC is also taking on Google with an antitrust case against the technology giant.

Not to mention Marriott under contract to acquire Starwood!

The extensive list continues with the fact that many hotel chains have dropped last room availability restrictions with online travel agencies, and Google and TripAdvisor have introduced Instant Book capabilities while Amazon, in a quick about-face after the April launch of their destination product, announced their departure from travel in October. Consumer deception in North America and Europe is rampant, diverting billions in revenue from travelers who thought they were booking directly on a hotel or brand channel. The home/apartment rental business is booming. AirBnB receives all the press, but Expedia's Homeaway and Priceline's Home Rental offerings are on par in scope (although differing in accommodation types), ranging from 800,000 to almost two million listings, not to mention TripAdvisor's FlipKey with another 300,000. There is undoubtedly overlap in inventory between these sites but the numbers are still significant in primary gateway cities worldwide, and the degree of displacement of hotel stays is still unknown. Google has moved aggressively to monetize hotel search listings to the point where it's largely a pay-for-position on page one. It's therefore dominated by the OTAs who can easily outbid any hotel or brand for top ranking.

Demand aggregation by third parties is a fact of life. The digital market is a dynamic place, and those winning have the best merchandising power driven by the best content leading to higher conversions. This in turn yields more bookings and more funds to maintain dominant market positions to attract more consumer demand. It's a high stakes game and the third parties are the gatekeepers that will control the consumer point of entry in the hotel shopping and buying experience.

Expedia and Priceline/Booking.com have spent the last 15 years building up a database of millions of accommodations globally that is unmatched. Rising quickly during the post-9/11 recession and gaining significant traction in the 2009 recession, these online travel agencies have become entrenched in every market as the primary booking brands for travel, eclipsing the hotel stay brands with sheer market power by outspending any individual hotel chain by an order of magnitude. Despite this, the OTAs are also vulnerable. Google is offering instant booking on their own site, thereby diverting the transactions that would previously have gone to the OTAs. It is unclear if Google will reach a point when they determine they can make more money through direct bookings and forgo the USD 3-5 billion a year they receive from the OTAs in online advertising.

What does this mean for hotel owners and operators? There are three major areas in which hoteliers can assert themselves to sustain healthy profits in this environment.

1. Control of content
In spite of the growing power of third-party marketers over consumer demand, hotels still decide which rates and inventory to share. If the hotel industry could aggregate and normalize their content (hotel descriptions, rates and inventory) and offer it to more new entrants to enable

competition, it would benefit both hotels and consumers by creating more options in the marketplace and a more efficient market.

This control of content extends to the need to stop deceptive behavior. Examples of this include when rogue third-party sites use a URL or toll free number to purport to be a hotel's official site or call center, or to offer wholesale rates on a retail site. Efforts to crack down on consumer deception need to be stepped up. AH&LA's Consumer Innovation Forum in the US and the new European forum of hotels are working hard collectively to stamp out this egregious behavior. Unified support by all hotels of these efforts is essential to put an end to these unacceptable practices.

2. Control of costs
The costs of customer acquisition continue to rise unabated, ranging from a low of 15% to as high as 25% to 30% of guest paid revenue. These costs will spiral out of control if left unchecked. Hoteliers have to manage acquisition costs with a similar rigor in which they learned to manage labor costs. While some might call third party commissions a "cost of doing business," so are labor and other operating costs. But few sit on their hands passively allowing these costs to mount while profits decline. While profit margins are still healthy in many markets, there is a limit to how much costs a hotel can absorb before it has to learn to contain them. It is better for hotels to learn how to manage these costs before the economic up-cycle ends and the revenue declines force a painful compression in profit.

Many hotels believe they cannot control consumers' choice of channels so they cannot do anything about the third party dominance. However, hoteliers are not powerless. They can create incentives and apply resources in a way that filters the business they receive out of the overall demand in their market to selectively advantage one channel over another. The days of "putting your hotel on every shelf" are over; no one can afford that anymore.

Hotels have to determine their optimal channel mix given their competitive position, the demand coming into their market and the strength of their brand. Then they have to allocate the pool of customer acquisition funds to achieve that optimal mix; that includes everything from commissions and transaction fees to all sales and marketing costs. They have to hold themselves accountable to metrics that help them evaluate revenue performance net of acquisition costs.
↓

3. Consumer experience

Consumers are drawn to, and want to repeat, great experiences. For example, Amazon makes it easy for consumers to shop, buy and gather information. When Amazon introduced 1-click shopping and a recommendation engine to help buyers find their next book, consumers responded by making Amazon a retail powerhouse. The hotel industry has not had a long history in differentiating the stay experience. Hoteliers can carefully shape the experience consumers have in shopping, buying and staying at their hotel. In the large chains, this can be done on a brand level. Independents can take a hard look at the unique nature of their hotel offering and ensure they are meeting the needs of their guests, one at a time. Technology to enable personalization will be essential in the digital world and should be deployed by chains and independents alike, whether it's created internally by a brand or provided by a third party. New innovators like the CitizenM hotel brand provide a good example of how a limited service mid-priced hotel product can be differentiated from the pack and gain repeat business because of the unique experience it offers.

Improving the guest experience can sound like a cliché in the hotel world, and it's been a refrain for over 20 years. But it will have to be a serious focus going forward to avoid the homogenization that may occur if third-party marketers, OTAs or meta-search channels continue to push a message that buying hotel rooms is solely about rate. The hotel experience, unlike many products sold digitally, is a deeply personal one and is ripe for innovation. Those in the hotel industry that establish ways to differentiate both the purchase and the stay experience will be the winners, in spite of the gatekeeper power asserted by third parties.

There have been immense changes in the digital marketplace in 2015 for the hotel industry, and this pace will not slow anytime soon. The large technology gatekeepers may hold some of the cards, but hotel brands, owners and operators have a few cards of their own and playing them right will give hoteliers the power to maintain sustainable profit.

■

__Cindy Estis Green__'s career began in corporate marketing and senior operations roles for Hilton International. After starting up the data mining consultancy, Driving Revenue, and selling it to Pegasus Solutions, she spent twelve years as managing partner of The Estis Group providing strategic marketing consulting to the hospitality industry. Co-author of the 2012 Distribution Channel Analysis: A Guide for Hotels and many other industry publications on the topic of marketing technology, Estis Green has been honored as one of the 25 Extraordinary Minds in Sales and Marketing, was inducted into the prestigious Hospitality Technology Hall of Fame and named as one of Cornell University's 90 Influential Hoteliers. Cindy holds a BS degree from Cornell University and an MBA from The American University.

Mobile access: the next step in guestroom access security and convenience

*by **Tim Shea*** 🔵

Smartphones and smart devices have undoubtedly revolutionized virtually every aspect of how people interact with the world around them today. Travel and hospitality are certainly no exceptions. As Tim Shea of ASSA ABLOY Hospitality writes, mobile access technology has almost instantly become a game changer in how guests connect with hotel services to tailor an experience that best suits their needs.

As a solution that has experienced colossal growth in adoption rates around the world, mobile technology continues to demonstrate its ability to reshape entire industries and their services by providing users with enhanced convenience and the ability to personalize experiences. While initially slow to adapt to its presence, hotels and resorts in recent years have been steadily increasing the range of mobile services that are available for guests who prefer to use their smartphones to access information and interact with property amenities. From offering a seamless self-service check-in/check-out experience, to ordering room service and accessing loyalty program membership features, mobile apps continue to develop new functions that address the growing desire for fast and convenient self-service travel.

The evolution of mobile devices offering ever greater functionality has run parallel with what the hospitality industry has for many years sought to achieve in guestroom access security: a service that is flexible yet secure, and able to provide guests with choices and instant satisfaction. As a recent innovation, mobile access technology comes in the wake of the immense success that has been seen from introducing RFID guestroom access solutions to hotels and their guests. Alongside now widely recognized services that include the ability to remotely assign and re-assign RFID keycards, or the option of supplying guests with a single RFID access card that can also serve as a form of payment, mobile access technology represents a progression of hospitality's goal in providing guests with options that can be tailored to match their own personal needs.

ASSA ABLOY

a critical aspect in the mission to keep up with evolving guest standards. In fact, a recent study shows that 67% of guests would select a smartphone-enabled hotel over a non-enabled one. Furthermore, an impressive 73% of travelers indicated that they would likely use their smartphone as a check-in and guestroom mobile key alternative if provided with the option. For properties wishing to maintain a competitive edge, hoteliers simply can no longer afford to avoid the need of providing guests with the opportunity to engage in a self-service experience; one that is accessible from the moment that they enter the building, and is available throughout the course of their stay.

The rapid rise in hospitality mobile apps and self-service functionality follows a continuing trend of the silent traveler, an influential and growing demographic known for its reluctance to engage in human interaction at any stage of their journey. As a group that shuns traditional communication in favor of performing tasks quickly and independently via an electronic device, silent travelers are often beyond the reach of traditional marketing activities and attempts to gain their loyalty. The answer to this issue by many hotels has understandably been to create apps featuring promotional messages and loyalty member signup incentives. But with their focus being predominantly on services that are of immediate use and convenience, how can properties evolve to persuade silent travelers that these apps are relevant and useful? Many find that the answer is to combine such features with tools that can instantly provide self-service functionality to amenities throughout the property. The advantage of providing digital keys for smartphones can therefore also extend to further strengthen a hotel's promotional efforts by making its mobile app more relevant to a guest's immediate needs. Silent travelers wishing to gain quick access to guestrooms without having to wait on others will find that downloading the property's mobile app

By simply downloading a hotel's mobile app, guests gain access to a host of services that can now include the advantage of obtaining one's own digital guestroom access key. After a guest initiates a request to use mobile access, push notifications are sent which include alerting guests to when they have been checked-in or that update the mobile app with the guestroom number and mobile key. As a result, today's travelers are able to bypass front desk queues entirely and instead go directly to their rooms to begin enjoying their hotel experience immediately. For guests weary of long front desk lines after a lengthy journey or business travelers on a tight schedule, mobile access represents a vital tool that allows them to take control of their hotel stay and ensure that their satisfaction is maintained. With three quarters of guests typically opting to travel with their smartphones, the need to make such features readily available is fast becoming

is a worthwhile effort, even though from their perspective it is only done as a matter of convenience. But while silent travelers may initially download the app only for its mobile access ability, hoteliers can instantly gain a valuable communication portal that does not require any extra effort in attracting and holding the guest's interest. In providing guests with instant value, such apps earn the opportunity to at the same time showcase a property's latest promotions and enrich the hotel stay experience while increasing revenues.

Enhancing guest convenience and the ability to successfully communicate additional value has no doubt taken on a greater role with regard to hospitality security access technology in recent years. But what about a hotel's top priority of maintaining a safe and secure environment when contemplating the implementation a solution? Despite its initial appearance as a platform that solely exists to provide a more eye-catching guestroom entry alternative, mobile access has actually evolved to include some of the latest security innovations that are available to hotels today. Mobile access works with a hotel's property management system in order to allocate a guestroom and generate a digital key that is encrypted and as a result, is securely delivered to a guest's smartphone. The smartphone in turn places the key in a secure key vault within the hotel's mobile app. When presented to the appropriate lock, the app then transmits the encrypted key via a secure communication channel, ensuring that none but those authorized are able receive digital key information and gain access.

With its unmatched ability to simultaneously enhance convenience, security and hotel-to-guest communications, it is understandable that hoteliers around the world are turning to mobile access as a way of heightening guest satisfaction and improving property performance. With more than 150 prestigious properties already offering the service and more surely to follow, mobile access technology is an innovation in providing the high level of service that many global travelers and guests expect today. It is easy to use, allows its users to take full control of their time and serves as an alternate means of property interaction for those who value discretion. Mobile access consequently demonstrates hospitality's continuing shift toward serving a guest that wants to increasingly take aspects of their journey into their own hands, in order ensure that their preferences are always met. Mobile access will likely be recognized as one of the most important contributions in ensuring that hotels continue to keep pace with such evolving guest needs and security demands. With mobile's growing influence throughout the industry showing no signs of slowing, and with its ability to significantly enhance the value and potential of any hospitality-based mobile app, mobile access' presence as a valuable guest tool appears to be comfortably secured for the foreseeable future.

■

ONE INDUSTRY,

Supported and aggregated by leading industry players and associations in the international hospitality industry, Hsyndicate operates an industry-specific content and intelligence database which centralizes and redistributes filtered B2B information from and to industry professionals/organizations within the global hospitality industry.

ONE NETWORK

HSYNDICATE

www.hsyndicate.org

How technology can serve both hotel employees and guests

*by **Manfred Osthues*** in

Manfred Osthues of protel says that his idea about the hotel of the future is concentrated around the people in the hotel. It is their expectations that drive the development and implementation of any kind of technological solution. Increased employee satisfaction is just one fantastic side-effect which should not be underestimated. Ultimately, he says, technology is "for people like you!"

We've all wondered about the future of technology at one time or another. Whenever we do, scenes from many Hollywood blockbusters about the future with cool gadgets and thingamajigs quickly come to mind. Many of those technological visions have already made their way from the silver screen to the palms of our hands, and we can no longer imagine life without them. Without even thinking about it, we use applications on our smart phones or tablets and communicate with people around the world with but a mere swipe of the finger.

The future has also arrived to the hotel industry, where technology is becoming more and more important for connecting people in the hotel and simplifying their communication. For example, the guest relations manager cannot attend to two guests and immediately answer their questions at the same time. He can, however, use his smart phone's hotel app to tackle two queries instantly without wasting any of his or his guests' precious time. Guests appreciate a quick, helpful response to their queries wherever they are – the pool, the bar, the room – without having to worry about finding the guest relations manager first. This is just one possibility of how new technologies can help streamline personalized hotel service which benefits both parties.

Mobile hotel solutions
The hotel's employees are the first ones to benefit from the advantages of using mobile solutions. No longer bound to certain work stations or meeting points, they can work in an efficient manner, gaining more flexibility and time in the process. As soon as the guest has been informed about the hotel app on his booking confirmation and opens it on his smartphone, the communication process between the guest and the hotel can begin. The app enables the direct exchange of information not only while the guest is at the

protel
hotel software ®

hotel, but also before and after his stay. Although all of these technological possibilities are nothing new to us, future trends cannot be imagined without them. And while technology is becoming more and more sophisticated, person to person communication still makes up its core. Trends can be found not only in the actual technology, but also in the way people enjoy using it to communicate. Technology has to be fun!

Better cooperation – happier employees

Normally, hotel employees cannot choose the tools and technologies they use to get their work done. A hotel, however, should always make sure that the employees realize the actual advantages of using the provided technology and enjoy using it. A housekeeping app can, for example, bring about noticeable improvements to existing work processes. The app provides employees with current data such as actual room status, maintenance orders, and other important information. Has a guest arrived early? No problem. The room receives a higher priority in the hotel software and is placed at the top of Housekeeping's to-do list. Has Housekeeping discovered a broken light fixture while cleaning a room? With a snap of the finger, Housekeeping can simply take a picture of it and jot down a brief description which is automatically forwarded to the responsible technician. Even the tedious

and time-consuming correspondence between the Reception Desk and Housekeeping can now be bypassed with an automatic message informing an early arriving guest that his room is ready. All of this saves the employee time and the guest will not have to wait a second longer than necessary.

Employees will immediately notice the improved communication during their daily work. Rather than having to wait for information from colleagues or even having to hunt it down, the team members can simply use the app to access the required up-to-date information wherever they are. Increased employee satisfaction is just one fantastic side-effect which should not be underestimated.

Professional guest communications - hallmark of quality

The fact that modern communication is mobile is commonly understood and expected by the guests. Their expectations drive the technological developments within the hotel. Keeping up with the times not only secures competitive advantages, but also is an investment in the future. State-of-the-art technologies, such as apps with integrated real-time chats, enable a level of personalized service which clearly sets apart professional hotel businesses from the ever-growing number of private accommodation services, such as Airbnb. Once the hotel's app is on the guest's smart phone, the hotel can use it for upselling purposes, such as informing the guest about special offers, etc. This is where technology is able to fulfill the guests' expectations while providing the hotel with important information about them. With the aid of this data, exclusive offers can be tailored and directed towards the guest's needs and desires. For example, that wellness special which the guest enjoyed during his last stay can be offered again at his next stay. Although many guests might be suspicious about "Big Data", there are many areas where they downright expect their data to be centrally stored. For instance, after having entered their data for a reservation, they expect that they will not have to reenter everything over and over again whenever they book something during their stay. Centrally stored data helps the guest make bookings easily, while providing the hotelier with the data he needs to increase his upselling.

How to use Big Data

When dealing with the question of how guest information can be used to improve service, the topic of Big Data comes into play. In the long run, quick and personal communication will only be feasible with the respective technological support. Every interaction with guests brings in even more data about them as a person – for instance their behavior and desires. Making this knowledge usable by applying suitable and efficient technology is a huge opportunity for hotels,

especially when properly used for successful pricing or sound business strategies. An example: Should a guest be attending a trade fair, for instance, the respective trade fair code can be allotted to the guest's profile in the hotel software. Utilizing this data then makes it possible to automatically send an email containing this code to all guests, inviting them to the hotel months before next year's fair. Data from the hotel management system, such as the trade fair code and dates triggers the automatic message that will be sent from a Cloud-based messenger service. Guests are not interested in the type of technology used to generate this message. Instead, the only thing that is important for them is to receive a reminder in time to reserve a hotel room for next year's trade fair. ↓

Technology as an experience

Whenever I go online to look for a hotel room and see that one hotel offers a couple of pictures while another hotel offers a slick virtual tour of the premises, I don't have to explain to you what my choice will be. Virtual and augmented reality will definitely bring many new options for the hotel industry in the future. Just like for the hotel app, the same principle applies here as well. If the guest enjoys using the virtual hotel world, they will also be receptive to offers they encounter while there. Another aspect that will continue to be important in the future

are hotel reviews. An extraordinary guest experience such as augmented reality in the hotel, can inspire the guest to write a hotel review after their stay or tell others about their hotel experience. In my opinion, the word-of-mouth option alone is a good enough reason to offer virtual reality glasses at the hotel. The guest could then use them to find out even more information while touring the premises. When they arrive at the fitness studio, for example, they could receive information about the next Zumba or tai chi course. Or at the restaurant, they can get information about what the daily special is, or what time breakfast is served. The possibilities are endless.

My idea about the hotel of the future is concentrated around the people in the hotel. It is their expectations that drive the development and implementation of any kind of technological solution. At the end of the day, only those technical developments which correspond to, or even surpass, the guest's expectations really ever have a chance of being accepted and used. In any case, the decisive factor is that technical efficiency does not reduce, but rather improves personal service. Once the hotel chooses to harness the power of their data, technology is there to help them make their guests' stay an unforgettable experience.

◼

2016's key hotel technology trends: a view from the top

by **Ted Horner** in

The world is experiencing tremendous growth in new hotels, writes Ted Horner of E. Horner & Associates. This development creates tremendous opportunities for the adoption of exciting new technologies, but as he states, we must get the fundamentals correct from the outset.

Changing guest viewing habits

With the global growth of Netflix and the launch of other subscription based streaming services, the need for hotels to allow guests to access their own content – either on their smartphone or tablet – in the guestroom (and if possible share the content on the TV in room) has increased dramatically. As these services need greater bandwidth, hotels have to increase the size of the pipe and also invest in better networks to meet this requirement. The first question is: How do we pay for this? To a large extent, the hotel industry has moved to offering a free basic Internet service, but to accommodate guests who wish to download content, many hotels are now offering a tiered service where the guest has to pay for the higher speed Internet access. This is still proving problematical because guests still do not want to pay for this service, either.

Mobility

According to recent research, the following trends are apparent:

- On average, people check their smartphone every 6 minutes.
- People use mobile apps 6 times more than the websites.
- 79% of smartphones users use their mobile to make purchasing decisions.
- 50% of users make a purchase on mobile within 1 hour, as compared to within 1 month on their desktop.
- 73% of business owners use mobile apps on a daily basis.

To accommodate the increasing use of mobile devices by guests, hotel companies are being forced to grow and enhance their mobile websites and apps at a rapidly increasing pace,

tweaking designs to mirror not just specific types of devices, but different kinds of users. The idea is to ensure that whether guests are scrolling through their smartphones or tablets — or even their watches — what those guests see will look great on the screen and engage them.

According to the VP of Brand and Marketing at Scandic Hotels, they are developing new platforms, as they believe that "to engage and create relevant content requires a new way of working, focusing on relationship marketing, understanding the customer and their needs."

Scandic is also placing extra focus on developing content and services linked to the actual stay at the hotel, with relevant pre-arrival information and the ability to select rooms and check in as well as in-hotel services before arrival. To drive loyalty, some services will only be available to customers booking through Scandic's direct channels.

Starwood is also focusing on the mobile traveller with its new range of smartphone apps.

Cloud-based technology

While this has been an emerging trend, I am now aware that most, if not all, of the PMS vendors (both new and existing) have released their cloud-based systems that are hosted offsite and with a monthly Software as a Service (SaaS) pricing model.

In the first instance, strong interest is being shown by many of the smaller independent hotels who are now seriously looking

at this technology, as it offers a number of advantages over the traditional premise-based systems. As more hotels adopt this technology, I believe it will become mainstream over the next few years, provided the Internet in the particular region or country will support it.

We are now also seeing the arrival of hosted PBX systems with some major hotel chains adopting this technology as the commercial model is attractive compared to the premise-based systems.

In several of my new small boutique hotel clients, I am mandating that the majority of the systems be hosted in the cloud following the path that citizenM has been doing in Europe for several years now and, in my opinion, has been very successful in its innovative use of this technology.

Cabling topology

For new hotels, this means making sure that the cabling infrastructure is designed in such a way that the hotel is future proofed. For me as a consultant, it means being able to peer-review electrical drawings done by specialist consultants who are not necessarily up to date with the latest cabling technology, such as fibre to the room and GPON, as opposed to traditional design using co-axial cable or multiple Cat 6 cables to each room. If hotels want to run converged networks running Wi-Fi, IPTV, voice services, CCTV, on line door locking systems etc. on a single network, then the choice of cabling used is critical.

Keyless entry using guests' own smartphone

This technology is getting a lot of press globally, with both Starwood and Hilton adopting aggressive rollouts of the technology in the US and then globally. As both of these chains do so, everyone else is now looking at this technology that allows guests to use their smartphone to bypass the front desk and go directly to the room. Initially the focus is on their loyalty members, with many signing up for the technology.

It is my considered opinion (not shared by all my colleagues) that this technology is a game changer for those guests who want to avoid check in queues at the front desk, and in time all the major hotel chains (if they are not already) will be adopting this technology in one form or another.

The world is experiencing tremendous growth in new hotels, with Asia Pacific having the largest hotel pipeline of hotel developments in the world. This development creates tremendous opportunities for the adoption of exciting new technologies, but in my opinion we must get the fundamentals correct from the outset and ensure that owners are willing to make the necessary investment in ITC to keep pace with the ever-increasing changes in consumer technology. This is a great challenge as the lifecycle of technology is diminishing rapidly; however, with the arrival of cloud-based technology built around a SaaS model instead of large up-front capital expenditure as in the past, the ability of owners/operators to keep up to date with the latest technology will, in my opinion, become easier provided they are properly educated on the benefits of these investments. ∎

The end of the steely-eyed analyst? Business Intelligence takes center stage

*by **Sherry Marek*** 🅛

Gone are the days when hotel managers made decisions based on gut feeling, years of experience – or perhaps which way the wind was blowing on a given day, writes Sherry Marek of Datavision. As users are becoming more sophisticated, she explains, the current trend is toward self-service Business Intelligence.

The last few years have seen a significant move toward data based decisions, primarily because of the evolution of Business Intelligence in hospitality. This remarkable trend will continue at a notable pace over the next few years, as data warehouses and data lakes provide ample data to sort through and derive insights.

The early years of BI dealt with the challenges of collecting data from disparate systems, cleansing and warehousing them under one roof. As these data collection tools evolved, the focus shifted to delivering the mass of data in a meaningful manner, and presentation tools took center stage. Standards emerged for creating effective reports and dashboards. As users get more sophisticated, the current trend is toward self-service Business Intelligence. The emergence of multiple self-service dashboard tools will provide the opportunity for business owners to proactively expand their analysis, reaching more people in the organization. New data discovery and integration tools will enable more people to consume and explore trends, slowing and then eliminating the traditional IT centric process. The countless Big Data initiatives will continue to grow and will provide opportunity to mix and match data from in-house systems (PMS, POS), third-party systems (guest survey, competitor data) and web-based data (weather, social media), etc. This will expand the appeal of Business Intelligence across the organization and allow users at many different levels to gain new insights. The overall interest in BI will fuel the continued development of intuitive smart data discovery tools, allowing users across the board to make better decisions based on empirical evidence.

Self-service dashboard products will continue to evolve, reducing the amount of time for business owners to understand trends, access, create and share presentations with more people in the organization. More upper management team members will manipulate BI and mashup views, creating presentations on their own, instead of waiting for steely-eyed analysts to emerge from their windowless rooms to present the information to them.

As new data discovery tools evolve, the scope of use will expand to virtually every department. Marketing teams will

Datavision

www.DatavisionTech.com

and build additional social media platforms and track the results. For example, an MIT professor started collecting a database of pictures that included recognizable brand logos. This enables companies to transform text into numeric values by reading phrases and assigning a numeric value to guest sentiment.

Of course, there are always concerns that need to be addressed to ensure that any Business Intelligence initiative is successful. Data must be stringently secured to prevent data breaches, and this may thwart self-service BI technologies if the proper safeguards are not in place. Data privacy continues to reign supreme as tracking devices spread to the Internet of Things (IoT). The ability to use facial recognition to literally follow consumers walking down the street, or use GPS to track your car even when not in use, are valid concerns that need to be addressed and enclosed in secure boundaries. Self-service BI tools often rely on the analyst to incorporate database management aspects, and the tools need to improve the ETL (Extract, Transform and Load) features to make it easier to manipulate the data and mashup capabilities. If good data is not captured at key points, the potential is lost despite the best tools purchased. If basic guest information such as the correct home address or e-mail address is not captured at the contact point, then the true profile opportunity is lost forever. This is especially true after the database has 20 visits from a "John Smith", but lacks the ability to correlate the fact that all 20 visits were from the same guest. Today, technology companies are rushing to create tools to manage and consolidate meaningful conclusions from Big Data. But Big Data is often unstructured and still requires specific business goals before mining data. This concept is sometimes forgotten in the quest to be on the cutting edge of using Big Data , which may lead to the bleeding edge of technology.

↓

have better tools to identify, curate and manage customer profiles instead of predicting market segment trends. Often, managers are trained in customer service skills, but have little BI or statistical background. New tools will improve this by incorporating pattern detection in the data analysis, easing the need for complicated statistical front ends.

The term "Big Data" started with white papers at NASA in 1997, citing problems with visualization of huge data sets and the ability to manage the data on one server. Big data is often defined by the three V's: volume, velocity and variety. Traditionally, the challenge with Big Data has been the fact that you need big systems to corral, process and analyze the data. With the prevalence of Cloud computing over the last few years, hardware is not a barrier to entry any longer. Working with Big Data is now becoming mainstream, with many companies embarking or planning initial reviews to collect and try to correlate trends. This will continue to grow as companies use inexpensive Cloud-based hosting to appeal to a variety of businesses around the world. Companies will continue or increase cross branding with other companies,

Twenty years ago, hospitality companies had limited capabilities for data analysis, mostly in the hands of dedicated business analysts and small data sets available for use. In the last several years, Revenue Managers have evolved their models to virtually every revenue department, optimizing the revenue strategies to detect trends and impact revenues throughout the business. Banquet space revenues are reviewed daily and seasonally to create higher revenue per square meter. Spa Managers exceed the service limitations by moving services directly to the guest room. Club memberships are continuing to improve their models to predict membership trends. The needs and behaviors of younger members change as the members age and seek different activity levels. Data analysis tools are available in most departments, with many employees consuming the data and being exposed to the business results. Cross selling revenues from other departments yields benefits if tracked via your BI tools.

The bottom line for the future? More data for more people throughout the business. The key is to ensure that the metrics continue to track useful data, as opposed to tracking data just because it is available. Will the front office be able to predict, after running models on guest profiles, which guests can be upsold upon arrival into suites or spa incremental revenue? Will the concierge run the upcoming arrivals list through a database of consumer goods to match incoming guests with possible activities in town, able to book the incoming guest additional services based on their interests? Will Siri be forecasting competitor trends at the morning stand up meeting? Business Intelligence is a constantly evolving combination of art and science – the science of data providing a strong foundation and the art of transforming that data into intelligence.

▪

Datavision

BUSINESS INTELLIGENCE FOR HOSPITALITY

www.DatavisionTech.com

360°
INSIGHT

Analytics

CRM

Labor Metrics

Financial Reporting

Budgeting Forecasting

Corporate Consolidation

Four technology mega trends that will shape travel in 2016

*by **Alan E. Young*** in

The ever-changing environment can redefine your company, improve operations, create new revenue streams, and drive higher profits, says Alan E. Young, of Puzzle Partner Ltd.

Steve Balmer, ex-Microsoft CEO once said, "The number one benefit of information technology is that it empowers people to do what they want to do. It lets people be creative. It lets people be productive. It lets people learn things they didn't think they could learn before, and so in a sense it is all about potential." In the travel industry, technology is moving rapidly and affecting both the supply and demand side with solutions that enhance operational efficiencies and help companies drive top line revenues.

Alternative lodging connectivity and distribution
Airbnb and HomeAway are everywhere. They are extremely innovative in their business approach. However, they have been less than innovative regarding their technological approach. This appears to be changing hastily. During the infancy of online travel, OTAs had to contend with an unsophisticated technology environment. As such, they received online bookings via e-mail and sent out confirmations via fax. Expedia and others realized that this was unsustainable and started connecting with everyone via APIs. This sped up the process, and ultimately they were able to drive more revenues and deliver a better guest experience. Airbnb and HomeAway have figured this out very quickly. Expect to see a broadening of their distribution strategy in 2016. This is how they will be able to not only offer alternative lodging to their growing fan base but also start to include more "stable

inventory" such as rooms from boutique hotels and extended-stay properties.

Sales force automation in travel
Every medium to large company has implemented some means of sales force automation (SFA) tool. Salesforce is probably the most widely adopted, and the company reports that 90% of the world's data was created in just the last 12 months. It is now time for travel departments and SFA solutions to work seamlessly with each other to optimize the travel spend for corporations. The possibilities are endless. In most cases, sales tend to develop trips based upon prospects that are deemed as "low hanging fruit". As such, their travel is not well planned, monitored or optimized. Imagine if there was integration between the trip/travel system and the SFA system. Now, when planning a trip to New York to visit a new prospect, the connection between travel platform and SFA tool would suggest that the sales person visits with two clients in Philadelphia and one more in Washington that are up for renewal or ready to purchase. The cost reduction in this scenario to the company would be enormous, reducing opportunity costs and most likely increasing revenues.

True traveler engagement
We hear a great deal these days about traveler engagement. How do agencies and OTAs communicate with the traveler

Alan E. Young, *is the CEO and Co-Founder of Puzzle Partner, a strategic and tactical marketing firm and NBTWorld.com. Previously, Alan has held a number of executive level positions with start-up companies such as Newtrade Technologies, (acquired by Expedia), Hotel Booking Solutions (acquired by IBS Software) and TrustYou. Alan is past Chair of the Board of Directors of The OpenTravel Alliance, a global hospitality/travel industry technology standards association. He has also been very involved with other industry associations, most notably AHLA, HEDNA and HTNG. He is also a presenter and has been a guest speaker at World Travel Mart, ITB, HITEC, Online Revealed, The HOT Conference. With over two decades of experience in the travel and hospitality technology world, Alan specializes in helping innovative travel technology companies achieve winning performance and dramatic growth.*

after the booking has been completed to maintain a level of conversation continuity – and ultimately a sense of loyalty? During the recent Skift event in New York, the term "authentic engagement" was all the rage.

True traveler engagement hinges on a few things. Yes, being authentic is important but it is also incredibly important to be relevant. When communicating with travelers, whether it is to improve their trip or experience, the underlying technology needs to deliver content that truly enhances the overall trip at every touch point. If it is an offer, is the offer relevant to my trip and specific to me, the traveler? It is incredibly important to deliver the right content for the right person at the right time and the right place. If it is more experiential, can I include my friends and family to ensure that I get the most out of my journey using recommendations from those I trust? All of these areas of engagement need refinement, and developing the technology to deliver it is well underway.

Operational/travel efficiency

The business travel world needs considerable help. How many times has a business trip been disrupted by delays or cancelations? In fact, 28% of all flights in the US last year were delayed. Technologies that notify business travelers of disruptive travel environments will come to the forefront in 2016. Programs that factor in weather, air traffic, and global events, as well as things that even the traveler or travel agent could not foresee, will be available at the fingertips of the business traveler via their mobile device. Ultimately, being able to react and even anticipate disruptions will enable operational and travel efficiencies within the corporate travel world.

The year ahead

The changes of the past twenty years will seem mild compared with those of the next five. In 2016, businesses will have nowhere to hide from the disrupting yet invigorating effects of technology change. Technology gives us power, but it does not and cannot tell us how to use that power. Those organizations with flexible processes, structures and culture will be able to respond quickly and will find technology-led changes loaded with opportunity. You can use this ever-changing environment to redefine your company, improve operations, create new revenue streams, and drive higher profits than ever before.

■

Should you move to the Cloud? The top six benefits of a Cloud-based PMS

*by **Rehan Jaddi*** in

A property management system based in the Cloud offers hotels a number of advantages compared to the conventional property-based alternatives. Rehan Jaddi of Agilysys walks us through the key differences.

Are you ready for a Cloud-based PMS? Although many hotels use traditional premise-based property management systems, which require on-property servers and other hardware, an increasing number are making the shift to Cloud solutions, which provide a network of hardware and software resources over the Internet. The software and the property's data are located on a server in the vendor's data center.

Cloud-based technology has opened up a new world of property management system possibilities to hotels of all sizes. Moreover, as the hospitality industry moves toward the Cloud, vendors are offering increasingly advanced Cloud-based solutions, many of which have features and functionality once found only in more expensive legacy systems. In fact, almost every aspect of a hotel's property management business can be hosted on the Cloud, including front desk operations, housekeeping, reservations and channel management, and much more.

If you've been thinking about purchasing a new PMS, a Cloud-based solution is worth considering. Here, we take a look at the top six benefits of Cloud-based property management systems.

No. 1: Reduced costs

One of the biggest advantages of a Cloud-based property management system is a reduction in costs. A premise-based PMS can be a major capital expenditure, typically requiring a dedicated PMS server; and, depending on the size of the

property, an additional server to manage reservations or handle other needs. Then, there are the software licensing fees, installation and training expenses, and ongoing maintenance costs. With a Cloud-based system, little hardware — and its three-to-five-year refresh cycle — is needed. As for technical maintenance, it's provided by the PMS vendor. The pricing structure of a Cloud-based system, which is based on a subscription model, can be an attractive feature because it enables hotels to treat the PMS as an operational expense aligned with the property's utilization of the system rather than as a large up-front investment.

No. 2: Increased flexibility

Another benefit of a Cloud-based property management system is flexibility. Cloud-based systems can be accessed from any workstation without the need for software installation. Premise-based property management systems, on the other hand, require hotels to purchase additional software licenses with each new workstation they add. Moreover, Cloud-based systems manage resources dynamically as the property's circumstances change. For example, if the hotel sees a surge in new reservation business due to a promotion, the system automatically increases the resources available, adapting to the hotel's needs rather than the hotel having to adapt to the property management system.

No. 3: Easy accessibility

A Cloud-based property management system also offers easy accessibility. Because the PMS uses the Internet to

store information, hotel staff — including those employees who may not be tech-savvy — can access data from any computer, smartphone or tablet. This is particularly appealing to property managers who want the convenience of off-site access to the system. And, as more vendors develop versions of their software for tablets and other mobile devices, accessibility will only continue to increase.

No. 4: Immediate updates

Cloud-based property management systems simplify the upgrade process and enable hotels to stay current with the latest features and services the vendor provides. The hotel no longer has to schedule upgrades based on the availability of its IT staff. Instead, the property can take advantage of enhancements and new features as soon as they become available. And, because a Cloud-based system provides new functionality frequently, the hotel can stay ahead of the marketing trends that provide opportunities for increased revenue.

No. 5: Enhanced security

Guest data security is paramount; yet, an overworked IT staff may not always be up-to-date on the latest security techniques. And, in smaller properties that don't have an IT department, security may take a back seat to other pressing technology concerns. A Cloud-based PMS helps ensure the integrity of guest and property data and enables hotels of all sizes to take advantage of vendor experts who stay current on security and compliance practices, so that data isn't compromised.

No. 6: Improved guest service

Finally, guests increasingly expect to use their own tablets and smartphones to request hotel services. This is difficult with premise-based property management systems, due to security requirements and other complexities. With a Cloud-based solution, guests and staff can interact with the system, even when they are not in the hotel. This increased interactivity enables new integrated experiences where guests can leverage their social networks to share experiences and recommendations with friends and family. Hotels in turn can use this social media buzz to engage with guests, enhance loyalty, improve brand exposure and drive traffic to their websites.

If you've dismissed Cloud-based property management systems, you may be missing out on technology that can offer significant advantages for your property. Cloud computing is becoming increasingly popular in the hospitality sector, enabling hotels to save time and money, enjoy increased flexibility, stay current with upgrades and offer enhanced guest service. Perhaps it's time your property considered the Cloud.
∎

Agilysys

The continuing case for product integration and cross-innovation

*by **Thomas Di Giacomo*** in

A number of obstacles still stand in the way of a hotel's deep-level technology integration, says Thomas Di Giacomo of the Hoist Group. The multitude of systems, apps, and providers make it difficult to bring everything together – and yet more important than ever to do so.

Network adaptations and infrastructure sharing have come a long way to enable convergent technology solutions for hospitality, and hence greater cost efficiency for hotel operators. During the late 2000s, technology providers started commercializing integrated, IP network-based solutions for Internet, in-room entertainment, voice and other guest-facing services; sometimes also adding back-office connectivity to their offering.

Hoteliers have embraced the concept of multiple services sharing the same physical network. This was strongly motivated by cost and operational considerations (reduction of hardware, maintenance and associated cost), although

improved guest reach and satisfaction did play a role in the adoption of IP-based guest services as well.

Alongside network convergence, application convergence – the concept of different applications talking to one another – has evolved, although at a slower pace. Suffering from considerable market fragmentation and a panoply of proprietary applications available in specific markets only, many hotel brands have been struggling with their intent to introduce a more homogenous portfolio of guest-facing applications. In most chain-associated hotels, multi-provider arrangements have prevailed to date. In spite of some attempts to standardize inter-application messaging, the exchange of relevant guest data across IP-connected applications (i.e. data and content convergence) and the resulting "deep" service integration have remained exceptional.

Staying in touch with your (digital) guests
Nevertheless, the case for application, data and content convergence has never been stronger than today. Digitally empowered guests interact less and less with hotel staff, and third parties (booking portals, social websites, Google) increasingly interfere with the traditional hotel/guest relationship, to a point where these third parties treat travellers as their own guests.

In this context, hoteliers must be keen to control their digital touch points with the guest: Internet login and landing pages, TV user interface, hotel website and applications, public screens in lobbies, bars, restaurants, etc. To succeed in this, they must provide relevant services and content to every individual guest – content that is meaningful in a specific context. How do they go about this?

By definition, IP technologies are characterized by a two-way data flow. For every service provided via IP, a wealth of information "comes back" to the issuer in the form of usage data; this could provide hoteliers with a host of first-hand knowledge about their guests and their preferences. There is a practical problem however: where would such data go for collection, interpretation and continuous service improvement? The most likely destinations are the hotel's back-office management systems, especially its PMS and CRM/loyalty systems.

Making the PMS part of application convergence

For many technology providers, the PMS currently represents the weakest link in their attempt to define a new guest experience. Surprisingly so: The PMS (and associated CRM database) is the lifeline of every hotel in that it matches online booking data and previously stored guest details with the hotel's operations, its service delivery and the marketing of its unique amenities.

Property management solutions have traditionally been developed separately from guest-facing technologies. Until now, technology providers and hoteliers are typically providing a more or less standardized interface that facilitates the communication of essential guest information upstream to the TV user interface, to the Internet portal, to the hotel app, and so on. However, any information sent downstream (i.e. back to the PMS) often falls flat without any effect, due to a lack of data processing and storage strategy, but also a lack of clear purpose. Looking forward, matching PMS innovation with guest technology innovation should enable hoteliers to engage in continuous guest profiling and leverage these profiles for greater relevancy of their service offering.

Defining a joint digital strategy

To formulate a purpose for the backflow of usage data, and the learnings from such data, hoteliers and providers need to agree on a digital strategy that encompasses the delivery of a coherent guest experience across different IP-based applications.

From an hotelier point of view, such a digital strategy requires a broader view than on individual products only; instead, a concept for the types of data to be generated and analyzed for continuous service personalization should be elaborated. Moreover, hoteliers need support when it comes to targeting their guests effectively and instantaneously across all their digital guest interfaces through a unified content management system.

From a provider point of view, a digital strategy is best supported through a platform approach as opposed to a product approach; the critical difference being that a platform approach prioritizes innovation across multiple applications in parallel, rather than opportunistically for individual services only. Ideally such a strategy would take the hotel PMS on board as well. Hoist Group, being the result of the merger of three formerly separate hospitality providers, may be the first industry technology provider that develops hotel management software – its PMS Hotsoft and its task management tool Serviator – in parallel with IP guest and staff applications.

Conclusion

Even more than in the past, service innovation in 2016 will rely on providers offering relevant digital guest services through a single-serviced application platform, as well as on hoteliers' strategic use of IP technologies and their capability to leverage continuous guest insight resulting from it. Both hoteliers and technology providers need to understand the wider scope of jointly driven service innovation, beyond the undoubted differentiation potential of novel applications and beyond the economic benefits of network convergence. Platform thinking ensures that all components develop in parallel to create a consistent service experience across multiple guest touch points.

■

HOISTGROUP
hospitality innovations.

The demise of price parity and ascent of meta-search

*by **Peter O'Connor*** in

Given their relatively high levels of fixed costs and their highly perishable inventory, success for hotels is largely driven by the efficiency and effectiveness of their distribution, writes Peter O'Connor of ESSEC. But today's competitive environment, particularly the online distribution space, has become highly cutthroat, with hotels having to battle not just with each other but also increasingly with a portfolio of ever more powerful OTAs to capture the customer's attention and wallet.

Until comparatively recently, one of hotels' prime competitive weapons – namely price, or the room rate that the customer actually pays – had been closed off due to highly restrictive rate parity clauses in the contracts between hotels and their OTA partners. Such clauses effectively legally prohibited hotels from offering cheaper room rates on alternative distribution channels, including their own direct channels. As a result of this, hotels could not use the promise of cheaper prices as a way of attracting and converting the customer, as in effect the same rates could be found irrespective of where the customer actually shopped. Because of this, hotels found that increasing proportions of their online business was flowing through indirect OTA channels, driven in particular by the latter's superior performance in the search environment.

ESSEC
BUSINESS SCHOOL

Ironically, most of these customers also often visit the hotel's own direct brand.com website but, since prices are the same, usually end up booking on the OTA site where sophisticated merchandising techniques, including highly prominent best rate guarantees and easy to understand rewards programs, stimulated them to stop searching and complete their reservation. OTAs have become experts at this transformation process, with conversion rates typically nearly double that of most hotel chain websites. Faced with such stiff competition, the latter need to make use of every tool at their disposal, including the pricing element, until now absent, in order to compete effectively and gain their fair share of online bookings.

OTAs do make a valid argument for the necessity of such rate parity clauses. From their web analytics software, they understand all too well what potential customers do once they have identified a hotel property that interests them on their systems. Unless customers have been exceedingly well trained to understand that the best price is available on the OTA systems, they will invariably also visit the hotel's brand.com website to check for cheaper prices and/or better conditions.

However this commercial freedom at least gives hotels a choice, and implies that the famed "best rate guarantee" will gradually become a thing of the past for most OTAs, since cheaper prices could, theoretically at last, be available on either alternative indirect channels or the hotel in question's own direct website. Over time this will unquestionably prompt a change in consumer behavior. While until now, consumers could be relatively sure that the price being offered to them on an OTA channel would be identical, or at least broadly comparable, to what was available elsewhere, the demise of rate parity means that all bets are off as regards price consistency, forcing price-sensitive customers to search through multiple websites to reassure themselves that they are getting a fair deal.

Given the difficulty in systematically identifying where a hotel is being sold, and then manually checking multiple sites, this development should result in a resurgence of interest in meta-search systems – websites that trawl multiple online points of sale to automatically collect prices and other product characteristics, facilitating comparisons. For the hotel sector, leading examples include The Priceline Group's Kayak.com, Expedia Inc.'s Trivago.com, Ctrip.com's Qunar.com, as well as independent player HotelCombined.com. In addition, both TripAdvisor.com and Google, two of the most influential players in the hotel booking path, are also rapidly moving into what many would consider the meta-search space as they increasingly try to figure out how to better monetize their extensive travel-oriented audiences.

Meta-search, both as a concept and specifically within the online travel distribution space, has been around for quite some time, but until now has largely failed to excite consumer interest. Much of this has undoubtedly been caused by the aforementioned rate parity issue, which meant that prices were usually the same across multiple channels, limiting the motivation of consumers to use what were until now effectively price comparison systems. But with the status quo as regards pricing likely to change, most people agree that we are likely to see a resurgence of interest in meta-search by suppliers and consumers alike.

Furthermore, while until now the limited amount of bookings being driven though such systems has been largely captured by the major OTA players, recent initiatives to encourage more extensive participation by hotels themselves should also help shake up relationships among the distribution players. In general, the OTAs have, to a large extent, used the cost-per-click based meta-search systems as a comparatively cheap method of acquiring traffic. With their high conversion rates,

In the absence of rate parity clauses, many more such customers would book directly, leaving the OTA with all of the cost of customer acquisition but none of the eventual reward (i.e. revenue) from the resulting booking. Hence, despite the fact that many now allow hotels to offer cheaper prices on alternative indirect channels, this helps explain the OTAs' staunch and virulent opposition to the principle of abandoning price parity with the hotel's direct online channel.

However, recent legislative changes, in particular the January 2015 decision of the Commercial Court of Düsseldorf vs. HRS, and the July 2015 Loi Macron in France, are gradually eroding OTAs' ability to contractually insist on price parity. These legal developments effectively ban the inclusion of price (and in the French case, room availability) clauses in supply contracts between OTAs and hotel properties, meaning that, in theory at least, hotels are free to vary prices however they wish on any channel, even if, in practice, this means that doing so will result in OTAs penalising them severely in terms of positioning, e.g. putting their hotel's listing on page 67 of a city's results listing where no one will ever find them!

this makes bookings that originated through meta-search systems highly profitable for them, driving up the amount per click that they could bid and effectively pricing the less effective hotel websites out of the market.

But increasingly, meta-search systems are changing their business model in order to better monetize their investments in technology and customer positioning. Instead of a cost-per-click based approach, the majority are now changing to a cost-per-acquisition model where they share in the commissions generated by the resulting sale. And, since they are well aware of the poor conversion rates of many hotel websites, they are also increasingly facilitating such direct bookings within their own, more sophisticated, user interfaces, maintaining complete control over the customer experience until the moment of final confirmation of the sale, thus helping hotels to convert a higher percentage of potential sales. TripAdvisor's and Google's Instant Booking products are leading examples of such initiatives.

Receiving an increased number of direct bookings at an acceptable cost from meta-search sites should encourage hotels to participate in such channels more intensely, in particular if they offer a viable alternative to today's all too dominant OTAs. And with risk spread more evenly across a wider range of alternative routes to the marketplace, this should also free hotels to use price more frequently as a

competitive weapon, creating a virtuous circle where meta-search becomes increasingly more important as a source of business over time.

Of course meta-search is not without its problems. While the new revenue models being adopted by TripAdvisor, Google and others are performance based, in the sense that no reservation means no cost, in each case they ultimately involve the payment of a commission which competitively determines the hotel's placement in search result listings. While currently comparatively cheap compared to standard OTA commissions and mark-ups, increased participation by hotels and OTAs will undoubtedly result in bid inflation as rivals struggle to gain visibility, thus driving up the costs of using such systems for distribution.

In effect, what many hotels have perhaps not realized yet is that the growth of meta-search may quickly result in a case of moving out of the frying pan and into the fire.

But with consumers increasingly flowing towards such systems, and also displaying a marked preference for booking hotel rooms directly when all other things are equal, opting not to participate in these reinvigorated systems is simply not an option. With the demise of rate parity, the era of meta-search revolution is upon us. The big question is "Are you ready?"

■

Peter O'Connor, Ph.D. is Professor of Information Systems at Essec Business School, where he also serves as Director of the Global MBA and the MBA in Hospitality Management (IMHI). His research, teaching and consulting interests focus on technology, distribution, e-commerce and e-marketing particularly applied to the hospitality sector. He previously held a visiting position at the Cornell Hotel School, and worked in a variety of positions within hospitality. His most recent achievement has been to launch the first MOOC on Hotel Distribution Revenue & Demand Management (https://www.coursera.org/learn/hotel-distribution).

ESSEC
BUSINESS SCHOOL

The pioneering spirit

CONSTRUCTION
★★★★★

REAL ESTATE
★★★★★

BEST HOTEL
★★★★★
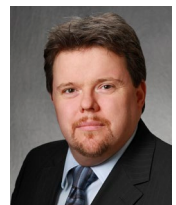
IMHI CENTRE OF EXCELLENCE IN HOSPITALITY, FOOD AND TRAVEL

ESSEC HOSPITALITY: IMHI MBA / EXECUTIVE EDUCATION

Challenging programs for high potential managers
More than 30 years of expertise – Internationally recognized - Exclusively in English

Short Courses / Advanced Certificates

Refresh your skill set or obtain new knowledge

- Designed for operational/corporate mid senior-level managers.
- Concentrated 2.5 day modules held at the ESSEC Executive Education campus in Paris La Défense.
- Courses can be taken individually or combined into packages leading to an ESSEC Certification.

ESSEC Hospitality Certificates:

Advanced Certificate in Online Distribution
• Hotel Electronic Distribution
• Hotel Data Analytics
• Customer Relationship Management
• Managing Social Media and User Reviews

Advanced Certificate in Hospitality Real Estate and Finance
• Financial Management for Hotels
• Management Contracts, Franchising and Ownership
• Hotel Valuation and Feasibility Studies
• Hospitality Asset Management

Advanced Certificate in Luxury Hospitality Management
• Hospitality Luxury Brand Management
• Hospitality Luxury Marketing Strategy
• Hospitality Luxury Digital Marketing
• Luxury Guests/Luxury Guest Experience

Online Courses

Developed in partnership with key industry contacts, ESSEC Hotel Management Specialization, taught on the Coursera platform, helps you to develop exactly these skills.

Hear from industry experts, work on realistic projects and acquire the knowledge and competencies that you need to work in this rapidly developing and highly sought after area.

This specialization program includes a series of 3 MOOCs and a Capstone Project which will allow its participants to obtain a verified course certificate from ESSEC Business School.

Aimed at those starting out in their careers, each MOOC typically lasts 4 weeks, requiring a commitment of 2 to 4 hours per week and can also be taken separately by participants with specialized interests.

- **1st MOOC: The fundamentals of hotel distribution**
- **2nd MOOC: The fundamentals of revenue management in partnership with DUETTO**
- **3rd MOOC: Demand management: Breaking down today's commercial silos in partnership with SNAPSHOT**
- **Capstone: Hôtel «De l'étoile» - a hotel in crisis?**

executive-education.essec.fr - Contact: lanrezac@essec.edu ▶ For more information ◀ https://www.coursera.org/specializations/hotel-management

#1 hospitality MBA 10 years in a row (ranked by SMBG)

MBA in Hospitality Management IMHI

The One Year Track: is designed for professionals who have a minimum of 3 years of post-bachelor professional work experience in the hospitality industry or are looking for a second career in hospitality.

The Two Year Track: is aimed at young graduates with a hotel school, university of business school degree, who wish to continue their studies whilst integrating additional professional experience. It is possible to choose between an internship or apprenticeship path within the Two Year Track. In both tracks, you will choose from five specializations: luxury services management, e-commerce, real estate and development, entrepreneurship and general management.

Independent hotelier's Big Data vs. real-time data conundrum

*by **Max Starkov*** in

In the new environment of OTA consolidation and rate parity removal in Europe, the market share dominance of the OTAs can seem like a colossal problem with no real solution, writes Max Starkov of HEBS. However, independent properties have a wealth of digital technology and data tools already available to them that give them the means to outsmart the OTAs and differentiate themselves from their competitors, all while generating serious direct revenues.

In hospitality, there has been a lot of hype about Big Data and why hoteliers should take full advantage of their customers' Big Data. According to Gartner, Big Data is high-volume, high-velocity and/ or high-variety information assets that demand cost-effective, innovative forms of information processing that enable enhanced insight, decision making, and process automation. Confused? Big Data sounds intimidating, doesn't it?

For years, the OTAs have been bragging about their Big Data: gigantic amounts of data on the browsing and purchasing patterns of their website users. At the same time, the OTAs have relatively "small data" about hotel guests' on-property behavior and activity purchasing habits while on property. Hoteliers have access to what we call "real-time" data, meaning the on-property data coupled with user browsing and purchasing data on their own websites. This includes user demographic information, geo location and language preferences, past booking history as well as on-property behavior such as whether or not they booked suites, or even what restaurants they frequented while on-site. This data is all instantaneously available when the user lands on your hotel website, and represents a huge advantage hoteliers have yet to effectively utilize.

HeBSdigital

Hoteliers also have another distinct hidden competitive advantage over the OTAs: they know their property, their hotel product, their customers, and their destination better than any OTA. Hoteliers should develop a digital marketing strategy to "own" their destination and their destiny as a whole.

We will explore exactly how to use real-time data and other hidden competitive advantages, but before we do, let's first address the most common question and roadblock:

Can independent hotels really compete against the OTAs?
Considering the defeatist mentality and acceptance of the status quo at many hotel companies, it is easy to understand why OTAs are increasing their market share even in these booming times for the hospitality industry. We often hear from hoteliers that they are too powerless and too under-funded to "fight the fight" against the OTAs. While it is true that the mega-OTAs have deep pockets and spend billions on digital marketing efforts, any independent hotel, resort and casino should realize they can outsmart and outspend any OTA on their property alone.

Did you know that mega OTAs' advertising spend on average is less than $300 per contracted property per month? Did you also know that mega OTAs have on average less than 300 visitors per contracted hotel per month? Compare this to the average full-service independent or boutique hotel's

advertising spend of $7,500 to $10,000 per month and property website traffic of 10,000+ visitors per month! Any hotel, on its own, can achieve much more online exposure for its products and services, as well as much better engagement of the online travel consumer audiences relevant to the property.

When the property embraces a "direct is better" top-down strategy and the on-property team sets a primary goal of generating as many bookings as possible via the direct online channel – by far the most profitable channel today – the team can work together to seize market share from the OTAs as a united front.

Budgeting for a robust direct online channel strategy is the only way to begin to shift the pendulum away from the OTAs.

Learn more in our article, "Hotelier's Action Plan to Win Back Market Share from the OTAs."

Real-time data vs. Big Data
At the property level, Big Data means the full breadth of past guest profile information, past booking history, preferences, purchasing habits while at the property, affiliation with the hotel guest appreciation program or loyalty program, booking channels, preferences for auxiliary services , etc. Utilizing this humongous amount of data in a practical and meaningful manner sounds both appealing and intimidating.

Unfortunately, this Big Data has very little value if not utilized to the fullest.

The new hyper-interactive, multi-device and multi-channel travel consumer is bombarded by offers left and right. For example, imagine what one of your hotel guests goes through within 12 months post stay at your property: he or she would receive at least 100 travel deal-related emails from OTAs, at least 100 emails from a Flash Sale site like Groupon or travel deals publishers like TravelZoo, and would have been exposed to at least 20,000 travel-related banner impressions and at least 5,000 paid search impressions.

Then, how important it is to have Big Data that includes profile data about a past guest who stayed at your property 12 months ago, but never heard from you since then? No real value, indeed!

Compare this to the real-time data you can get about a travel consumer visiting your website:
- Home town and country (for example Los Angeles, CA or São Paolo, Brazil)
- First time or repeat visitor to the website
- Loyalty member or not
- Past booking history: number of past stays, type of accommodations (room or suite), LOS (Length of Stay), etc. via an API with the CRM or PMS vendor
- Gender and demographics (from Facebook sign-in on the site)
- Dates of travel (API with airlines' first-party data resellers)

In our view, real-time data is more relevant than Big Data to improving customer engagements and conversions.

Some initiatives in which to utilize real-time data include:
- Multi-channel campaigns: remarketing for search ads, retargeting, dynamic rate marketing, etc.

- Dynamic content personalization: personalizing the visual, textual, and promotional content on the website based on the user.
- One-to-one marketing: serving unique promotions to users based on their real-time behavior, occupancy needs and perceived LTV (lifetime value).
- E-mail marketing and e-mail retargeting: segmenting lists based on interest, demographics, etc.
- Loyalty program or guest appreciation programs: capturing site preferences and serving visitors with customized promotions such as a suite promotion if the member has booked a suite in the past. Even smaller independent hotels are implementing such guest appreciation programs.
- eCRM: capture guests' preferences while on-property, remember them and serve them relevant content when they return to the website or via email communication.
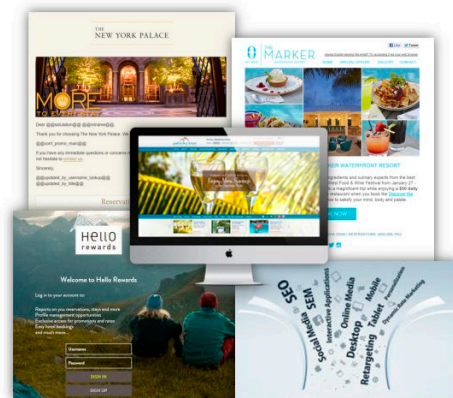
Hotels that take advantage of data that they have, and utilize technology to customize the content and apply it to their digital marketing strategy, such as the HeBS Digital smartCMS, will stand out from the crowd and shift share from the OTAs to their own website.

◼

About HeBS Digital

Founded in 2001, HeBS Digital is the industry's leading digital technology, full-service hotel digital marketing, website design and direct online channel consulting firm, based in New York City. HeBS Digital has pioneered many of the "best practices" in hotel digital marketing and website revenue optimization, as well as a range of industry-first digital technology applications. The firm has won more than 250 prestigious industry awards for its digital marketing and website design services, including numerous Adrian Awards, Davey Awards, W3 Awards, WebAwards, Magellan Awards, Summit International Awards, Interactive Media Awards, and IAC Awards.

   www.hebsdigital.com

SMART DIGITAL PLATFORM:
HeBS Digital = Your Digital Technology + Marketing Partner

Strategy

Direct Online
Channel Strategy

Website

smartCMS + Award-Winning
Website Design

Digital Marketing

Full-Service
Digital Marketing

HeBS digital

Consulting

Website Revenue
Optimization Consulting

Digital Technology

(Interactive Apps, DRMgateway,
Meta Search, Reservation Recovery)

SMARTER STRATEGY+ SMARTER TECHNOLOGY
= MORE DIRECT BOOKINGS + HIGHER ROIs

FOLLOW US ON:
Facebook: facebook.com/hebsdigital
Twitter: twitter.com/hebs_nyc
Linkedin: linkedin.com/company/hebs-digital

Contact HeBS Digital's consultants at
(212) 752-8186 or success@hebsdigital.com.

HeBS digital www.hebsdigital.com

Solving the interface problem

by **Lyle Worthington** 🔗

In many ways, interfaces are built like human relationships, writes Lyle Worthington of HFTP Global. And, like human relationships, parties on both sides can, and should, change. Here he prescribes how we ought to go about this.

Interfaces come in all shapes and sizes. They communicate one-way or two-way, via a network, a serial cable, flat files written to a directory, or a direct database connection. Some use proprietary messages, others, messages built on pre-defined industry standards. They can be heavy- or lightweight, synchronous or asynchronous, dedicated point-to-point, or a part of a Service Bus. In many ways, they are built like human relationships. In the beginning, it is a beautiful partnership between two parties, created based on the needs of both sides at that particular time. Assuming neither side makes any changes, this relationship might continue in perfect harmony almost indefinitely. But, just like human relationships, parties

on both sides can, and should, change. And when they do, that original interface may no longer meet the needs of both parties. At that point, everyone must agree to change together to keep the relationship viable. Unwillingness to change on one side hinders the growth of the other, or the forced growth of one may ruin the relationship completely. Given all of this, it is easy to see why people get nervous about interfaces and why the process of setting one up, or updating an existing one, can be expensive and time consuming.

But it doesn't have to be. To understand why, it is helpful to first discuss how we arrived at our current situation.

Interfaces today are developed to serve a very specific purpose - for example: this POS needs to post a charge to that PMS. To effect this interface, one must purchase interface software, and annual support, from both companies. Once installed, these interfaces create a static and unlinked copy of important data in both systems. This requires more management, more effort to keep data in sync, and complex reporting to provide useful insights which include important data from each system. Even worse, these interfaces are one-to-one, meaning if you want to notify three different systems when a particular event occurs, you need three different interfaces, each one suffering from the same limitations described above. And it isn't just changes to an actual interface, but also changing out an interfaced application, which then requires changing out every interface to that application. All of this makes change difficult and expensive.

But why are we still living in that interfacing world? During the HFTP Annual Convention's "State of the Industry: Technology" session, the question was asked, "Are the issues around our industry's lack of innovation the fault of our vendors failing to

innovate, or are we, as hospitality professionals, to blame for not pushing them to innovate?" I think it is both. Clearly, we look to our established vendors to create the things we tell them we need, and even things we don't yet know we need, but no vendor is ever going to be able to do everything for everyone as fast as the industry wants or needs them to.

So how do we fix this? First, we need to stop caring about message formats, and stop installing only static, one-to-one interfaces. Second, we need to change the way we think about how applications are built.

The use of an Enterprise Service Bus (ESB) solves the one-to-one problem by allowing systems to "publish" and "subscribe" to specific events. It also solves the problem of requiring a particular message format and means of delivery; it will handle all translations and communication between all connected systems. For example, when a guest checks in, the PMS fires a Guest Check-In message in its preferred format to the ESB. The ESB notices that the Energy Management System and In-Room Entertainment system have subscribed to these events, translates the message into the format those applications prefer, and delivers the message using their preferred means of communication. The applications don't know or care about each other or what their messages contain. They just know what types of messages they send and receive, and how they send and receive them. The ESB does all the work for you and allows you to hot swap applications without the need to notify any of the other applications with which it interfaces.

But the ESB doesn't solve the root cause of the interfacing problem, that is, how our applications are designed to interface. Created for a specific purpose, they are built to read and write specific data only, send and receive it in a specific format, and do so only when specific criteria are met. Innovation is still limited by what a particular application allows. This means the ability to plug an application into a service bus is limited as well.

All software developers should be building applications that can be extended by third party developers quickly and easily. This is where startups and third party developers can - and do - provide a huge benefit, and resistance to this model is where both we and our vendors have gone wrong. Both modern web applications and advanced enterprise applications are benefiting from Application Programming Interface (API) driven development. In this model, individual components of the system are not bound to one another, but rather work together by calling pre-defined APIs. Why? Modularization. Building or changing individual elements doesn't require learning all the details about the underlying architecture - or even the programming language - of the system. You simply need to know the API and develop to it. This speeds development, reduces development cost, and allows for easier, more cost-effective hot-swapping of components. An added benefit to this model is that third party applications can also take advantage of the APIs to further extend the product.

Yes, this requires a fundamental change in the way some software developers do business and how they handle development. But this concept is no longer 'the future', it is the 'here and now'.

There will always be a need for one-off dedicated point-to-point interfaces in very special cases or in smaller environments where an ESB does not make financial sense. But the way we think about interfacing and integration needs to change. Software creators need to take a lesson from the successes of Facebook, Apple and Google; they welcome third party developers who create a much larger and more valuable ecosystem on their platforms. This provides extendibility and rapid development of new functionalities these tech-based giants might not have the time or desire to create themselves.

As technology professionals in our industry, we should push for this, and embrace an open interfacing model, removing the barriers encountered by many startups who want to make a difference in our industry. A vibrant startup community not only helps speed innovation, but also adds value to the established software providers by extending their products - making them more beneficial to current and potential customers. The larger ERP systems out there have figured this out, as have the newer platform-based applications. It's time our larger software vendors do the same by adopting – and supporting – a more open integrated world. ∎

Lyle Worthington, CHTP is a hospitality technology executive, CIO advisor, and world-renowned technology consultant with over 20 years of diverse technology experience ranging from software developer to CIO. He is the current Vice President of HFTP Global, has served on and chaired several boards, committees and councils specific to the hospitality industry, and has been an active voice for technology in hospitality for over 10 years. He regularly speaks at industry events and has written numerous articles on global hospitality technology for print and digital publications.

How human is human capital management technology?

*by **Bernard Ellis*** 🔗

Every new innovation in front-of-the-house technology seems to be greeted with the fear that it will take the human element out of guest service, seen by many as the last true differentiator in our commoditized industry, writes Bernard Ellis of Infor. This does not have to be the case.

When property management systems were first introduced, the question was how can a front desk agent who is peering down at a monitor, or a restaurant server typing into a hand-held device, properly interact with guests in a personal, welcoming manner? Of course, now it's the guests who are more likely to not look up from their devices while interacting. And I don't know about you, but I feel more confident when the restaurant server writes down or enters my order, instead of putting on a no-hands show of remembering it, only to get the order wrong, or at best come back needing reminders.

To be fair, the first generation of costly self check-in kiosks were a notable hospitality technology flop—hotel guests strongly preferred to be received by a person, even if there was a line, and even long after they became accustomed to checking themselves in at the airport. But now that guests are likely to have entered their own reservation in the first place, it has become natural to handle the check-in process too. Besides skipping the line, people are also seeing they're more likely to be made aware of all the choices available and get exactly what they want through a self-check in experience.

Moving to the back-of-the-house, human capital management (HCM) technology's image is going through a similar evolution. While employees certainly appreciate timely, correct paychecks, any other exposure to HCM technology has

historically been viewed as impersonal, reducing the employee to a number.

Human resource professionals don't necessarily disagree with this assessment. After all, the role of the HR professional can mirror these contrasts. Most choose the profession out of a love for people and a desire to improve the employee experience. These professionals seek out the opportunity to help people grow, manage through difficulties, and generally benefit from a better workplace environment.

But HR professionals often find that when it's time for a lay-off they are positioned front-and-center to manage it, walking the same people to the door whom they worked so hard to recruit, select, and train. All the humanity, the "touchy-feely HR stuff" they are passionate about must be put aside until business improves, and for now, the priority is to avoid litigation. The logical, and usually accurate, perception to follow was that reducing exposure was also the priority of the first HCM tools that were put into their hands. But today's HCM technologies have grown beyond just being tools to process payroll and track compliance. New innovations in employee self-service, learning management, and talent science are automating more of the hire-to-retire interaction than ever before. But just as hotel guests have come to accept that technology can actually improve service delivery, HR professionals and

the employees they serve must now go through a similar change of mindset to recognize that HCM technology can in fact improve a hospitality company's humanity. Here are a few examples to illustrate how HCM technologies have the potential to increase the human element of human resource management:

Example 1: Talent Science

Talent science, a relatively new genre of HCM technology, relies on a combination of Big Data and performance metrics to help hospitality companies make the best hiring decisions. Initially, this type of application sets a baseline through an assessment of all current employees. By examining the incumbent population with a behavioral assessment, each employee's behavioral style and characteristics – essentially their core preferences – can be identified. At the same time, the organization is asked to identify its top performers in each position, and the behavioral characteristics of those employees form the basis of a benchmarking profile for all future hires in those positions. Skills can be taught through training programs, but it is the intangible attributes, ranging from discipline and ambition to flexibility and attention to detail, that provide hospitality human resource professionals with a complete picture of what makes an individual employee successful.

Hospitality HR professionals are then able to more objectively identify best-fit candidates by comparing future applicants against this baseline performance profile. Essentially, talent science applications establish a prediction model that allows HR managers to rely on science, rather than gut instinct or resume scanning, to make hiring decisions. Every position within a hotel calls for a unique set of characteristics, which is why individual profiles for each job type are necessary. Talent science identifies the right mix of each behavioral dimension, whether it is sociability or emotional consistency, and allows hospitality companies to hire applicants that demonstrate similar behavioral dispositions.

So how can such automation and objectification of the hiring process possibly improve upon the human element of assessing job applicants? Talent science doesn't just narrow down the applicant pool to the best fits for the position, it also identifies the degree of the fit, as well as exactly what characteristics made the applicant fall short of being a perfect fit, and suggests interview questions that will facilitate probing those issues deeper. As a result, HR professionals not only have more time to focus on interviewing the most favorable candidates, but those interviews are more focused on each applicant's strengths and weaknesses. The right talent science solution will also identify if an applicant might in fact be better suited for another open position. After the

employee is on board, managers benefit from the behavioral insight on how to coach that particular employee, and even what a suggested career path would be. Talent science also humanizes the organization through increased diversity, by offsetting the unconscious biases of hiring managers who, in the absence of an analytically driven profile that recommends the best fit for a position, will tend to just hire people like themselves.

Example 2: Learning management systems

Learning Management Systems are technologies used to administer automated training courses to employees.   One fear is that, without being able to observe how well a trainee is absorbing the material and keeping up with the class, human resource professionals could be setting the trainee up for failure. Another fear is that, with the unprecedented five generations sharing today's hospitality workplace, computer-based training will give younger workers an unfair advantage. In fact, learning management systems can address both issues with even more humanity.   Since automated learning is self-paced, trainees can spend more time on topics that are less familiar to them, without being embarrassed in front of their new boss or co-workers. Furthermore, a good learning management system can be designed to assess how well concepts have been absorbed, and privately repeat or extend that section to fill any gaps for that trainee.   As with Talent Science, managers can still receive guidance on what training subjects were more troublesome and warrant increased oversight and proactive coaching, versus waiting for the employee to exhibit those problem areas on the job, in front of guests.

Many hospitality professionals are also concerned that automated training will bring about such a homogenization of service delivery, that it will suppress the unique charms of each employee's personality, and for multi-property organizations, especially international ones, that guests will lose the sense of place conveyed by each property's distinct culture and destination. This fear assumes that technology can wield that much power over an employee's approach to work. This article was written in August, and as anyone who works for a global company knows, August is a month when otherwise subtle variations in how different Western cultures approach work and leisure can be seen in sharp relief. Specific flash points include differing opinions on how long should vacations be, and how much should one be expected to check in with the office while on holiday. Anyone trying to set up a meeting with Europeans knows that if it doesn't happen by the end of July, that you'd might as well start singing that old Happenings song: "See You in September." But, try to get a full quorum of Americans at a July meeting,

or at any other point in the summer really, and it will also be close to impossible, with someone crucial always out that week. The question is, why aren't these differences resolved by all of the connected technology that we now – and I use the word loosely – "enjoy?"

Technology has supposedly made the world a smaller place, some say to the point of melding all of our distinct cultures into a single generic society that can be described in 160 characters or less.   But in my experience, while everyone now has those devices, it's much more common for Europeans to carry separate work and personal phones, and to switch off the work one on weekends and holidays without hesitation. Americans tend to carry one phone, and don't manage to disconnect as cleanly from work, but likewise, they probably don't disconnect as cleanly from home when they're at the office either. The point is that when it comes to the different ways we view work and its boundaries, technology hasn't actually managed to change it, at least not completely. So, it's doubtful that an occasional encounter with a learning management system will do so, either.

Example 3: Employee self-service

Employee self-service technology basically takes away most of the reasons an employee would visit the human resources office, such as to learn about and select their benefits options, or to pick up and complete tax forms when something changes. Doesn't that take away the human element by definition?   Perhaps, but it also makes life easier for employees who are struggling with multiple jobs, childcare issues, and other life responsibilities, to be able to do these things on their own schedule, perhaps with the assistance of family or friends who have a better command of the language. Or better yet, perhaps the system can actually be used in the employees' native language.   And, many things are actually less comfortable for an employee to do in person, such as to file a grievance, or request information on employee assistance plans, which can be achieved with much greater privacy via employee self service solutions. But for those needs that do warrant a face-to-face conversation, HR professionals now have more time to spend, without the concern of a crowded waiting room outside, filled with the watching-eyes of impatient people only there for routine administrative transactions.

So, to progressive human resource professionals who feel that HCM technology diminishes their role, and strips the human element from their work, hopefully these examples have started to convince you that in fact, the opposite is true.
■

The Infor Hospitality difference

Guests love great experiences. Your staff does too. Infor's® award-winning software designed for hotels and restaurants not only makes customer service a pleasure for everyone, but it also makes controlling costs and optimizing revenue easier as well. The results will show in customer reviews—and your profits.

20,000+
hotels, restaurants, and casinos rely on Infor software

100+ Infor Hospitality customers are in **100+** countries

including **9 of the 10** largest hotel companies in the world

and **9 of the 10** world's largest hotel properties

1 of 2
Infor is one of just two global hospitality enterprise software providers

+50%
of Infor Hospitality sales come from new customers

600+
Infor Hospitality solutions offer over 600 system integrations

infor Hospitality Software

infor.com/hospitality

Total profit optimization:
Break free from the "room rut"

by **Tammy Farley** in

Two key segments are poised to drive a sea change in the way hotels operate: millennials and international travelers, writes Tammy Farley of The Rainmaker Group. Given their increasing importance to the hotel industry, and their potentially different profile as guests, hoteliers must understand how to assess the total value of each guest by factoring all revenue streams into their pricing decisions.

The rise of millennial consumers, who will account for a full half of travelers by 2025, is increasing the demand for novel travel experiences. Meanwhile, the U.S. Department of Commerce is projecting an annual growth rate in international arrivals of approximately 4%, or 80 million visitors. Of those, travelers from China are an increasingly powerful segment, taking longer trips and spending more than USD 1,000 per day on average – a figure that, importantly, excludes accommodations.

The hospitality industry is in a race to expand services and amenities to meet the expectations of these growing segments. As new programming develops – from gaming to dining, wellness and beyond – revenue managers must take a holistic approach to their pricing strategies. No longer can hotels afford to manage pricing and yield inventory with a primary focus on driving and increasing RevPAR. It's time to break out of the room rut and look beyond the four walls of the guest room.

Going forward, hoteliers must consider the total value of each guest, factoring all revenue streams into their pricing decisions. And yet for all the discussion about profit optimization in the hospitality industry, a recent study by Info-Tech Research Group reports that fewer than 10% of hotels today are using an automated revenue management system.

There's no denying that the business traveler who treats associates to dinner and a fine wine at the hotel's restaurant is a more profitable guest than one who entertains off property and limits hotel spend to accommodations only. Likewise, the leisure guest who books an annual weekend getaway with friends, complete with spa treatments, room service and a stop at the lobby boutique to pick up gifts for loved ones back home, is more valuable to the hotel than one who spends the day and evening out on the town, returning only to shower and sleep. A total revenue management approach arms hoteliers with the intelligence they need to turn down a room request now if their system forecasts a more profitable booking later. So why aren't more hotels taking advantage of this valuable technology?

Ironically, technology itself is often cited as the weak link. Hoteliers have been quick to fault the lack of availability of sophisticated systems that can communicate with each other. In the meantime, however, they would do well to take a page from their counterparts in the casino industry, who have been highly successful at finding creative ways to capture crucial guest data using existing systems. In fact, since 2001, many casino hotels have leveraged total guest value to help boost gaming and non-gaming revenues from 5 to 15%.

Revenue managers at casinos have learned that a strategic loyalty program, for example, is an excellent way to incentivize guests to reveal how much they spend on property. And it enables the hotelier to give access, when room demand is high, to those who typically spend more and close out those at the low end. Consider the following examples:

The Cosmopolitan of Las Vegas
The Cosmopolitan's "Identity" program is a loyalty card rather than a gaming card, encouraging guests to earn points for spending throughout the property, on everything from room to dining, spa and shopping. Management invests a great deal of effort in training its associates to optimize the program. Servers at Blue Ribbon Sushi and other on-site restaurants, for instance, are trained to prompt guests for their Identity card with the check, thereby capturing valuable data on their spending history.

Wynn Las Vegas
This was the first casino to create a single card to serve as both room key and frequent player casino card, opening the guest's door one moment and going into the slot machine the next. The guest benefits from the convenience of keeping track of only one card, while the casino keeps track of the guest's gaming spend.

Atlantis Paradise Island
At one time in the Bahamas mega-resort's history, the room key was the only form of payment allowed on property, a policy that allowed management to capture every detail of a guest's spending habits.

It is past time for revenue managers at traditional hotels to follow the example of their gaming colleagues. Experience-hungry millennials and deep-pocketed international travelers are at the doorstep, and savvy hoteliers know that if they are to compete, they must break out of yesterday's "heads in beds" paradigm to focus on total guest value.

RAINMAKER™
Drops to your bottom line™

Restoring trust in booking direct
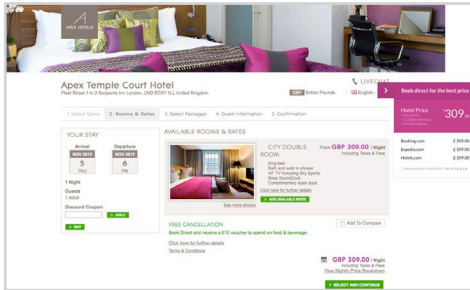
Voted European Travel Innovator of the Year, Triptease is revolutionizing the way we book hotels.

Over 8000 hotels worldwide use Price Check to increase direct bookings. The smart widget shows live prices from three OTAs on a hotel website. Trust and transparency mean 35% more direct bookings on average. Paired with Enchantment Messaging, the hotel website becomes the best place to book and hotels save millions in OTA commissions as a result.

www.triptease.com
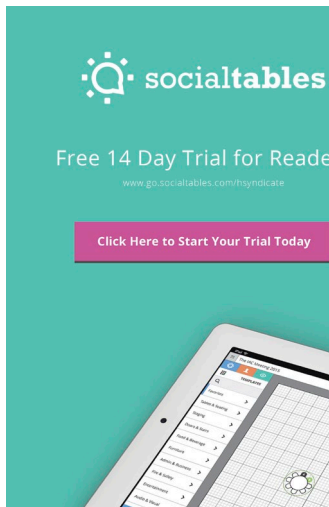
The #1 software for planners and properties to work together online.

We are the industry leading provider of cloud-based hospitality software that positions properties to work more collaboratively and efficiently with their event and meeting customers. More than 63,000 unique users rely on the desktop and mobile product line, which includes Social Tables On-Site, an online sales and marketing solution; 2D and 3D room diagramming; business intelligence for hotels; and event attendee management. Users have planned over 350,000 events within the company's 320-million square foot Venue Library.

www.socialtables.com

Everyone is texting, your hotel should too! Service at your guests' fingertips!

Whistle is a hospitality customer service tool that connects hotels and their guests via popular mobile messaging apps and SMS. Personalized conversations with guests are sure to delight any travelers, who love the novelty and convenience of text messaging their hotel. Hotel agents manage and respond to incoming messages through the Whistle dashboard, facilitating open dialogue and improved customer service. Whistle helps improve service scores, reduces operational costs, and increases efficiency among staff. Accessed by entire teams, Whistle is the synchronized virtual cellphone that hotel staff controls simultaneously. Whistle puts service at the guests' fingertips!

www.trywhistle.com
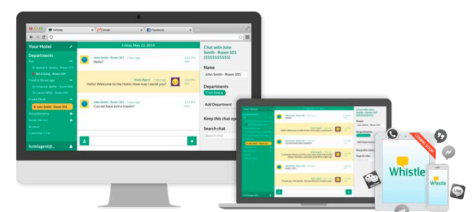
Cloudbeds - Hospitality Management on Overdrive
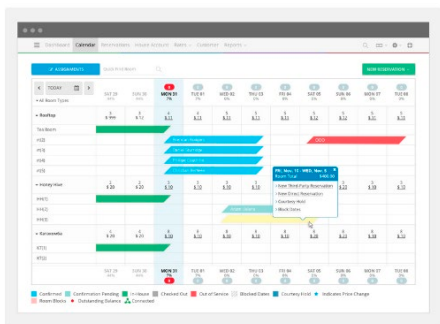
Cloudbeds creates browser-based hospitality management software that simplifies the working life of hoteliers. Cloudbeds' award-winning software is trusted by thousands of hotels, hostels, and groups in over 115 countries. With over 300 integrations, Cloudbeds connects to more marketplaces than any software in this industry. Cloudbeds has offices in San Diego, São Paulo, and Dublin.
www.cloudbeds.com

Do less waiting

GTRIIP is a biometric authentication app that uses Touch ID for a faster and more secure hotel check-in process. By sending traveller profile information from app to kiosk without an internet connection, we simplify registration. Conventional hotel check-in can average 10 minutes per guest according to a study by the Singapore Tourism Board. GTRIIP can reduce this to a 5 minute check-in for the first time visit to a hotel, and a 2 minute check-in for subsequent visits where the traveller's profile has been verified. We partner with industry leading door lock manufacturers so our app also opens door locks at hotels and offices with compatible locks.
www.gtriip.com
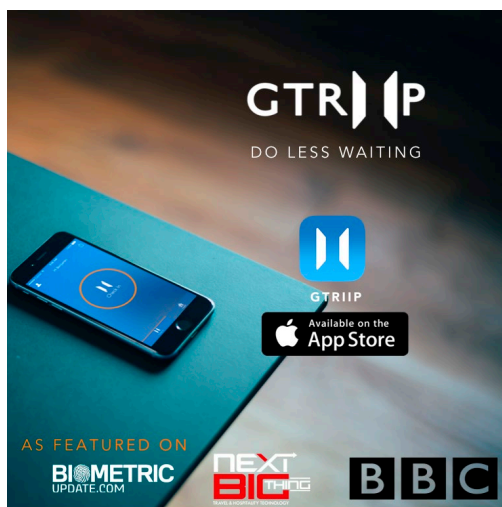
360° hotel review management: Gain control of your hotel's online reputation and guest reviews

Our software Review Analytics helps you understand and manage your online reputation and save valuable time. The solution helps you to collect, integrate, distribute and analyze customer-centric data, simplifying your review management and reputation analysis. By doing this, you will increase your visibility, build trust in your own website, and analyze your performance – which then enables you to attract more customers, increase your conversion rates and get more commission-free direct bookings. Visit our website and get in touch for a free demo of Review Analytics, our solution for your 360° reputation management.
www.customer-alliance.com
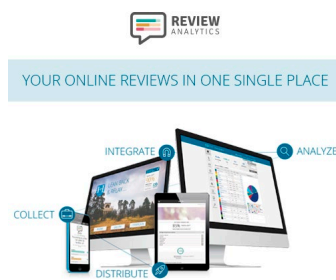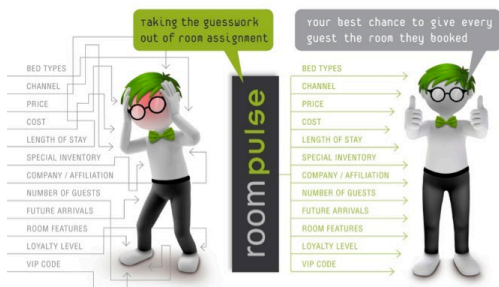
Imagine giving every guest the room they thought they booked

roomPulse is a revolutionary solution, designed and engineered by hospitality technologists to solve one of the most complex and multi-dimensional problems facing hotels, optimal room assignment. roomPulse significantly increases guest satisfaction and revenue potential, reduces cost and headaches. pulseLink, the agent's access to roomPulse, is designed specifically to reduce the amount of time spent searching for rooms during check-in. With about half of reservations not checked in to their pre-assigned rooms due to housekeeping status or last-minute changes and prior check-ins, pulseLink provides the most optimal room available at the moment of check-in directly within the reservation screen. **www.hospitalityPulse.com**

Communication software to deliver best-in-class guest service.
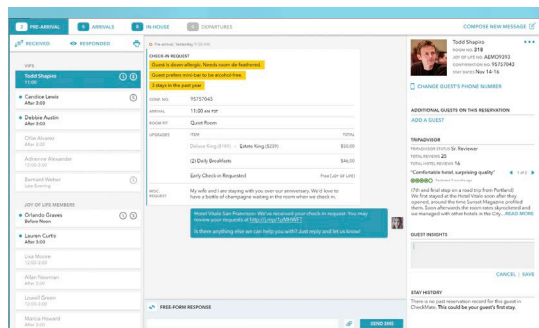
ENGAGE THROUGH ONE SIMPLE MESSAGE CENTER

CheckMate is the leading technology company providing best-in-class guest communications software to hotels and other hospitality companies. CheckMate enables properties and guests to engage in two-way conversations through mobile channels such as e-mail, SMS, or a native app. By immediately and personally connecting with guests through their preferred channels, properties are improving every facet of the guest experience.

CheckMate has improved the travel experience of 500,000+ travelers staying at over 51,000 locations. CheckMate was founded in January 2013 and later merged with Room 77, which has raised $43 million dollars from leading travel and technology investors.
www.checkmate.io
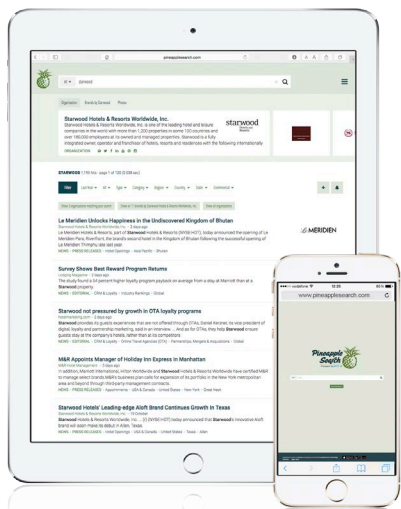
pineapplesearch.com: A new search engine for global hospitality professionals

Initiated by Hospitality Financial Technology Professionals (HFTP), and operated by Hsyndicate. org, pineapplesearch.com serves the global hospitality industry as a search platform for hospitality-specific industry information and intelligence. Pineapplesearch.com centralizes highly fragmented industry information into a single and free-to-use platform which delivers relevant information to industry professionals, when and how they need it.
Try it out at: **www.pineapplesearch.com!**

This is your wake-up call.

Reserve your place in the Cloud

*by **Peter Agel*** in *& **Sundar Swaminathan*** in

Cloud-based distribution services can boost margins and help hotels engage customers, write Peter Agel and Sundar Swaminathan of Oracle Hospitality. The key is understanding how the Cloud can help hotels effectively manage distribution channels while giving managers information to make insightful decisions about pricing, customer engagement, and inventory management – all while delivering great guest experiences.

SUNDAR SWAMINATHAN

PETER AGEL

About Oracle

Oracle Hospitality, formerly MICROS, provides leading applications, services and hardware for the hospitality industry. The company's solutions, which include systems for point-of-sale, property management, reservations, distribution, sales and catering, kitchen management, mobility, loyalty, and reporting, are utilized in restaurants, bars, hotels, casinos, stadiums, theme parks, universities, hospitals, and cruise lines around the world. Leveraging 35 years of industry expertise, Oracle Hospitality provides Cloud and on-premise solutions that allow the hospitality industry to deliver innovation and exceptional guest experiences while reducing the cost and complexity of IT.

➦ *www.oracle.com*

For both big and small hotels, the job of managing bookings is the same: Give discerning travelers the efficient and personal service they expect, whether the interaction is over the phone, via email, on an internal website, via a travel agency, or through an Internet partner. While you may have good control over your internal processes, dealing with online travel agencies, search, and meta-search engines or channel management tools is another story. Many hoteliers face slimmer margins as they rely increasingly on bookings through third party intermediates such as online travel agencies, meta-search engines, and global distribution systems. Some hotels have lost control of their distribution channels entirely.

When reservations go through intermediaries like Travelocity, Orbitz, Expedia, Booking.com, Kayak, and Trivago, hotels benefit from the market reach and global marketing activities of such portals but have limited control over the shopping experience. This indirect method of working with Internet partners has started to dominate the industry. According to TravelClick, North American hotels get nearly 20% of their room nights via Global Distribution Systems (GDS) and 15% via Online Travel Agencies (OTA). While the GDS share has been high for years—and did not decrease as many experts predicted—the OTA share continues to rise. Priceline and other portals are also expanding towards powering booking engines on "brand.com."

How can you leverage these ubiquitous channels while maintaining personal interactions with your guests? How can

you gain visibility into what customers want and the prices they are willing to pay, yet still offload inventory to partners? Today's Cloud solutions can help you effectively manage your distribution channels and make insightful decisions about pricing, customer engagement, and inventory management—all while delivering great guest experiences.

Cloud-based distribution systems allow you to maintain connectivity to multiple points –of-sale. They are hosted and managed by a third-party provider, which relieves you of managing the infrastructure. You can select which partners you want to do business with—on your terms—and let the Cloud provider make the connections. Cloud-based distribution services can thus help you effectively manage your partner relationships. You can leverage search tools to drive customers to your website and you can leverage your partners to drive additional bookings at your properties. With the technologies available today, you can track customer interactions on your web site, personalize their booking experiences and even make special offers to loyal customers.

Achieving this level of customer intimacy can only happen if you effectively manage the distribution process. If you still operate your own central reservation system or work with allotments, you probably depend on a compilation of services to facilitate direct connections with clients. This involves manually informing online travel agents of the status of your inventory. After a booking is completed, you have to manually update your hotel system. Or you might be using a channel management service provider that acts as a compiling inventory service. In either case, there is an exchange of inventory between two databases that needs to be continually synchronized. It is not a real-time exchange, and the database connections have to be constantly updated to reflect available inventory. In other words: what is being offered and sold comes off of a "retail shelf" and is far away from the reality of real time rates and room availability.

Cloud-based distribution systems take the lag out of these network connections. They simplify manual processes, transforming your operation and empowering your staff to be more responsive to clients. Staying closer in touch with your inventory and managing the activities of all online partners also increases profitability since you can choose how much inventory to sell directly and how much to shift to partners from day to day and moment to moment.

In addition, your on-premises hotel operations system can be replaced with a Cloud service that is managed and controlled centrally. You don't need to integrate a booking engine with a property system; you simply connect it to a multi-tenant Cloud service. Cloud-based systems are easier and less expensive because you don't have to purchase and manage the associated hardware and software infrastructure. You gain a state-of-the art distribution system with direct links to global travel agency partners—all for no up-front costs, rapid turn-up, and a predictable monthly fee. Best of all, you move much closer to a real-time enterprise, with visibility into current inventory at all times for all the channels and partners you like to work with. You don't have control if you don't have visibility.

A Cloud service can also consolidate bookings and broker the connections with global distribution systems such as Amadeus, Sabre, Galileo, and Worldspan. This allows you to be smarter about how you position your inventory—at what price and on what channel. You can manage room rates, availability, and restrictions across all connected Internet distribution sites. In short, you will be able to connect to online travel agencies, yet still control how much you are selling through each channel. For example, during peak periods you can retain more inventory to boost margins. During lean periods, you can be more aggressive with pricing and offer more inventory to other channels. You can develop a better sense of your demand profile. Dashboards—accessible through a phone, tablet, or computer—allow you to manage the enterprise in real-time.

Managing connectivity with global partners and distribution systems is an ongoing challenge. Working with a Cloud provider not only gives you real-time updates on your inventory but instant access to new industry aggregators and new industry channels as they become available. Cloud services offer the opportunity to reach more customers with targeted marketing. You can improve brand visibility and grow revenue while simplifying your technology infrastructure.

Look to the Cloud. Take the complexity out of your hotel systems and meet the competition head-on with a modern, nimble, and extensible set of information systems that will improve the guest experience, boost margins, and increase customer loyalty.

ORACLE®

HOSPITALITY

Extended opportunities: optimizing revenue at extended stay properties

by **Sanjay Nagalia** in

A common view of the extended stay industry is that challenges all hotels face—from balancing availability to managing pricing—are amplified in this market. Could it be, though, that opportunities are amplified too? Sanjay Nagalia of IDeaS Revenue Solutions walks us through his analysis.

The opportunity for revenue optimization in the extended stay industry is very real and achievable. It all depends on your approach.

To begin, a quick definition. In this article we use "extended stay" not just to refer to extended stay hotels but also to serviced apartments and aparthotels. It's a rapidly growing sector in the hospitality industry in large part because it appeals to so many different kinds of potential guests.

Widespread appeal, in fact, is at the heart of the opportunity. Guests look to longer-term accommodations for a variety of reasons, ranging from long-term professional work assignments, to construction crews working on a multi-week project, to families traveling for extended medical treatment, or even guests who just prefer suite-style or apartment lodging. Hotel owners benefit from the appeal as well, since cost of service typically drops for longer length-of-stay (LOS) business, thus increasing profitability. Owners also benefit from the fact that extended stay properties maintain a relatively constant occupancy throughout the week as compared to the phenomenon of peak days, shoulder days

and non-busy days typically experienced by city-center hotels and weekend resorts.

Market segmentation, therefore, is a critical opportunity for extended stay hotels. Identifying the type of guests staying at a particular property requires a reliable separation of data and grouping for accurate forecasting. How valuable are different guest segments? When do they arrive? How far in advance do they book? Understanding and accounting for key demand factors for each key business segment serves as the most reliable basis for key business controls to drive profitability. This includes setting the right price, achieving the right mix of guests, achieving the right length-of-stay (LOS) mix, setting appropriate over-sales limits in order to avoid lost revenues, and applying the right mix of these pricing and inventory controls to achieve profitable growth.

An advanced revenue management system, despite the complexities of the environment, can facilitate exactly this kind of forecasting. It takes into account demand by arrival date and length-of-stay, cancellations and no-shows, extensions, early departures and more. This capability to analyze data

and generate robust forecasts, as well as optimize for maximizing RevPAR or ProPAR, is where many current revenue management systems and pricing systems fall short; an incorrect forecast essentially invalidates any attempt to set controls designed to grow profitability as a result of that forecast.

Looking more closely at in-house extensions, there is opportunity to take advantage of this frequent occurrence at extended stay properties. For example, the construction crew that reserved four weeks may end up facing supply delays, equipment problems or bad weather. Accommodating their needs is obviously in the property's best interest, not just for repeat business, but for maximizing the overall mix of business.

Let's consider a related scenario where specialized controls can help drive revenue. Guest No. 1 wants to book three nights at $100 per night. Guest No. 2 wants to book 30 nights at the same rate. If one night has zero rooms to sell in the room type the guest wants, there is far less impact (revenue loss) on the short LOS reservation, but it has significant

impact to the longer reservation if the hotel is unable to accommodate. In this situation, overbooking while demand exists is an acceptable option—particularly if the customer profile for Guest No. 1 suggests a likelihood of cancelling. And even if Guest No. 1 walks, the hotel or apartment secured the 30-night booking which, again, typically means a lower cost of service. Optimizing the remaining capacity by considering all available demand across all arrival dates and by length-of-stay, in addition to overbooking and sell-through controls (straight-line availability where there is still demand), is critical to maximizing revenues.

Understanding the wash—cancellations, no-shows, early departures, and straight line availability (the constant availability of rooms across guests' stay-pattern enquiry)—is significant, too, and this level of understanding is imperative in an advanced revenue management system for driving better revenue.

Here's an additional opportunity for consideration. In the extended stay sector, pre-contracted rates are common. For instance, a large employer may contract with a local serviced

apartment property when new employees are relocating. Or guests may belong to certain organizations that qualify them for established rates. Based on their behavior, different business controls may apply. This impacts not only a hotel's forecast performance, but also the ability to optimize and/or price rates correctly. It is the responsibility of the revenue managers (and their revenue management system) to understand these qualifications and all of the complex relationships or key elements that may affect what a guest's behavior will be, and select the most valuable demand.

In the previous example, if Guest No. 1 is un-qualified and Guest No. 2 is qualified (because she has a specific contracted rate through membership in a specific group), what rates should each be offered? How do the rates relate to one another and to the rate structure as a whole? Advanced revenue management systems understand the complexity of publicly priced products—with retail prices and rates that are derived from those retail prices—in addition to qualified products, and intelligently set prices and availability controls to seamlessly optimize all types of business while producing the best revenues possible.

The short answer to all of these questions comes down to one word: data. Collecting it. Organizing it. Analyzing it. Continually refining the data acquisition and analysis loop lets revenue managers and executive leadership generate the accurate forecasts vitally important for fine-tuning business operations and increasing the overall value of an asset. This is why an advanced revenue management system should be a necessity for the extended stay market—its ability to utilize sophisticated analytics to employ a rational and disciplined approach to revenue management overall; accurately forecasted key elements (e.g., demand and wash) allows you to set demand- and market-relevant prices, optimize the business mix and LOS mix, assess all guest opportunities appropriately, and ultimately, increase a hotel's revenues.

In conclusion, as the extended stay industry continues to grow and evolve, so too must revenue management strategies and solutions in order to truly sustain growth and drive performance. One by one, as challenges are met, new opportunities emerge, and the leading hotels in the extended stay sector will be the ones taking advantage of the most advanced revenue management technology to reach maximum profitability.

■

ALL
REVENUE MANAGEMENT
SYSTEMS ARE
NOT
CREATED EQUAL

IDeaS offers the ideal revenue optimization solution for clients of all types, of all sizes and on any budget **anywhere in the world.**

Better **FORECASTING**. Better **REVENUE**. Better **PARTNER**.

Powered by the world's most advanced analytics and deepest commitment to each client's success, IDeaS offers the solutions, services and technologies that hoteliers need for Total Revenue Performance.

WWW.IDEAS.COM

IDeaS™
A **sas** COMPANY | DRIVING BETTER REVENUE

The apps we use

*by **Floor Bleeker*** 🔗

"There's an app for that!" is much more than a tired old joke when it comes to working together across time zones and continents. Floor Bleeker of Mövenpick has graciously agreed to share with us his insider list of apps that he and his colleagues use to improve their effectiveness as an IT department – and as a team.

At Mövenpick, Natural Enjoyment™ is the brand promise from us to our customers, and to each other. At the heart of natural enjoyment was the desire of our founder Ueli Prager, 40 years ago, to do ordinary things in an extraordinary way. Within IT we have selected a number of apps that do just that.

We have five apps you might not have heard of; they are free or inexpensive and have become essential to the way we run the IT business at Mövenpick. They help us do ordinary things like communicating, organizing and collaborating, in an extraordinary way.

Being a global multi-cultural workforce, organizing, coordinating and communicating can be a real challenge. I hope the following tools help you get things done as well as they do for us.

"Teamwork": Project management

Like everyone else, we have a large number of small and big projects happening at the same time. Project teams often exist consisting of vendors, employees and consultants that need to seamlessly work together across time zones and systems.

The developers of Teamwork needed a software to run their own projects and found that existing software was either too simple or too confusing, hence they created the perfect compromise. The system helps with project planning, milestone management, document management, resource planning, risk management and communication.

We started working with Teamwork to manage the overhaul of our portfolio of commercial systems – one of our largest IT projects to date – and it's now used for more than 100 projects ranging from simple upgrades to the openings of new hotels across the group.

www.teamwork.com
Cost: from USD 12/month for five projects to USD 249/month for unlimited projects.

"Wunderlist": To-do lists

Wunderlist is a to-do list app. It has all the basic features you would expect, such as priorities, deadlines, reminders and categories, but the real power of this app is that task lists can be shared with others, and tasks can be assigned and collaborated over.

We use this app to create agendas and action points for all our meetings and manage the progress of our objectives and day-to-day tasks for our direct reports. When me@wunderlist.com is copied on an email, a task is automatically created, ready to be assigned or followed up on.

As a bonus, it can also be used to run your personal life, including shopping lists that can be shared with family members.

www.wunderlist.com
Cost: free for the basic version, USD 4.99/month for the Pro version (with some extra features).

__Floor Bleeker__ joined Mövenpick Hotels & Resorts in 2013 in the position of Chief Information Officer. As a member of the company's Executive Committee, he is responsible for IT strategy, program development and implementation across the group. He also oversees the IT shared service organization covering Mövenpick Group, Mövenpick/Marché Restaurants, Mövenpick Fine Food and Mövenpick Wine. Prior to joining Mövenpick Hotels & Resorts, Floor worked with the Jumeirah Group in Dubai, UAE for over twelve years, where he most recently held the position of Vice President Business Solutions responsible for the IT team looking after IT strategy, solution development, project management, portfolio management, international expansion, SBU operations and digital marketing.

"Stormboard": Brainstorming

Having offices in multiple countries makes it hard to meet regularly face to face. This app provides users with a real-time whiteboard with multi-colored sticky notes. It's a great tool to generate ideas, organize and rate them. It allows users to come up with new ideas, comment on each other's ideas, rate ideas, move them around the board and export them to great reports.

For us, it made a cost-effective alternative to flying people to one place for a meeting. We created a large part of the IT strategy using Stormboard. It also works very well as a pre-workshop exercise, so the face-to-face meeting time can be used more efficiently.

Don't forget to disable your users once the brainstorm is over. The app charges per active user per month, so charges can add up quickly. There are no mobile apps available (yet), but the software works well on a responsive website.

www.stormboard.com
Cost: basic plan is free, with the full version costing USD 8.33/user/month (including reporting)

"Office Lens": Paperless office

For years, we have been trying to run a totally paperless office, but we always remain stuck with some left-overs – such as business cards, receipts and flip charts.

The Office Lens app is part of the Office 365 suite and helps you eliminate the last bits of paper from your life. It scans white boards, flip charts, documents and business cards and lets you share them with others in your team or post directly to your OneNote account for further editing or importing into your contacts.

www.microsoft.com
Cost: free

"Periscope": Video messaging

As we expand around the world, communication becomes more and more important and complex. We found that e-mail has lost its effectiveness and were looking for alternatives to get important messages across the organization. One of the tools we found was Periscope.

Periscope allows you to broadcast short video messages to the team. Participants can ask questions and like what is being said by sending hearts over the screen. (This part is a bit funny but effective!) All broadcasts can be stored for later viewing in case it was missed by anyone. We now use this on a weekly basis and the messages are well received. Being able to look someone in the eyes has always been powerful and now possible remotely and with a large audience.

www.periscope.tv
Cost: free

Are travelers getting it all wrong?

*by **Margaret Ady*** 🔗

With so much information and so many hotel reviews available to sift through before booking a hotel, travelers are spoiled – and confused. Margaret Ady of TrustYou asks if they are making well-informed decisions, however, and explains how this can be addressed.

Travelers are armed with more information than ever to make travel decisions. Vastly more. According to Tnooz, there is an average of 465 reviews per hotel online. With so much feedback in hand before booking, travelers should be pretty happy with their accommodations these days. But do they really have the feedback they need to make an informed decision?

Travelers read only about 1.2% of reviews before booking. Let that sink in for a minute because it is very little of what's available. Leisure travelers read an average of 6 to 7 reviews before booking, while business travelers read an average of 5, according to "Consumer Research Identifies How To Present Travel Review Content For More Bookings," a white paper created by TrustYou in conjunction with Donna Quadri-Felitti, PhD, Director of the School of Hospitality Management at Pennsylvania State University.

However, it is not as though travelers haven't invested time; in fact, most have spent 30 minutes or more reading reviews. The time investment is substantial considering our busy modern lives. Despite this time investment, however, travelers are still walking away from the screen without the scope of feedback they need to make a truly informed booking decision if they are only seeing a few of the many available reviews.

This is exacerbated by the fact that when travelers read just a handful of reviews, they tend to read the outliers: the very good and the very ugly. Neither is a winning situation. Reading

a few great reviews establishes unreasonable expectations, while reading even one really bad review sends them packing prematurely. The ideal really is to find the middle ground, to give travelers a snapshot—a picture of a property's assets that will attract the just-right traveler for the just-right trip. This fit is what produces happy guests, great reviews, and more revenue.

Getting to this ideal traveler-trip combo is more complicated now, though. Before, hotels were doing all they could to attract the right traveler by embracing and hosting reviews, by saying, "Look, we're transparent. We have good ratings, and we've responded to negative reviews professionally." Now, in order to not just find the right traveler, but more importantly to not lose the right traveler, hotels must provide review data that succinctly, in a very few minutes, paint a holistic image of the property.

Review summaries are one remedy to the travel review problem. In addition to summarizing all verified hotel review data available across the web, TrustYou Meta-Reviews™ offer a visual representation of traveler feedback. Not only is it less time-consuming to digest the information, it actually tells the whole story in a way that pages and pages of lengthy reviews simply can't. These review summaries are completely customizable. Some hotels use symbols to indicate overall traveler satisfaction levels, while others use a points system (9.0 out of 10, for instance). Many hotels will provide short summaries of what travelers say about rooms, food, ambiance, location, and more.

TRUSTYOU

The benefits of Meta-Reviews™ are many. These review summaries not only make travelers feel more confident about their decisions, they also make what has become an arduous research process much easier. In our travel review report, 52% of respondents said summarized reviews were the most user-friendly way of getting traveler feedback, and 72% said they were the most mobile friendly.

The value of appealing to mobile users can't be underestimated. In Forbes' "Travel and Hospitality Trends for 2015," Howard Roth notes that, "As more capital flows from east to west, as the middle class continues its surge, and as the Millennial generation – which within 10 years will be in its peak earning, spending and travel years – demands faster, customized services… mobile travel services will continue to be a hot platform, as will social media, digital innovation and analytics tools in a bid to engage customers and build loyalty." For those properties that invest in engaging mobile-friendly visuals and use the review summary as an opportunity to highlight unique property assets, Millennial travelers will follow. As Marriott executive Wolfgang Lindlbauer reflected in a recent issue of Fast Company, "The trademark of the boomer was that they wanted familiarity, safety, and comfort… [Millennials] want the exact opposite".

While review summaries are primarily designed to benefit travelers in the booking process, the value to hotels is equally high. Hotels benefit from aggregating all reviews into a realistic portrayal of the property. This exposes the untapped middle, which is where most of the best reviews are located, and highlights what travelers really value about a property. If three hundred of those four hundred reviews mention the exceptional service, travelers will see this right away. Additionally, review summaries may be segmented based on market, in order that travelers may isolate information they value (i.e., family travelers, solo or business travelers, etc.). At the end of the day, the result is generating more of the right travelers, a profitable outcome from an investment in reviews.

About TrustYou

TrustYou's mission is to positively influence travelers' decisions by searching, analyzing, and distilling hundreds of millions of travel reviews from across the web. TrustYou's data and web-based software are used extensively by hotels, accommodations, and restaurants to monitor, survey, and act upon guest feedback, all with the aim of providing better service, more influence and enhanced online presence. For travel intermediaries, TrustYou offers Meta-Reviews™ (based solely on verified travel reviews, not including TripAdvisor) to help travelers purchase wisely.

www.trustyou.com

Can the Internet of Things make the travel and hotel industry 'smarter'?

*by **Greg Abbott*** 🅛

The rapidly growing number of devices that are connected to the Internet means that an ever-increasing part of a hotel's working environment can communicate valuable, actionable information back to the management. Making use of this information to improve service quality – and the guest experience – is a fantastic opportunity, writes Greg Abbott of DataArt.

The Internet of Things (IoT) is a relatively large topic that is widely circulating these days, but I think it is critical to point out its practical implementations. HOSPA forecasts that by 2020, this number will increase to 9 devices per person. Currently, 80 "things" connect to the Internet every second, but we will see this figure rise to more than 250 "things" connected to the Internet every second in just the next few years. This trend will have a huge impact on the travel and hotel industry, which are already major beneficiaries of new and future "connected" innovations.

In an Experian Marketing Services research project related to users of IoT devices that include wearables, smart entertainment devices, as well as smart home devices, the statistics are impressive. Adult users of connected devices are 11.2 years younger than non-users and have household incomes that are almost double that of non-users. How these statistics directly relate to the travel and hotel industry is quite remarkable. The travel and hotel industry will have to measure its effect and determine how it will manage connected devices and the IoT.

Mobility and convenience are two shared critical components of travel and IoT, making them a natural fit. By taking advantage of IoT solutions currently on the market, hotel and travel companies can realize increased operational efficiency and more personalized guest experience.

Perhaps the most visible IoT innovations to affect the travel and hotel industry are the smart devices that have hit the market in the last several years. According to research by the SMA, two out of three people plan to purchase a smart home device in the next year. These innovations are giving rise to similar IoT technologies for use in travel and hotels - for

example, connected mini bars that feature removal sensors for auto-charging guests, and smart suitcases that can be tracked and monitored.

Facilities and operations

Beacons appear to be the next form of tracking people and things that can enhance operational efficiencies. Lighting and temperature can be automatically adjusted based

on sensor data from IoT devices, increasing efficiency and eliminating waste. In the airline industry, gate agents can locate late passengers through Bluetooth Low Energy (BLE) beacons, expediting departures. Smart sensors connected within devices can also aid the delivery of a personalized environment for a guest.

Personalized service delivery

Travelers and guests can experience dramatic improvements in service with the latest "smart" innovations. Hotels can automatically send electronic key cards to their guests' mobile devices, providing a comprehensive self-check-in and room key service. Smart locks with NFC or BLE readers can allow guests to restricted-access facilities on demand for improved security. Moreover, for returning guests, hotels can save room preferences and automatically load them at each visit, ensuring all guests enjoy a consistent, customized experience.

Machine learning and Big Data

You may be hearing a great deal these days about machine learning. IBM's "Watson" appears to be the most touted and prolific example of a computer trying to crunch big numbers and learn from how the data tends to change.

There is an incredible amount of data being sent via wearables and other IoT items. The aggregation of this information is not the problem. It is, in fact, making all of this data actionable. To help companies get to the data quickly and with a high sense of effectiveness, they are looking to machine learning.

GE has developed a solution called Predix™. It provides key performance data that enables technological devices to work at optimal level. It will bring in variables such as guest traffic, weather, travel anomalies and allow the hotel company to run at maximum efficiency. GE calls this the "industrial Internet" but it really is just the IoT.

ThyssenKrupp, the manufacturer of elevators widely used within the hotel industry, are seeing tremendous new efficiencies by adding Microsoft Azure Machine Learning to its IoT-powered "smart elevators." The myriad of computations related to where elevators stop, when they are used, how often are they in service and when they need preventative maintenance are all key in reducing operation costs.

More changes are coming

There is an opportunity for the "Apple Health app" to store personal environment preferences that can be shared with the hotel, e.g. lighting, temperature, favorite channels, and so on. Also, the use of biometrics to enable more precise authentication of the user and better protect their data is already prevalent.

With the knowledge that our data is everywhere, the hotel industry in the near future will have the ability to track guest behavior, to review, experiment and even "A/B" test specific room configurations to deliver the most optimal, guest-friendly environment. For instance, a hotel could try a new model of an alarm clock, a new type of TV remote, new lamp, or a different furniture arrangement, and measure if this configuration produced a more comfortable, enjoyable, or useful experience for the guest.

The hotel and meetings industry will be able to use smart devices proactively in order to deliver better meetings and conferences, e.g. automated detection of occupancy with iBeacons and the capability to ensure that the Food & Beverage department is ready to deliver optimal service, even for any delta in the number of attendees. There will also be an abundance of mobile apps that will enable the booking, management and fulfillment of meetings, possibly via a wearable, in the very near future.

These IoT solutions are all available on the market today (DataArt has open sourced our IoT Data Platform, DeviceHive). Future IoT products and innovations will no doubt bring even more dramatic transformations in the travel and hotel industry. Companies should prepare by incorporating IoT into their current initiatives to take advantage of future innovations when they arrive.

The Internet of Things is here to stay, and this landscape will become even more interesting…and complex. How the travel and hospitality industry embraces this new world will dictate how well the introduction of these devices and technology will flourish. ■

DATAART®

Evolution of group technology towards a focus on profit

*by **Ram Mohan*** 🔗

"Think total profitability!" is the mantra of Ram Mohan of GroupRevMax. He shows us in this analysis how regarding the sales process holistically can optimize total profits, with opportunities to apply technology that can help maximize earnings at each step along the way.

A typical group business life cycle depicted below involves prospecting leads, pricing and sending proposals, signing contracts, planning events and catering, booking attendee rooms and finally conducting the event.

| Gather/Prospect Leads | Price/ Send Proposals | Sign Contract | Plan Catering/ Events | Book Attendee Rooms |

In this entire life cycle, profit is either looked into at a quarterly meeting after the sale is made, or is considered only in quote/ proposal stage if there is a revenue manager involved in quoting rates. In this article, I argue that a more holistic approach to profit, with profit driving every step of the group business has potential to significantly increase group profit for hotels. Following are some steps hotels can take to achieve this.

Integrate profitability into the sales process
Profitability can be integrated into the sales process starting from the lead stage where sales managers would work on the most profitable leads first, thus improving speed to market and conversion probability of the best leads. They would then be able to quote a price to groups based on profit goals of the organization and be able to verify that those goals are met when contracts are written after negotiations. Further, quotes would expire when the risk is no longer acceptable based on lead time. Doing these will result in a profit focus in your sales team that ultimately will determine the quality of business booked.

Now, a sales person might not know or have the time to do all this analysis, so it's important that hotels have the right tools that can do this automatically. Traditional sales and catering systems are simply sales tracking tools, and the newer RMS systems don't integrate into sales tools or the lead pipeline. A new generation of tools that do both is required to truly integrate profitability into the sales process, and hotels that seek out these solutions will benefit immensely in both the short term and the long run.

Price for overall profit – and remove compartments
Hotels setup rooms and catering departments separately for operational efficiency, and it seems logical to make them

| Prioritize Profitable Leads | Profit Goal-Based Pricing | Verify Profit in Contract |
| Gather/Prospect Leads | Price/Send Proposals | Sign Contract |

separate profit centers, but doing so significantly reduces the flexibility hotels have in pricing groups for overall profit, where one department might need to take a hit in order for the other to profit more, especially when market dynamics limit rate escalation in one area. So, the first step would be to remove

the compartments in pricing, and price for overall profit on all revenue from a group.

Further, pricing should consider all revenues from rooms, F&B, A/V and ancillaries and all costs like the cost of freebies, selling, servicing, setup, CRS, etc. It should be specific to each group. Having a daily rate for all groups can reduce profitability by several percentage points.

Factoring all of these into pricing takes up quite a bit of time, even for seasoned revenue managers. Many times, simplicity is adopted over completeness. Once again, the answer is to use the right tools to avoid repetitively doing the same evaluation on multiple groups manually.

Extract more non-contracted revenue

Groups have a lot of potential to be revenue generators over and above what's in the contract if attendees' individual budgets are targeted through timely up-sell and cross-sell offers.

Hotels can be up-sell of shoulder nights or room type upgrades on the booking site and during check in. Another form of up-sell could be a discount for a future stay if booked on the hotel's website. Groups are also prime targets for cross-selling other services, like your bar or spa, by once again offering discounts on booking sites or mobile apps associated with the hotel or the event.

Whichever strategy you use, it's important that the experience is seamless and automated, so choosing the right technology goes a long way.

Improve efficiency and reduce costs

Every step in the group business lifecycle depicted above is a potential target for profit optimization through efficiency improvements to eliminate manual tasks. The infographic below has some possibilities, but a closer look at each step of your process can reveal many more such savings that can all add to your bottom line while improving customer satisfaction. One of my favorites is to improve profit by a few percentage points by enabling rooming list upload and group bookings directly to PMS instead of paying a per reservation fee to CRS systems, which many hotels do.

Summary

I hope to have made a case in this article that technology most used by hotels today is really lagging from a profitability standpoint, and a change is needed for hotels to gain the maximum possible profit from group business.

■

The new IT structure for Big Data: Will the PMS lose its central position?

*by **Michael Toedt*** in

Bog Data represents a clear opportunity to hotels that are able to drive value growth by using existing potential, writes Michael Toedt of dailypoint.com. But are we prepared for the data era – and the disruption that awaits us?

For decades, hotel managers have relied on their Property Management Systems (PMS) as the central solution to store and exchange data throughout the company. However, the back-end of most of the current systems was designed more than two decades ago. The front-end may still look nice, but the back-end and the fundamental database structures are usually not state-of-the-art. In the last years, a new topic has emerged: Big Data. Although the collection of data is nothing new, the volume of available data, the huge amount of different sources and the need for real-time processing adds a level of complexity to data processing.

"Five V's" characterize Big Data: volume, variety, veracity, velocity and value. Eric Schmidt, the former CEO of Google said, "The chance to gather data is a game-changer!" and he is 100% right. The problem is that the majority of hotels – individual hotels and chains alike – are not able to drive value growth by using existing potential.

Data has become a clear asset and is already more valuable than bricks and mortar. Just compare the capitalization of Marriott, Hilton and Starwood with Priceline or the value of Uber. These data-driven companies, although they own almost nothing but data, are more valuable than the traditional hotel giants. But why is this so?

After the invention of the steam engine, it took almost 30 years until smart engineers finally realized its potential. The rest is history, thanks to its disruption of the way of doing business – and bringing about the first industrial revolution. The Internet only started 20 years ago, and it seems like the same process is underway again. Instead of steam, a growing number of data

Dr. Michael Toedt is the founder and CEO of dailypoint.com, a leading Big Data Marketing and CRM company. Operating at the intersection of business and technology, he helps hoteliers to use the tremendous increase of data in order to become data-centric. Michael has over 25 years of experience in operations, technology and marketing. He is the author of several books (among others Big Data – Challenges for the Hospitality Industry and Data Revolution – How Big Data Will Change the Way of Doing Business). His articles are published by journals on a regular basis. Michael holds a doctorate degree in management science, is a lifetime-member of the Cornell Hotel Society, lecturer at several universities, and a member of various committees and associations.

engineers are utilizing data and realizing its value. However, are hotel companies prepared for the data era and the disruption that awaits us?

Quite a few experts claim that, apart from taxi companies, hotels are especially the big losers of the changing economy. Hotels possess a high volume of valuable data. However, the data is stored in many different data silos. This inhibits a complete picture. A prerequisite to leveraging Big Data is the creation of one central data storage where all data is compiled. Handling a large volume of data turns out much more complicated if a single central data storage, i.e. a Big Data warehouse, is not used. Moreover, the risk of losing valuable data increases enormously. It is even more important to keep this in mind considering the fact that by 2020, the amount of available data will have increased by a factor of 50, based on the development in the year 2013.

One reason why hotels are not able to use the available data is that too many managers still see their PMS or multi-property

solution as their leading system. They forget, or ignore, that these solutions were developed before the Big Data era, and that these systems were neither intended nor designed to meet the requirements of this new age. Just remember the five V's of Big Data and ask yourself if your PMS is able to handle it. A central solution must be able to store an unlimited volume of data from many different sources, and it needs to be processed in real-time. Moreover, all data must be cleansed and standardized to obtain a usable and a high quality database.

If you are honest with yourself, it is most likely that your current systems cannot handle these amounts of data. And this is why you are not prepared for Big Data. Do not get me wrong: there is nothing wrong about a PMS; the systems were just not made for it. A PMS should stay slim to ensure the functionality of all operational processes. It was never designed to handle many different data sources.

Interfaces always entail problems; especially in a live system, the exchange of data is extremely complex. This complexity makes operational systems inflexible and interfaces expensive. A further aspect is that processing huge amounts of data requires considerable resources, and the enormous usage of CPU power conflicts with the operational needs for a smooth workflow.

It is pretty obvious that something new is needed!

So what could a new IT structure for the Big Data era look like? At dailypoint, we follow proven examples from other industries and have developed a three-tier solution. On the first level, we provide a service bus, the second level contains the central
↓
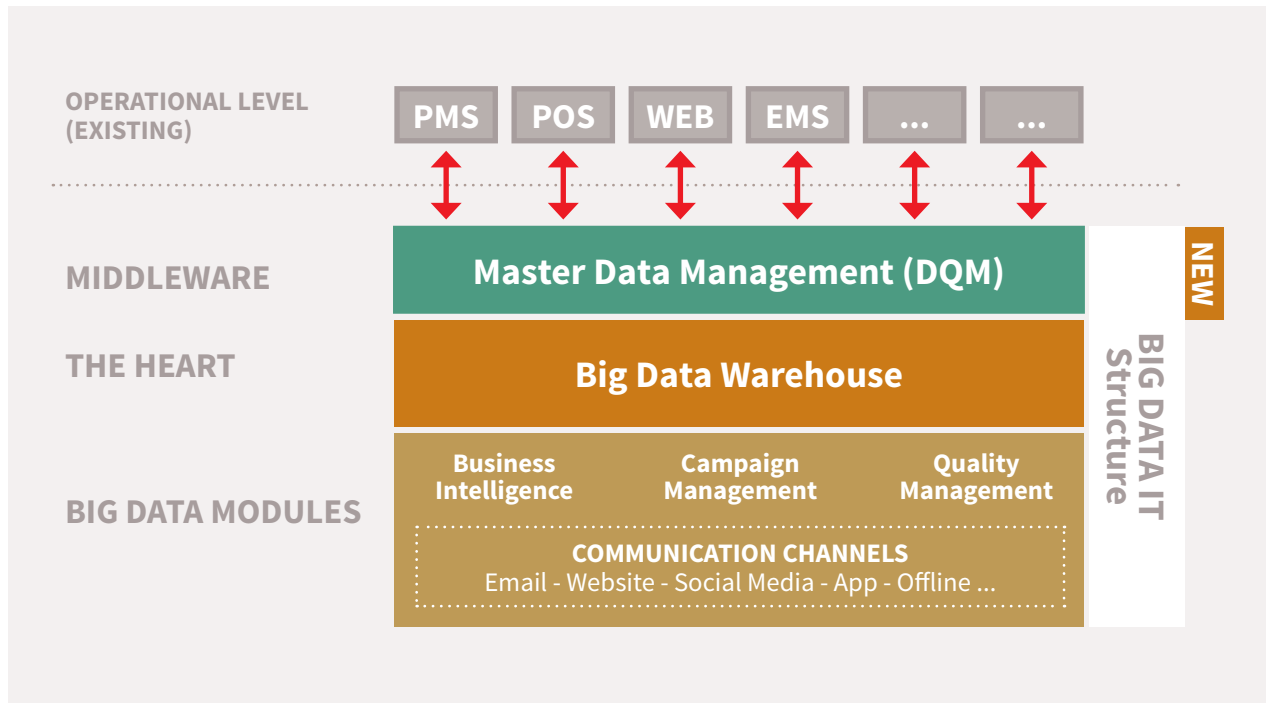
data warehouse, and the third level includes the different modules in order to use the data.

The service bus on tier one collects and cleans data from all relevant sources. The bus is a middleware between the heart of Big Data, the central data warehouse and the different data sources. An event-driven architecture pulls and pushes data to the different systems like the PMS, the website, e-mail management, etc. The middleware provides a high degree of flexibility and independence. The so-called Master Data Management or Data Quality Management, a subject which is highly underestimated but a core process and a prerequisite for a successful implementation, is integrated. IBM claims that one out of three decisions is based on inaccurate data. According to my experience it is almost 50%.

Back to the new IT structure. After the clean data is stored in the central data warehouse, the asset is ready to be used. This means that each customer has one central profile which includes transactions, interests, surf and click habits, preferences, etc. This central profile is required to create valuable insights, individualized and automated marketing campaigns, a better service and an improved quality management. One thing is important to understand: Everything in this structure is in constant flux; the data is constantly being enriched. Only ongoing learning processes allow the creation of a better central profile for each individual.

The third level contains modules to use the data. The most common modules are Business Intelligence, Campaign Management, Loyalty and Quality Management.

This new IT structure enables data-driven companies to disrupt the current service and communication processes we all know. Only Big Data allows a highly individualized service and a communication many hoteliers have always dreamed of.

Back to the main question I raised earlier: Is the PMS about to lose its central position? I believe the PMS will continue to exist and will always be an important tool of the hotel IT, but it can no longer be the central solution. In the Big Data era, technology is not only a key driver for differentiation; it must be a central part of the strategy. Some industry leaders have neglected changing processes in the past, like Kodak for instance. Big Data is also such a change. It has already revolutionized the way we work, live and act. This leads me to the conclusion that ultimately, Big Data is not only an IT subject, but should be a priority for the CEO and every top-level executive!

■

Upcoming
Technology Events

Events are brought to you by HN hospitality**net**

↪ *www.hospitalitynet.org*

2015

DECEMBER

DEC
8
Data Security Training Seminar
December 8, 2015 - New York - NY, United States

2016

JANUARY

JAN
6
International Consumer Electronics Show (CES)
January 6- 9 - Las Vegas - NV, United States

JAN
26
The Smart Traveler - Digital Strategies Asia 2016
January 26-27 - Hong Kong, Hong Kong (SAR)

FEBRUARY

FEB
24
Travel Technology Europe 2016
February 24-25 - London, United Kingdom

MARCH

MAR
1
HTNG 2016 North American Conference
March 1-3 - Amelia Island - FL, United States

MAR
9
ITB Berlin 2015
March 9-13 - Berlin, Germany

MAR
14
The Connected Traveler North America 2016
March 14-15 - San Francisco - CA , United States

MAR
15
Digital Signage Expo 2016
March 15-18 - Las Vegas - NV, United States

APRIL

APR
13
Hospitality Technology Expo
April 13-15 - Beijing, China

APR
20
International Hotel Technology Forum (IHTF) 2016
April 20-22 - Düsseldorf, Germany

MAY

MAY
3
Digital Travel Summit
May 2- 4 - Lake Las Vegas - NV, United States,

2016

MAY

MAY
10
HTNG 2016 Middle East Conference
May 10-12 - Dubai, UAE

JUNE

JUN
20
HITEC 2016
June 20-23 - New Orleans - LA, United States

HITEC 2016

JUN
22
HSMAI Revenue Optimization Conference (ROC)
June 22 - New Orleans - LA, United States

JULY

JUN
26
HTNG 2016 Asia-Pacific Conference
26-28 July - Bangkok, Thailand

SEPTEMBER

SEP
27
Global Gaming Expo (G2E)
September 27 - October 29 - Las Vegas - NV, United States

OCTOBER

OCT
19
HFTP Annual Convention & Tradeshow 2016
October 19-22 - Las Vegas - NV, United States

OCT
TBA
HTNG 2016 European Conference
October 2016 - Barcelona, Spain

NOVEMBER

NOV
15
The PhoCusWright Conference 2015
November 15-17 - Los Angeles - CA, United States

2017

JUNE

JUN
26
HITEC 2017
June 26-29 - 2017 - Toronto - ON, Canada

Personalization through communication

by **Dan Phillips** in

Consumers demand to be recognized and treated as individuals, notes Dan Phillips, owner of Dare to Imagine. But when there are nearly 7 billion consumers that is a daunting challenge. More than ever, the marriage of technological advances and hyper-marketing schemes is enabling businesses to address personalization, one front being in the way they communicate to their customers.

Simply put, this form of communication might be defined as providing timely, relevant and personalized content to a consumer before, or at least at the moment, they need it to make a purchasing or behavioral decision. Today, businesses are able to tap into the wealth of big data captured from consumers' behaviors and spending patterns to deliver specific and targeted messages on the individual level. The intent of this communication is to customize the consumer's experiences, guiding their choices by leveraging information based on their own needs and preferences increasing their satisfaction all within the walls of that company's brand and services.

But there is a fine line. Personalization can't become harassment. It shouldn't infiltrate anyone's digital life by pushing advertising from multitudes of sources related to perceived interests. It can't appear to come from bots, but must retain the person in personalization.

In the hotel industry, our customers are called "guests". Any holistic marketing campaign must address the guest life cycle, which includes the following phases:

1	SHOPPING	6	GUEST STAY
2	PLANNING	7	DEPARTURE
3	PURCHASING	8	SHARING
4	PRE-ARRIVAL	9	POST-STAY
5	ARRIVAL	10	HOME LIFE

We must employ business intelligence to deliver individualized and relevant campaigns suited to that person's needs in the phase they are at in the guest life cycle. Our mindset needs to shift from thinking about customers as a one-stay purchase to treating them as long-term guests.

Personalized communication must provide recognizable value to the receiver. As hoteliers, we must control this value chain from the creation of that content, specific to the guest at a life cycle moment, to the point of consumption and application of that message. This will provide a tightly curated and more compelling guest experience. The increase in relevant and applicable value that enhances the experience will achieve higher levels of customer loyalty and increase profitability. It is customer experience that will become the primary differentiator in the competitive marketplace.

Dan Phillips is the owner of Dare to Imagine, a consulting firm specializing in technology for the hotel industry. Having starting behind the front desk of a hotel almost 30 years ago, he has a unique outlook on the application of technology in this industry. Though experienced in every aspect of low voltage systems, his specialty is assisting hoteliers and vendors in designing and implementing guest facing solutions, some of which can be quite disruptive. Dan is published quite frequently and has often stood behind podiums at many of our industry's trade shows.

Communicating with consumers is easier every day. People have computers, smart phones, tablets, wearables; they have e-mail, Facebook, Twitter, Instagram. On average, a person looks at his smart phone 1,500 times a week, or 177 minutes a day. A communication campaign based upon personalization needs to be aware of these facts, but not exploit them by overuse or misdirection of delivering content. We need to reach people in the moment with the right message in ways that are native and intuitive for the device they have in hand.

A smart campaign will retain the aura of discoverability. Content and messaging should be delivered, with relevance, when, where and how our guests are exploring their possibilities and should then connect them to their desired outcomes. As hoteliers, we need to incorporate as many of the "desired outcomes" guests need in our service set. We must be aware that our guests are the ones that choose who can address their needs; who can best support them in the situation they are in, at that moment. We must be humble to the fact that any person will be more loyal to their need, and its resolution, in that moment than to any particular brand. And, we should be savvy enough to recognize that it is at this moment that they are wide open to engagement to the right message.

One advance in technology that will enable better personalized communication is hosted voice. By moving voice away from a hotel premise-based phone system to cloud-based service platform, the content, relevance, timeliness, delivery, and ease of communication is almost boundless. It is now possible to compile guest data, previously kept in silos, from reservation call centers, CRM, PMS, POS, and, loyalty programs, and bring in third-party content such as purchasing/spending, behavior and location-based attendance. All of this data could be used to develop a high degree of accurate guest personas for which content and messaging can be uniquely created.

Examples of the kinds of personalized, timely and relevant content delivery are limitless. Imagine knowing that a person tends to vacation at island resorts with the family and that your hotel company happens to own such a resort. Then, imagine looking forward to low occupancy periods for that resort and sending a message to that guest with an offer to use loyalty points to get discounts and an extra day stay for the family at that resort. Then enhance that package deal by adding hotel amenities based upon family member preferences and interests. This message, sent the next time that guest is on your website looking to book a stay somewhere.

Personalized communication: Be present in the moment with useful and relevant content.

■

Using automation to support sustainable success

*by **Eric Rogers*** in

Eric Rogers of FCS Computer Systems asks, how can we leverage all the benefits new technologies have to offer while respecting the traditional values of our sector?

Technology is advancing at an incredible rate, with the latest innovations and developments making headlines every day. Big Data, mobility and cloud have become part of our everyday life.

The good news is that our partners in the hospitality sector have a strong appetite for these innovative technologies that help streamline hotel operations. On the other hand, their enthusiasm is often curbed by sensitivity and caution because of the fact that traditional "customer service" is still viewed as the primary driver in our industry.

My question is, how can we leverage all the benefits new technologies have to offer while respecting the traditional values of our sector? In other words, how can we continue to deliver great customer service while optimizing results? I believe that technologies like mobility, Big Data and cloud-based solutions can support hotels in achieving sustainable excellent customer service with maximum productivity in their properties.

Let's take a closer look at the services provided by one of the most traditional and critical departments of a hotel, the housekeeping team. Yes, their role is to ensure the cleanliness of rooms, suites and public areas, but more importantly, they are often the first point of contact for guest requests. They are therefore key to ensuring that guests receive their request in a timely manner while providing these services in the most efficient way possible.

Consider the example of cleaning up a leak in the bathroom, without an automated system, it takes a few calls to find the right person to complete that request within the hotel's service delivery standards. Most importantly, how can they confirm whether the job has been done or not? From a guest recognition perspective, when guest preferences are not recorded within a guest service delivery system, the hotel cannot enhance the guest experience as guest preferences are lost and personalization in service delivery cannot be achieved. Taking down guest requests manually, looking for the right person to respond to the call and stopping team members from the task they were working on to service a request, wastes a great deal of time and impacts the service to the guest.

Automation also enables hotels to funnel all guest requests to a single source. Jobs such as engineering, maintenance and laundry collection can be dispatched immediately upon completion of the call from the guest and jobs can automatically be forwarded to the right person. The dispatching function could even be centralised for multiple hotels using a cloud solution. Tasks can then be completed via use of a mobile application and stock levels, or reallocation of tasks, can be managed within the system. This means that guest response time is dramatically improved, which in turn enhances guest satisfaction. Not to mention the inefficiencies in all the manual labor involved in handling one guest request. For a 300-room hotel, there is an average of 18,000 guest requests a month. That is a lot of work if a service delivery system is not used.

Through automation of hotel operations, manual work and duplications in management are reduced and often eliminated. There are systems out there that can handle guest requests, schedule housekeeping cleaning assignments and preventive maintenance easily and allow field staff to receive their assignments and update the status of these in real-time via mobile apps.

For example, if a hotel is using an automated cleaning and inspection assignment system, the hotel will be able to have smarter and more efficient work schedules for their teams, with results indicating a considerable increase in productivity of 15-20%.

When it comes to sensitive information, such as accident reports and guest complaints, hotels are better equipped to appropriately respond in accordance with complex legislation including data protection laws. Transparency and integrity of automated reporting improves hotel compliance and governance. In addition, having better visibility of issues, allows management to quantify the cost of specific types of incidents and determine an appropriate course of action such as training, new suppliers, or clearer lines of communication. As a result, performance management of teams becomes more transparent and effective.

A side benefit of automated processes is the generation of a vast amount of data that can be used to analyse hotel operations. With the right tools, this data can tell a story and helps hoteliers make informed decisions about the improvement of business processes and guests services. By using this intelligent data, hoteliers have better visibility on how effective their team is at meeting targets and standards thereby supporting a more prudent focus on areas where greater effort is required.

By using guest behavior's data in combination with a customer relationship management tool (CRM) or loyalty system and other revenue generating systems, hoteliers can delve deeply into understanding guest habits, preferences and trends and subsequently customize their stay experience and target their marketing efforts. This becomes even more valuable when such data is available at the executive level within a chain of hotels.

Technology will never replace the personal touch that we are so renowned for in our industry, but automating the right processes and analyzing the data using the right tools can significantly improve the guest experience, hotel efficiency – and therefore the bottom line.

▪

FCS Computer Systems

The new frontier of worry for hoteliers

*by **Loren Gray*** in

The power of the littlest screen could gain the greatest control over search parameters, writes Loren Gray of Standing Dog Interactive. This article is reprinted with permission from the HITEC 2015 Special Report.

With all of the complexities of a hotel's digital presence in our current market, it's of little comfort that despite all efforts it may be to no avail. That's because the very technology that is used to find our hotels steps in line and controls our ability to connect to our audience.

It's easy to insert Google into that statement, but not necessarily for all the apparent reasons. Search engine results are and have been a part of our ongoing everyday life, and strategy. The growing shadow is over deliverability, put simply it's all about the phone.

New search parameters for mobile

In our ever-growing use of mobile, by any and all definitions of screen shape and size, comes the very real race of the very platform itself, the phone and its operating system. With Google's widening market share via its Android-based phones, comes its ability to satisfy the convenience demand of its users with Google Now, its semantic search development which delivers results based on the searcher's intent and context. Mirror that with Apple's Siri, Microsoft's Cortana, and you see why Amazon found it so critical to join the fray with its Fire Phone.

So what is all the interest in semantic search, that new interactive way all this voice assistance works? Quite simply, it offers the path of most convenience. For mobile users, typing, searching, navigating, basically anything physically interactive with a mobile device, is less convenient than simply asking and being told what we want. Semantic-based search makes this possible.

With the rise of online bookings coming from mobile, this would at first glance appear to be a strong positive for hoteliers, as they continue to improve their online presence via mobile. But with screen sizes shrinking, so too does the volume of content represented.

With almost 70% of all search volume coming from Google, let's start by bringing our attention to its recent developments. Going back only a few short months, we have seen dramatic changes from Google. First was the securing of searches, effectively ending the use of keywords for web site optimization. Then came the Mockingbird search engine update, maximizing the use of schema (a markup language that adds context to a term). With the advent of schema comes a more robust ability to display specific content as it relates to the intent of a search, not just the words used in a

search. Google proceeded to refine its search engine yet again with the release of the Pigeon update, which now brings the definitive end to non-mobile friendly sites, simply removing them from mobile SERP (search engine results page). Add to this the use of Google's Hotel Price Ads (HPA) program of real time rates and inventory availability. Now you quickly see that without hyper-specific, location-based data and active bid management within HPA, even your most relevant content will not show on a mobile SERP page above the fold; but be certain, all of Google's data choices will.

As disturbing as that may be, there is still more to be concerned about. Remember the path to the most convenient? We know in our current world of Big Data that Google knows a lot about us, even more so if you use them for the host of services they provide, such as Gmail, G+, YouTube, Google wallet and others, all of which require a user to have a Google account.

We have already seen that when you receive a flight confirmation or hotel confirmation in Gmail you can check-in right from the e-mail (thanks to the addition of new schema coding). For now, this links you back to the site of your booking to expedite your travel process, but already other online payment solutions you may have, like PayPal, are beginning to show up as alternative forms of payment. Now imagine before you book anything, you ask Google Now about hotel options at your intended destination. It can check on what your best choices are and allow you to select and purchase them via Google wallet. No typing, no forms to fill, no search results to sort through, just say: "Book it."

As wondrous as all that may seem for the user, not too far from this process is the potential to book all accommodations in one fell swoop. Since Google already has your method of payment on file, your travel history, your preferences and even your reward membership information, even more convenient would be to get a notification from Google Now that has already looked for and found your best flight options, hotel selections, and transportation services such as Uber. All you have to do is confirm the choices. Wait, what just happened to search results and rankings, or using all those apps we keep on our phones for doing this? Put simply, the convenience that the phone provided just short-circuited all of it.

Now of course we can move on to review Apple and its use of SIRI or Microsoft's use of Cortana, and you begin to see why Amazon wanted to get in on the phone making market sooner rather than later, especially with its own established payment system and Big Data-driven purchase platform. Add to that the evolution of semantic search and increased data available about us as individuals (remember over 40% of us

in the United States have said we would be willing to give out more personal data if it improved our user experience). Now combine it with a method of payment already in place, and you can see that the actual phone becomes the tool, not the third party software added to it.

Just think of all the apps we stopped using due to a better one coming out, now imagine it if it's the actual phone and its OS functions. If we want a sense of what this may be like, examine what happened to all the health apps when Apple's IOS 8 was released. They all integrated with iHealth at the risk of being replaced. And now with Apple Watch, this risk is even greater.

New marketing strategy

So when does the scale tip? For Google, it's probably when the revenue potential from handling purchase transactions is forecasted to be larger than the current revenues from pay-for-placement advertising, especially from the online travel agencies (OTAs). Also, the continued growth of mobile use is another factor. For Apple, Microsoft and Amazon, the bar is more connected to a disruptive model and based on scalability and reductions in app development revenue. We've seen this before with Apple, when it cannibalized one revenue stream for another (iPod to iPhone).

For either reason, we as hoteliers could simply become a commodity. After all, we do not own our place on any search engine, app or carrier service, it's all rented land. This is not a pronouncement of gloom and doom though. Ironically a lot of the success that a hotelier could have in this soon-to-be-convenient world hinges upon what makes us a success now: good hospitality and location. The OTAs have more to be concerned about than the bricks-and-mortar operators, because they would have to justify their larger commission model and in turn only be valuable during the discovery phase of travel. Just as Google and the rest try to personalize the process, so do our individual preferences gain more value. By providing our guests with a better experience and being located in the right place, we inherently will be their guided location of choice.

■

Loren Gray is the vice president of digital strategy for Standing Dog Interactive, a discipline born from the need to actively integrate all aspects of digital marketing into a collective solution. Previously, he was the director of e-commerce for Ocean Properties Ltd., the fourth largest privately held franchise hotel operator in North America and 47th largest worldwide, where he created and developed its entire digital marketing program. He came through the ranks in the hospitality industry through F&B, hotel operations, as GM of several brand- and non-brand resorts, and regional sales and marketing. He has also owned and operated several hospitality ventures.

The rise of robotics in hospitality

*by **Galen Collins*** in

Robots have come a long way from their simple industrial beginnings, writes Galen Collins of Northern Arizona University. Have they reached the level of sophistication that they can be deployed in the warm, guest-centric environment of a hotel? This article is reprinted with permission from the HITEC 2015 Special Report.

Some may think the title of this article is an oxymoron. How could robots replace the warmth and personal attention from well-trained employees? And why would hospitality businesses even contemplate pursuing this course of action? Because robots have the capability of performing basic, repetitive tasks unsupervised 24 hours per day in a world with an inadequate workforce. A 2015 World Travel & Tourism Report predicts a decade-long global shortage of "the right people, in the right place, with the right skills" to meet the growth of the global travel and tourism industry, which roughly employs 266 million workers. Perhaps robots could be part of the solution in filling the workforce gap.

Robots have a come a long way since the first digitally operated and programmable robot, invented by George Devol in 1954, was installed in 1961 in an auto plant in Trenton, New Jersey to lift hot pieces of metal from a die casting machine and stack them. Robots can now take inputs from onboard sensors (e.g., camera, sound, proximity, biometric, contact, light, temperature, navigation, etc.) and send outputs to the their effectors (e.g., wheels, speech, legs, arms, fingers, propellers, etc.), enabling them to perform behaviors or tasks with a high degree of autonomy. They can move and work for an extended period without human intervention and assistance. They can also gain information about the environment, interact with people and systems, manipulate objects and tools, and locate and connect to charging stations.

One way of characterizing robot design is by appearance: human oriented or product-oriented. A human-oriented robot resembles a human's appearance or behavior, whereas a product-oriented robot appearance maximizes the robot's dedicated functions (e.g. Roomba vacuum cleaner). Several

studies have shown that the human-oriented robot is more effective in social interactions with customers. However, a 2014 study conducted by Korean university researchers found that product-oriented robots were accepted more than the human-oriented robots. Customers may initially perceive robots as an impersonal technocratic intrusion, much like they did when wireless handhelds were first introduced in restaurants during the '70s and '80s. The public did not accept them. At some restaurants, servers were instructed to step away because of customer complaints.

Robots in the field

Huis Ten Bosch, a theme park in Japan, will open a hotel in 2017 employing three human-oriented receptionist robots, called actroids, that will have the appearance and mannerisms (e.g., blinking) of a young Japanese woman. They will be multilingual with the ability to make eye contact and respond to body language and tone as they engage in intelligent conversations with customers. The hotel will also use other human-oriented robots for other tasks, such as cleaning rooms and carrying luggage.

Two product-oriented, headless industrial robots, originally developed for manufacturing cars, are now used as bartenders at the Bionic Bar on Royal Caribbean's Quantum of the Seas ship. Together, they can make two drinks per minute, delivered in plastic cups via four conveyor belts, but cannot yet handle garnishes. Passengers input drink orders via smart tablets. The robot arm movements, which are based on the gestures of Roberto Bolle, principal dancer with the American Ballet Theater, periodically go into dance mode when not making drinks.

At Starwood's Aloft hotel in Cupertino, Calif., a product-oriented robot resembling R2-D2 delivers items to rooms (e.g., snacks), aids the check-in process during rush periods, and moves towels and linens from the laundry room to guestrooms. The robot, called Botlr, uses navigation technology to find its way throughout the property and cameras to avoid people and other obstacles. The manufacturer of Botlr, Savioke, will offer it as a service and charge a monthly fee that includes maintenance of the devices.

In most industries, robots are being recruited for applications that have generally been performed by humans because of their increased functionality and the declining cost of making and supporting them. A 2015 study by the Boston Consulting Group predicts that over the next decade robots will become more prominent in the U.S. labor market as they improve productivity and cut costs. The Asian hospitality industry is already taking advantage of this trend. Thousands of noodle-making robots have been purchased by restaurants in China. A number of restaurants in Singapore use drones, pilotless flying robots, to ferry food from the kitchen to serving stations. Robot servers, costing under USD 10,000, can be found waiting tables at restaurants in China, Japan, South Korea and Thailand. A restaurant located in Ninbo, a city in China's northeastern Zhejiang province, is staffed with two robot servers that can take orders, serve food, and speak to customers with a 40-phrase Mandarin Chinese vocabulary (e.g., "enjoy your meal," "I'm blocked, please give way to me, thank you"). They travel through the restaurant using an optical sensing system and can work for eight hours at a time. Their expected life span is five years.

The hospitality and travel industry may eventually find the deployment of robots a competitive necessity. In the increasingly competitive healthcare environment, hundreds of hospitals are using robots to deliver linens and medications to patients' rooms. Thoughtfully designed robot systems, however, will be required for service environments where customers may not even know what robots are and what they are trying to do, says Chris Jones, director of strategic development at iRobot.

Robot challenges

Challenging problems in human-robot interaction (HRI) exist, both technically and socially. The goal of HRI research is to define models of humans' expectations regarding robot interaction to guide robot design and algorithmic development that would allow more natural and effective interaction between humans and robots. Socially interactive human-oriented robots, for example, must be proficient in areas such as perceiving and interpreting human activity and behavior, regulating social interactions using dialogue and action at human interaction rates, and providing informationally and emotionally responsive feedback.

It is clear that robots are about to do much more than pickup dust and dirt particles. Hospitality businesses around the world are beginning to dip their toes in new robotic technologies, which might not make sense for those positions that deliver highly personalized services.

Many believe that affordable robots will soon be able tackle an array of tasks with greater degrees of autonomy and intelligence. This trend is obvious to Google who bought eight robotics companies in 2013. While there have been significant advances in robotic technologies, there is still much work ahead. Experts agree that we have a long way to go before robots are omnipresent in service establishments. But I can imagine the possibilities, such as robotic drones taking orders and delivering food and drinks beachside or roving security robots taking lost guests to their rooms, detecting and reporting intruders, and saving lives.

◾

Galen Collins, Ph.D., Professor at the School of Hotel and Restaurant Management (SHRM) at Northern Arizona University, has been with SHRM since its inception in 1987. He is the co-founder of the Hospitality Information Technology Association and has co-authored a hospitality technology textbook and published numerous technology-related articles in academic journals, including the Cornell Quarterly, Journal of Information Technology Impact, FIU Hospitality Review, Journal of Hospitality and Tourism Education, and Journal of Hospitality and Tourism Cases.

Big Data in the hotel industry: a myth that still gets busted in 2015

*by **Lennert de Jong*** 🅛

It's time to get the data out of the silos, writes Lennert de Jong of citizenM. He advocates here for the hotel industry to get its data into the cloud and have it ready to be used by companies and people that have access to Big Data analytics tools.

The hotel industry seems to like talking about hyped trends quite a bit. In the last couple of decades, we heard about the rise of the Internet, then mobile and social media, but lately the trend is to have speakers at every conference to talk about Big Data. And let's not forget the biggest returning topic: When is Google entering the OTA space?

Are hotels and have hotels been that good with the Internet, adapted their e-commerce processes to mobile and have developed useful apps that can do things our guests are amazed by? When is the last time you heard a hotel doing something breathtaking with social media? Do any of the hotel Big Data scientists make it to the main screens with breakthroughs on Big Data in the hotel industry? Not really, or actually better, really not!

The "why" of this, I believe, is the same for everything. For the same reason hotels have let the OTAs take over the marketing space, hotel websites are still something you do not even want to use yourself. The guest experience is still pretty much a cumbersome journey from a technology perspective, and for this exact same reason, Google is still a search engine outsourcing its hotel search to Booking.com and Expedia. And for this reason, hotels are still acting on gut feeling when it comes to budgeting, forecasting, price management, and cash flow management.

In 2015, I do not have to look up my next destination on the day because Apple tells me traffic is ok to my next meeting, on my lock screen. My lawn mower decides to take another round because rain seems to be hitting the grass in an hour. My home automation system decides to take up the sunscreens because the wind will be coming in 10 minutes, and the lights in the living room go on and off based on an API to the sunset and

sundown. My car has become one Big Data machine making real time decisions on route, emergency braking, alerting on side collisions.

But in 2015, hotels still make price decisions manually and are surprised that the drop of the Euro (which was forecasted) has happened and it takes a quarter to figure out that airlines have decreased capacity to New York because European travelers are flying less to New York. Why has the hotel industry not automated one of its core processes?

In my last few years at citizenM, I have been confronted a number of times with the topic of Big Data. It comes into play when we talk about our guests, they generate a ton of interesting data and opportunities to know more about them and find more of them. It comes into play when we talk about our revenue and demand management processes. Why is it that a brilliant Big Data scientist cannot come up with an out of the box algorithm that can be universally applied to our business? At citizenM we had revenue management systems that look at a few data points, but because of the nature of our business we always had data points that we are interested in that were not observed by them. So we created Excel sheets with macros, pivot tables and all kinds of cool things, to enter these other data points and observe them. But let's face it. Excel is not cool. Not at all. It is a spreadsheet to run a quick calculation on some exported data, but even that is not cool.

Since a few years we have the cloud. That, by nature is an ultimate tool to store some of that data we have already (structural internal data), enrich it with data that is not ours (structured external data) and ultimately start experimenting with unstructured external data sources where you do not see a direct correlation.

Lennert de Jong *is commercial director at citizenM, chairman of the revenue management advisory board of HSMAI Europe, and advisory board member at Snapshot. Previously he was involved in setting up SynXis in Europe as director of sales. Lennert has a passion for innovation, data-driven decisions and a drive to apply positive change throughout his different roles in the industry. He is based in the Netherlands with his wife and 2 children, and in his free times loves cycling, sailing and skiing.*

This is not something an organization can do by itself. It has to be done with scale. The fun thing about scale is that it allows you to add more data and other hotels' data and start allowing yourself to call it Big Data. In 2012, we got together with two people that we considered industry gurus in revenue management and development of cloud systems, and asked them if they would be willing to start a company with this aim. Take the data out of the PMS, STR, Google Analytics, Tripadvisor, special event sites, Booking.com, Expedia, meta search and put it in the cloud.

After a start whereby in a year we got a tool that allowed us to replace Excel with a cloud based demand management grid, we saw a bigger play, and helped Snapshot (named after taking daily pictures of our data and comparing it to the past pictures to find the change in data) to get funded to build something that every hotel in the world should use at some point. I have never written a sales pitch and this is not one either, but at that point we decided that we should not build a tool just for savvy hoteliers that have applied revenue managers that love Excel. Rather we should provide something that also the independent hotelier that makes breakfast himself understands. The first benefit of having all hotels' data on this cloud is that straightaway the hotel GM, RM director, sales team, marketers and owners get access to their data in a beautiful way. That sounds strange, but we learned in the last years that data can only work for you if it is made useful and beautiful. There is no use in a clunky Excel sheet that you first need to graduate on to understand. How simple have companies like Google made this with Google analytics, and why don't we have our hotel data laid out like that?

The second benefit is that when a larger number of hotels sit on the system, we can start attracting companies that can really do magic with data. In our case, we have already employed a data scientist who discovered a direct correlation between traffic jams, weather data and our hotel pricing and pick up. Not just a lesson learned from the past that we now need to apply to the future, but with a high level of certainty we know now what will happen if certain weather is predicted and can automatically adapt to situation. Or understand the real impact of the billboard effect. After the study from Andersen a few years ago, it is time for an update on the real effect of the billboard. Was found in two days of data checking with Azure's data algorithms.

We need data scientists in our space. But for them to feel welcome and become effective we first need to embrace a global movement, get rid of Excel, get our data into the cloud and have it ready to be used by companies and people that have access to the Big Data analytics tools. There is no catch to this. It's time to get the data out of the silos and magic to begin. Do not be stopped by any company that says it owns your data, and needs to charge an arm and a leg to interface to someone else. Don't accept that, there are plenty of technology providers that are doing this free of charge, so free your data and sign up for a revolution in the industry.

We are a fragmented industry, and unfortunately I have seen a lot of companies with good intentions fail over our fragmented approach to buying and adopting technologies. This has let consolidators such as Booking.com and Expedia take over our guest experience. It is time to work together for once. Let's remember 2015 and 2016 as the years that we defragmented and freed our data and started a wave of innovation.

◼

My first one hundred days at HTNG

by **Michael Blake** 🔗

Michael Blake, the new CEO of Hotel Technology Next Generation (HTNG), shares with Hotel Yearbook readers his vision for the organization.

During my first staff meeting at the HTNG office, I gave a presentation to the staff about the peaks and valleys of a major transition at a company. Like in life, an organization can experience great highs and lows. I explained, "Certain aspects of a big change are wonderful, while others can drag a person into a valley of despair that seems impossible to escape." Probably not the pep talk my new employees had in mind. But the point was that it's normal and that we may struggle through tough parts, but come out on top.

After an arduous interview process, I was happy and relieved that the HTNG Board offered me the opportunity to lead the association as its new CEO. After three months of getting to know the business, I realized that I have a huge mountain to climb. The Board and HTNG members had expectations. There were so many office processes and systems to upgrade. The staff was undergoing some major shifts. Sitting two feet away from employees in one room is a whole new world, compared to the corporate ivory tower. Working in a small trade association office is very different from being the CIO of a large corporation, making the need for teamwork and consideration of the staff's expertise even more important. But these challenges only made the job more intriguing.

Learn from the past

I figured the best way to pull everyone out of that valley of despair was to jump in and get started with the basics. At HTNG, that is workgroups. Fostering the collaboration of hoteliers and technology vendors to address the needs of the industry is the purpose of HTNG. My predecessor and founding members built a strong base of membership and motivated HTNG Board Members, giving us a solid foundation to start a new era in the organization. HTNG volunteer workgroup members have written thousands of pages of standards and guides for software developers and infrastructure engineers. These efforts reduce requirements for onsite IT support, maximize the use of standard methods and allow hoteliers to focus more R&D resources on innovation.

We can continue on the path that has brought HTNG to peaks of success in the past. We are now recognized around the world as a direction-setting association that can influence the entire industry. We have established governance, created a certification program and nurtured the development of cutting-edge technology. Also, HTNG global conferences and forum meetings have grown into can't-miss events for hospitality.

Michael Blake *is HTNG's Executive Vice President & CEO. He was previously the CIO of Commune Hotels & Resorts, encompassing Joie de Vivre, Thompson, Tommie and Alila Hotels. Michael provided strategic leadership and sound perspective to contribute to the management and evolution of Commune's global IT functions. He previously served as the CIO for Hyatt Hotels Corporation and set the global technology direction for their global footprint. Michael has over 20 years of experience in finance and technology in various roles. Prior to his CIO roles with Commune and Hyatt, Michael was Senior Vice President of IT for First Data, CFO of IT Finance at Kaiser Permanente and Director of IT Finance for Sears. He also held various financial roles within United Airlines, including the controller of the IT organization. Michael holds a Bachelor of Science in Accounting from the University of Utah, received his MBA in Finance and Economics from the University of Chicago Booth School of Business and also his MS in Information Technology from Northwestern University. He also maintains several credentials and licenses: CPA, CMA, CISA, CITP and PMP. Michael served as a member of HTNG Board since 2009 and was Treasurer of the board for many of those years.*

Build on the momentum

My aim is to keep HTNG on a high plateau, expanding above and beyond those original goals. I want to see the thought leadership of HTNG act as an incubator for new ideas in emerging technologies. One way we will support innovation in hotel technology is to continue the successful TechOvation Award competition, in which 15 companies present their products and HTNG members choose the most innovative of the year at the annual North American Conference.

We will also create industry awareness for urgent issues that require quick action. For example, HTNG put together a response team to discuss and brainstorm solutions to the recently-established Russian Citizen Server Localization Law. Similarly, the HTNG CISO Forum will continue to collaborate and brainstorm solutions to several security issues such as hacking threats, and reducing PCI compliance cost and complexity.

Continue to look forward

Along with a few recently-chartered workgroups, some potential new HTNG workgroups will tackle current issues such as R-View remote viewing, Internet Protocol V6, 4K technical requirements, bulk data API, tokenization of PII, virtual/

augmented reality and much more to help hotels improve guest satisfaction. We aim to develop our Vendor Advisory Council, foster the cross pollination of hospitality technology with other industries and engage senior non-IT hotel management and consultants. HTNG will also grow our relationships with other industry associations to share information and create industry standards to facilitate implementation of best practices in all areas of hotel IT, entertainment and infrastructure.

The past predicted some present issues, and those build to the future ups and downs, all of which I see as challenges that HTNG is ready to face. The hospitality industry may slide into a slump with the economy or an unfortunate life hack, but will always rise again. As I told the staff in that first meeting, we shouldn't worry about the valleys. They just make the peaks that much more fulfilling.

■

Augmented reality 101

*by **Jim Novack*** 🔗

"Does your hotel have WiFi?" was just the tip of the iceberg of increased hotel sales opportunities and improved guest experience, says Jim Novack of TalentSwarm.com. Next comes Augmented Reality, offering an entirely new way to take part in a meeting (for example) – which in turn offers hotels an interesting new opportunity.

Technology has always been a disruptive element in society, its effects casting some industries into oblivion overnight and creating new ones in their wake. As much as hotel owners and operators may deplore the effects of HomeAway and AirBnB on their business, imagine being a taxi driver trying to compete today with UBER and Lyft. And yet, hotels have wonderful opportunities to continue to grow in bookings and profitability if they carefully consider and take advantage of the current trends and focus on their intrinsic strengths.

According to PKF Hospitality Research, between 2007 and 2014, use of on-demand films and hotel phones has dropped by almost half, while movie rentals have fallen 12 per cent in the last year alone, data shows. In the same period, movie rental revenue per available hotel room has dropped from $339 a year to $107 a year.

U.S. Hotels
Change in Telecommunications and Movie Rental Revenue

Telecommunications	-4.8%
	-42.4%
Movie Rental	-12.3%
	-48.8%

-60% -40% -20% 0%

▨ Change: 2013 to 2014 ▨ Change: 2007 to 2014
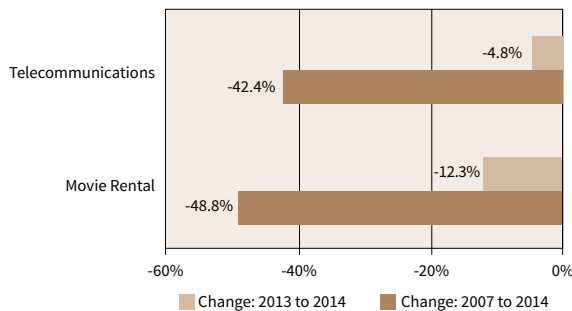
Source: PKF Hospitality Research, a CBRE Company, Trends® in the Hotel Industry Report

Yet hotel guests now expect, even demand, in-room high speed Internet to be provided for free as part of the hotel room, just like water, electricity or fresh towels, and they are using this same Internet service to access the telecommunication

and movie rental services they previously purchased from the hotel. Assuming that your hotel already has reliable, simple-to-connect and very fast connections, it is probable that you are unaware of an entirely new class of services to offer business and luxury guests that has recently entered the technology runway: Augmented Reality, or "AR".

Broadly speaking, Augmented Reality is the ability to instantly enhance or "augment" what you are seeing with additional images, sounds, information or advice, in such a way as to effortlessly blend the real with an extra dimension of knowledge.

Many of you have already experienced AR already… the popular Star Map applications for Smartphones that allow you to know the constellations by simply pointing at the sky is an application of Augmented Reality. Another is taking a picture of a product in a store and instantly having applications such as RedLaser, ShopSavvy and others tell you the best price and even order the item online. The image processing capabilities combined with the built-in GPS trackers that are now part of newer Smartphones have also made their way to museum guides, city walking tours, and restaurant recommendations.

So, armed with a Smartphone, a hotel guest may bypass the concierge and venture out on the streets of a new city, navigating with Waze and making reservations online at popular (or web-savvy) restaurants that appear on their screen as they walk about town, as shown in the image. Just like the in-room Internet, these Apps end up providing hotel guests with more options that compete with those offered by the hotel itself, and creating more competition among hotels that fight over cost-conscious non-loyal hotel guests.
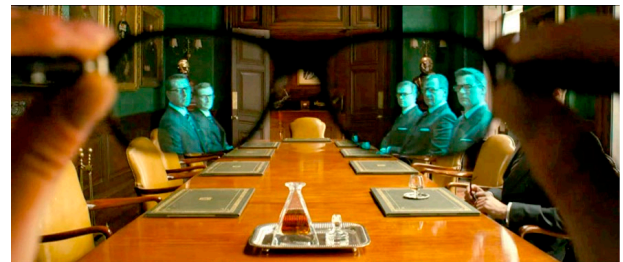
So where´s the opportunity for the hotel?

I remember that almost 50 years ago, my grandfather Irving told me how he had made a very good living and provided for his family after the Great Depression by selling women´s coats. He had special trunks that stood upright on their ends and when opened, unfolded coat racks on which his wares were shown. He would stay at good hotels and invite local buyers to view his women´s coats.

Even small businesses today have gone "global" to assure their survival, which means that business guests require well equipped facilities to work away from their offices and conduct meetings with clients and collaborators in the professional environment a hotel provides. These clients are not likely to rent rooms or apartments from private owners, given the difficulty in planning ahead and the reluctance to deal with deposits these sites usually require. And yet, business centers in hotels are mostly still small spaces tucked in windowless rooms. Meanwhile, local Starbucks are standing room only, filled with business people seeking Internet connectivity.

I offer for your consideration the opportunity for hotels to grow in revenue in Value-Added Business Services, making the hotel an extension of the office or showroom. Imagine a cross between the office location of Regus Business Centers, the friendliness and people-contact of a Starbucks and a comfortable hotel, with rooms for meetings, seminars or presentations.

In the recent movie Kingsman: The Secret Service, a brilliant example of Augmented Reality is featured. AR is used to conduct a board meeting among people distributed around the globe, an image of which is shown below:

Perhaps this is still a couple of years away, given that ODG´s R-7 glasses and Microsoft´s Hololens glasses are still not readily available. But until then, why aren´t more hotels providing truly functional Skype teleconferencing suites? All that is required is a fast connection and relatively inexpensive web cams and omnidirectional microphones. There are also large touch-screens now available that double as shared white boards. Make business guests feel that they are more productive on the road, which is not really that hard, given the absence of interruptions they experience back at the home office with the generalized "open-door policy" at most modern corporations.

Using Augmented Reality, together with a fully-functional "office away from the office" environment, including small storage areas for business guests to keep samples and presentation materials, hotels can leverage their unique advantages to make profitable business guests keep coming back, and swim out of the "red waters" of cut-throat competition to the profitable "blue oceans"!

Jim Novack is CEO of Talent Swarm, a Collaborative Work Platform that uses Telepresence, Augmented and Virtual Reality to bring together global talent in 3D virtual environment to do real work. BSEE from UCLA in 1982, he has been involved in his passion which is "reliable, simple-to-use and powerful technology tools" to make our lives better and improve effective communication and higher efficiency in industry and businesses. Currently director of Dynatec, S.A. an engineering consulting company based in Madrid, Spain with 225 professionals specializing in petrochemical, industrial and energy fields world-wide.

Tomorrow's Guestrooms in Hong Kong

*by **Dr. Basak Denizci Guillet*** in

In 2013, the School of Hotel and Tourism Management (SHTM) of The Hong Kong Polytechnic University (PolyU) joined hands with its teaching and research hotel, Hotel ICON, to organize a global competition to shape guestrooms of the future. Dr. Basak Denizci Guillet of PolyU walks us through the process. After installing the winning applications in the hotel and gathering guest feedback for several months, one conclusion from the exercise was that, for some guests, there is such a thing as "too much technology".

The entrants to the guestroom competition were reviewed by an expert panel and winners were granted the opportunity for their products and services to be tested and researched in three dedicated guestrooms at Hotel ICON for a period of six months. These three guestrooms are called Tomorrow's Guestrooms. The winning entries ranged widely across the field of "technology", including an eco-friendly refrigerator, an electronic dock, a guest communication center, a wireless locking system, an online concierge system, a mobile device mount, a cloud-based television system, and even a high definition weave carpet.

We prepared brochures and placed them in the three Tomorrow's Guestrooms to explain to hotel guests about the winning items. In addition, we had our student interns at Hotel ICON introduce the items to hotel guests upon check-in. We included guest surveys in the rooms to collect feedback from guests after they completed their stay. We received mixed feedback from hotel customers. While some customers enjoyed the variety of technology items we made available for them in the rooms, some customers found these items too difficult to operate and time-consuming to learn during their relatively short stay at Hotel ICON.

This six-month long experience taught us that there should be a balance in terms of how much technology should be used in a hotel room setting. While there is no question that technology adds value to guest experience, too much of it can undermine guest service experience which is very important in our industry.

Another interesting finding of our experiment is that different generations have different experience with the technology items in the rooms. Generation Y and X seem to enjoy technological items and they are willing to try them while baby boomers are reluctant to learn new technology for their short stay at the hotel.

Our recommendation to technology providers is to make their technology-related services work easier, and our recommendation to hotel industry professionals is to maintain a balance between hospitality and technology. There is no question that technology can increase the value proposition of the hotel by increasing convenience and personalization. However, too much technology can undermine the human touch that makes hospitality industry special.
▪

***Basak Denizci Guillet** is Associate Professor of the School of Hotel and Tourism Management at The Hong Kong Polytechnic University. Her research interests include revenue management, executive compensation and customer preferences related to hotel services.*
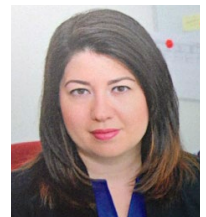
The global hospitality education search engine!

Hotelschools.com

Who dares wins

by **Ian Millar** in

This is of course the motto of the renowned Special Air Service (SAS) – yet when it comes to innovation, nothing could be truer, writes Ian Miller of the Ecole hôtelière de Lausanne. Here he argues for the role of a middle man between the industry and tech start-ups, to facilitate the creation of innovative solutions that the industry needs.

I have seen and heard many people talk about innovation and new and exciting technologies that will change the hotel industry, but in reality the majority of the time there is nothing really new at all. Instead, we get small incremental improvements with old material, technologies and processes.

What our industry really needs is innovators – real innovators: people who will actually fight their company, refute the norms, break patterns, gamble with throwing away existing technology or revenue streams, and engage in creative destruction that may terrify most hotel executives.

This sounds very idealistic, but would it not be refreshing to see and hear from people like that in our industry? There are a few such individuals around, but our problem is that when it comes to technology adoption, our industry, and the decision makers in it, are normally the "late majority" or "laggards". This, linked with the stranglehold a few companies have on our processes and technology usage, puts brakes on innovation in the real world.

We are an industry that loves star rating systems, brand standards and SOPs – all barriers to creating a new guest experience through technology innovation. Also, surprisingly

many studies are also showing that guests are not really looking for a completely new technology experience. There has been much talk on the use of mobile phones as door keys, i.e. there will be no more front desk. And robots will replace staff. But have we really seen either of these ideas widely adopted by the industry? No.

So how can we get our industry to innovate – really innovate – when it comes to technology? In my opinion, this can only happen in completely new concepts. Our customers' brand perception would be hard to radically change overnight. Also, technology implementation within a large international group would take a long time, and face many country-based barriers as well. It would not be so easy.

In looking to innovate, much time has been spent of course on guest facing technology, where I think we can actually have some of the biggest impact – and where it is most needed in hotel operations. Overall, as an industry, our day-to-day operations are very "analog". Given the fact that we suffer from high employee turnover, should we not be asking the following question: Should the focus of our innovation in operations be on our employees, or should the innovations we invest in be guest facing?

Ian Millar is a Senior Lecturer of hospitality technology at the Ecole hôtelière de Lausanne and is a frequent presenter at international IT conferences. He was a member of the Board of Directors of HFTP and also served as a member of the HFTP Executive Committee. Ian also serves at an advisory level to various hospitality technology companies and served as a Member of the Hotel Industry Expert Panel for the Singapore Tourism Board.

In an ideal world, we would invest on both fronts. This is actually a question that is being answered for us currently by many people outside of our industry, and very exciting times are ahead – but I think we are also not ready for this.

This area that I am referring to, outside our industry, is that of technology start-ups. I have been closely following this arena, and there are hundreds – even thousands – of new and exciting possibilities coming our way. Many people with non-hospitality backgrounds are making new things for our industry. However, while the times ahead may be truly exciting, many barriers will have to be overcome. Most of these new start-ups have issues: not technology issues, but industry issues. They lack knowledge of the true complexity of our industry, from the multitude of companies already in the technology market place to the stranglehold of a limited few technology providers who put up barriers to innovation, linked with the different hotel ownership models and investment plans. It really is not easy.

But there is potential out there. We just need to be ready to embrace the change, and this is where the problems come to play. Because many of these engineers have great tech but have no idea how to pitch it to the hotels, it really is "lost in translation". They need to understand the criteria on which a hotel would base the adoption of a certain new technology. But the hotels will need to learn to take a risk in adopting as well. Which really makes things a lot harder even from the offset. What I think we need is some sort of governance on this, a middle man between the industry and the start-ups who can control this process: someone who, on the one hand, can advise the start-ups on the reality of our industry, and on the other hand can be the voice of the industry going in the other direction.

If this process is not controlled, I fear that it will get very messy very quickly. You may rightly ask, why add another layer to this process? Simple: if we don't, then innovation will truly not happen – and that would be a real shame. The potential is there; the technology is there; the industry needs an upgrade. We just need this to happen.

If those who start to adopt, to change, to offer a different and better guest experience, who adopt technologies in their hotel operations to drive efficiency, will ultimately be the ones who "win" – the question then becomes "who dares….?"

◾

MY HFTP

"

Most of my career opportunities have come from re-lationships I fostered through HFTP. In addition to the networking opportunities that have helped with career goals, the educational resources that HFTP offers have helped me to be a more educated pro-fessional. Not only because I went to a session and listened to a speaker, but because I participated."

Arlene Ramirez, CHAE, CHE, CHIA, MBA
Principal • ADR Hospitality Consulting
Faculty • CN Hilton College, University of Houston

Career Specialty: Hotel Finance

HFTP Member since 1989

Hospitality Financial and Technology Professionals (HFTP)
is a global professional association. As a member you have the opportunity to grow professionally with access to a network of over 5,000 hospitality finance and technology professionals across the globe, in-person and online education opportunities, industry research reports and numerous leadership opportunities.

JOIN TODAY!
WWW.HFTP.ORG

Publication Partners

ASSA ABLOY

The global leader in hotel security technology, ASSA ABLOY Hospitality has products installed in over 42,000 properties worldwide, securing in excess of 7 million hotel rooms, and is part of the ASSA ABLOY Group, a publicly listed company. ASSA ABLOY Hospitality's comprehensive range of security and technology solutions comprises VingCard electronic locks, Elsafe in-room safes and Orion energy management systems, as well as advanced mobile access and integrated software solutions. ASSA ABLOY Hospitality has worldwide service and support in more than 166 countries.

➦ www.assaabloyhospitality.com

HFTP

Founded in 1952, HFTP (Austin, Texas, and Maastricht, The Netherlands), is the global professional association for financial and technology personnel working in hotels, clubs and other hospitality-related businesses. HFTP provides first class educational opportunities, research, and publications to more than 4,800 members globally including, the premiere hospitality technology conference HITEC--founded in 1972. HFTP also awards the only hospitality specific certifications for accounting and technology --- the Certified Hospitality Accountant Executive (CHAE) and the Certified Hospitality Technology Professional (CHTP) designations. HFTP was founded in the USA as the National Association of Hotel Accountants.

➦ www.hftp.org

HSYNDICATE

With an exclusive focus on global hospitality and tourism, Hsyndicate.org (the Hospitality Syndicate) provides electronic news publication, syndication and distribution on behalf of some 750 organizations in the hospitality vertical. Hsyndicate helps its members to reach highly targeted audience-segments in the exploding new-media landscape within hospitality... channels of ever increasing importance which are difficult to reach through classic wire services like PRnewswire or BusinessWire. With the central idea 'ONE Industry, ONE Network', Hsyndicate merges historically fragmented industry intelligence into a single online information and knowledge resource serving the information-needs of targeted audience-groups throughout the hospitality, travel & tourism industries... serving professionals relying on Hsyndicate's specific and context-relevant intelligence delivered to them when they need it and how they need it.

➦ www.hsyndicate.org

WADE & COMPANY

We all know that the future will be different, but how will it be different? For companies in the hospitality industry, Wade & Co. uses scenario generation to get at the answer to that question – in strategic workshops, team-building exercises, and conference presentations the world over. As a specialist in business foresight, Wade focuses on visualizing how the future "business landscape" could realistically change, ushering in new kinds of customers and competitors, creating new opportunities, and affecting your chances of success. Heading the company is Woody Wade, who is also the founder and publisher of the Hotel Yearbook.

➦ www.11changes.com

Next special edition on TECHNOLOGY

HYB Special Edition - TECHNOLOGY 2017
This edition will be available in November 2016

Upcoming editions in the Hotel Yearbook family

The Hotel Yearbook 2036
In 2016 we will launch a publication like no other book ever published for our industry. Written from the viewpoint of the year 2036, this provocative and very creative e-book consists of a set of fictitious "testimonials" from top hotel executives, consultants, and industry observers who look back on twenty years of dramatic changes and developments that have had an impact on the way the global hotel industry has turned out.
• *This edition will be available from February 2016*
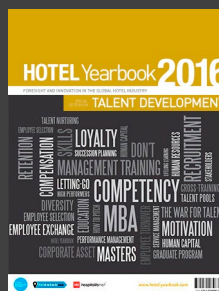
HYB Special Edition – Talent Development 2016
The Hotel Yearbook branches out again with a new Special Edition on talent within the global hospitality industry – where and how it is found, nurtured, trained, and retained. Authors include some of the industry's best known thinkers and doers in human resources, hospitality management education and senior management. More information on this special edition will be made available very soon.
• *This edition will be available from March 2016*