

## Hotel industry in 2020

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### Abstract

The change phenomenon is deeply affecting the business world as well as all other fields in social life. One of the fields being affected from the change is the tourism and hotel establishments, which are its basic components. Today, while tourism rapidly continues to develop all around the world, on the other hand, one can see that different hotel concepts are created in parallel to new travelling tendencies. In recent years, since the tendencies particularly for environmental friendly practices have gradually developed, an accommodation concept called “eco-hotels” or “ecolodge” or “green hotel” has occurred. In this study, the importance of ecolodges which are one of the newest trends in hotel industry, is being discussed. Today, ecolodges are one of the first choices for hotel investments in many destinations. In this study, the samples presented are quite interesting and it is anticipated that with its aspect, it will be quite beneficial to hotel investors and hotel managers.

**Keywords:** hotel, trend, changing etc

### Introduction

Indian tourism and hospitality industry has developed a lot since the recent trends and new technologies in the market. The hotel sector is one of the key drivers in the overall economy of the country as well as the whole service industry. The hotel industry overview suggests that the restaurants are responsible for giving 10.49 million jobs while the hotel industry is responsible for almost 2.3 million jobs. This significant growth is one of the plus points in the increasing economy of the country and the simultaneous growth of hotel industry.

### Who is the guest of 2020?

Both the survey respondents and the think tank session gave similar responses when posed this question – and the answer was quite predictable. Both groups understood that guests are becoming increasingly tech-savvy and sophisticated travelers. They all expect personalization, want unique experiences and have higher expectations. However the real question they all had was: how do hotels achieve this? It was very quickly identified that truly understanding your guest is the key to success. Without a deep understanding of guests and website visitors, hoteliers will quickly fall behind the emerging trends in the industry.

### What technology based systems will be used by hoteliers in 2020?

With this in mind, the results were quite surprising. The respondents in the written survey gave very conservative answers: all the systems they suggested (Revenue Management Systems, CRM Systems etc.) are already being widely used in hotels. So much so that the results for this question were very similar to the results of the same question asked back in 1990. It became evident that it's actually quite difficult to describe something that doesn't yet exist.

As such, the question was re-phrased: What technology systems would you want implemented in your hotel by 2020? In order to break down the answers, Peter organised these into two buckets: Data Focused Systems and Customer Focused Systems.

#### a. Data Focused systems

"Big data" is a term that is talked about a lot, but rarely used in the hotel industry. Data is currently not being leveraged in the right way. There are four main systems which he identified based on the responses:

- AI and Machine Learning based systems (widely used in other sectors i.e. retail) but barely used in the hotel sector.
- Predictive Analytics – Leveraging data sets to predict the future
- Management Dashboard – Better communicating that data internally
- Middleware – introducing software that acts as a bridge between data and systems

When asking the experts which of these systems were the most urgent and important to put in place, they responded: AI and Machine Learning based systems. Their belief was that once these are in place, everything else could stem from that.

#### b. Customer Focused systems

##### Integrated Message

It having a single view of the guest. Guests are being asked for the same data multiple times during their booking process as well as when they are in-stay, despite them being frequent visitors. Hotels want an almost 'apple like' view of the guest, so that they can be identified across any distribution channel. Without this, none of the predictive analytics can work.

##### Customer Profiler

In order to better understand the needs of the guest so they can

better target their marketing efforts online. Email has become passé and is now a foreign concept to most travelers. Hotels must adapt to new forms of communication – such as instant messaging.

### **Beacons of communication**

This systems that allow you to push the right messages to the right guests at the right time. I.e. if you know someone practices yoga – alerting them to a session the following day only once they arrive back in their room the night before.

Again, when asking the experts – they responded: Integrated Messaging system.

So the question is: if there is so much potential to improve the technology systems, why were the original respondents suggesting software that was developed 20 years ago? The problem here is that there are roadblocks in getting new technology live within hotels.

Further the author identified the four main roadblocks to getting this new technology in place:

### **Siloed Data**

Hotel data on customers is held in siloes. Few hotel systems integrate with each other meaning that there is no singular profile of the guest. Improving and getting all the systems talking to one another is not happening fast enough and is one of the biggest barriers to progress.

### **Data Protection / Privacy**

It linked to this lack of integration is data protection and privacy. Hotels have been a prime target for hackers and therefore there are severe limitations in place with regards to what can be stored on the guest. This limits any guest-centric, data focused development.

### **Difficulty in making the business case**

It is increasingly difficult to clearly demonstrate the cost of new technology. When vendors come to hotels with new systems, they need to clearly and effectively show how they anticipate their system will add to both the top and bottom line of a hotel's revenue.

### **Pioneering spirit (or lack thereof)**

Few hotels want to push the barriers; they are more comfortable sticking with what they know. No one seems to be willing to lead the innovation. The hotel industry needs a new breed of manager with different skill sets and competencies, and an open mind.

### **Robotbutlers**

Technology is now able to build up robots that can be taught about the certain languages and the actions to help out guests in their chores. It is not longer than few years and we will be seeing Robot Butlers in hotels serving the food, cleaning the premises and getting you what you want in no time.

### **Made-to-order hotels**

With the emerging technology in design and architecture, the models of rooms are developed such that they can be changed to a totally different look in now time. Such hotel rooms will be among the future of hospitality as they will set the bars for

hotel rooms very high.

### **3-D Printers**

3-D printers can be easily used for the purpose of creating items such as clothes, towels, toiletries and even computers in real time as needed. This will save a lot of time and increase the service availability for the guests.

### **IOT (Internet of Things)**

In the very near future of hotel sector, IoT will play a big role in changing the face of machines and things used in hotels. The TV's, Refrigerators will be internet enabled and will be able to do tasks for you within seconds. This will be much helpful for the guests staying in the hotels.

### **Sustainability**

The hotels now are turning to the Eco-friendly environment which is a good thing. But in the near future, the technology used in the hotels would be totally dependent on solar and geothermal energy. Also, promotion of non-toxic products will reduce the overall pollution in the premises.

### **Transfers**

The technologies like hyper loop are continuously working to save the travel time for people. In the coming years, the airport's transfers to hotels will be done by the individual pods and other services.

### **Gourmet Changeover**

You can now keep a personal dietitian while you are in the hotels who can suggest you the diet based on your fitness. Also, there are fitness centers in every hotel. The new technology will help you choose your food wisely while taking care of your diet.

### **What are the Direct Booking Systems of the future?**

Direct bookings are more expensive to obtain than ever before. Why? Hotels are simply not getting enough direct business to water down the costs of driving the traffic, developing websites and converting the customer. The challenge here is one of volume.

So how do you get this volume? It all comes down to conversion rate. Hotels need to invest in making a higher percentage of their website visitors actually convert and buy.

How can they improve the conversion rate? Personalisation – it's all about understanding the customer. Amazon know everything their customers have bought and searched for and use this data to customise their messages accordingly. Hotels tend to communicate more generic messages, proposing a single room even if your history shows you've always travelled with family. By presenting people with the right message, clearly adapted especially for them is a very simple way to increase your conversion rate.

All hotels need to make sure they have some form of analytics software to understand where their guests are coming from and what the conversion rate of each channel is.

### **How do you profile a visitor for the first time on the website?**

- It's more difficult to do on the first visit, but there are

simple changes you can make. For example, you can track the country they are in and automatically change the language.

- Allow users to login with Facebook / Google etc., where you can get more information on the customer.
- A returning website visitor gives a hotel the ability to personalise the message.
- A big challenge will be the data privacy issue – how much data do you share of the customer? How far can you go without being intrusive? This largely comes down to cultural preferences. Some people prefer more recognition whereas others are more modest.

#### **Do you see future generations pushing away from data mining companies?**

- This is quite interesting: Millennials / Generation Z offer contrasting views. In one breath they say that they want to be anonymous, they use VPNs etc.; in the next breath they talk about how they want things personalised. They want to have their cake and eat it.
- For younger people there is some pushback but at the same time they want the benefit of being tracked and analysed. Simple fact in the future is that they won't have the choice and it'll just happen.

#### **Conclusion**

In summary, we need to reflect the growth of peer-to-peer markets such as AirBnB. They adapt to user needs and deliver experiences in a highly personalised and flexible manner. Hoteliers need to leverage their assets, the understanding of their guests. Hotels have a huge wealth of knowledge on consumers at hand – when they book, what they book, whether they're alone or with family, even what they watch on TV and eat for breakfast. Hotels need to use all this data in order to keep up with other industries.

And while these trends will shape the future of hotel industry, there are some challenges for industry leaders that are needed to overcome with the time in order to cope up with the changing trends of the industry. The major problem will be the financial support. The actual amount spent on the trends in the industry is very less. Also, the mindset of people should be adaptive to the change. The industrial leaders should be open to change and adopt the foreign systems that are being incredibly beneficial for the hotel industry.

Also, government initiative is very important in the matter as with the power of government, these new trends can be easily incorporated among the industry. And the financial help from the government as well as initiatives for more Eco-friendly hotels while improving the road transport facilities can boom the industry in no time.

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