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of **Hospitality**

IN COLLABORATION WITH

Zonal

PROPERTY MANAGEMENT SYSTEMS

A MANAGEMENT GUIDE

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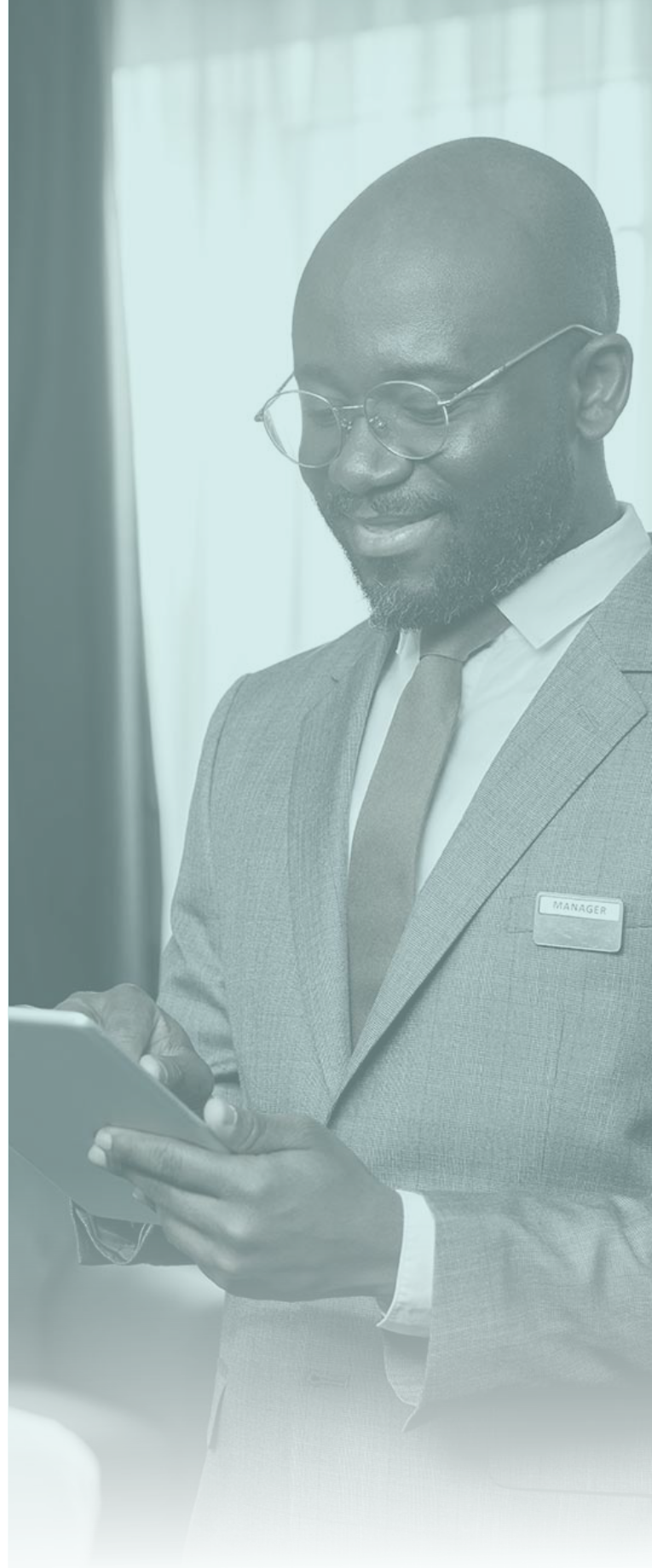


INTRODUCTION

Your PMS is the beating heart of your hotel's operations, and choosing the right solution that meets all of your requirements amongst a variety of providers can seem like a daunting task.

From front-of-house to back-office, OTA connections, housekeeping and managing bookings, the right PMS can enable you to effectively manage all aspects of your hotel seamlessly from one system, providing significant time savings to you and your staff and enabling you to focus on providing exceptional hospitality to your guests.

To help you navigate through the world of hotel PMS systems, we've put together this helpful Guide, in partnership with the Institute of Hospitality, to help you choose the right system for your business.



WHAT IS A HOTEL PROPERTY MANAGEMENT SYSTEM (PMS)?

A hotel property management system provides hoteliers with the technology to manage hotel operations smarter, faster, and more efficiently.

Choosing the right PMS for your hotel is an important decision and can often feel overwhelming as it impacts the daily running of your hotel and your staff who work in it. Whilst consideration factors such as features and functionality are important, it's equally important that a new system meets the needs of your business both now and in the future.

But, with accurate information at your fingertips, you can easily make the right decision. And this Guide will help you to do just that, providing a step-by-step handbook to make sure you choose the right system for your accommodation business.



THE 5 MAIN BENEFITS OF HOTEL PMS SOFTWARE AND HOW IT ADDS VALUE

Saves time, money, and resources

A hotel PMS helps you to streamline operations. From front-of-house check-in or check-out and housekeeping to a contactless guest experience including room service, keyless room entry, and restaurant reservations, these automations save time and resource, which enables staff to focus on your guests. Not only that, but it enables you to make operational efficiencies and reduce the impact of staff shortages.

Real-time data enables fully informed decision-making

Using a cloud-based PMS means hoteliers have access to real-time, accurate data and insight. For the first time ever, hotel managers, revenue managers, and hotel owners, can now make informed decisions on rates, promotional offers and upsell opportunities based on previous guest stays.

Boosts revenue, RevPAR, and occupancy rates

By improving the guest experience, you naturally increase direct bookings resulting in fewer commission payments often incurred through online travel agents (OTAs).

On top of that, it enables you to upsell addons and extras to boost RevPAR and increase occupancy rates through rate hurdles.

Rate hurdles enable hoteliers to increase rates when occupancy is high and decrease rates when occupancy is low.

This means that occupancy rates are optimised at all times and become steady, no matter what time of year, which ultimately increases revenue.

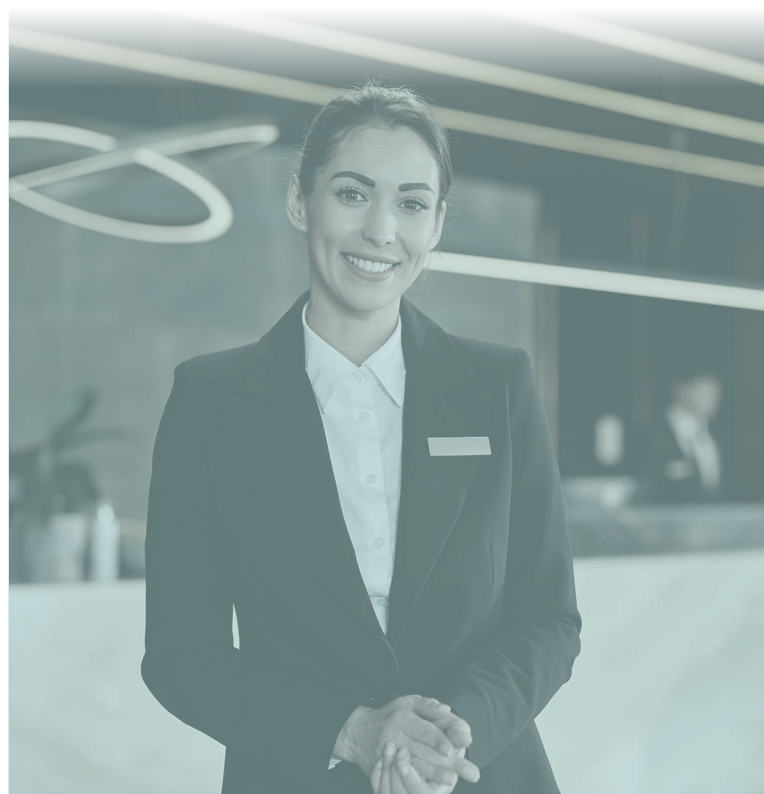
Greater control over rate management and availability across all channels

Rate management has never been easier with a centralised PMS. It enables you to manage channel rates for different OTAs, booking sites, and direct bookings, all from one platform in a single dashboard.

Improves the guest experience and assists repeat bookings

The guest journey starts at booking. So, by providing a great booking journey, sending booking confirmations and booking reminders, the guest is already assured in their stay prior to arrival. This also frees-up staff administration time so that when the guest arrives, they can focus on the guest experience.

Integration with your other in-house technology systems also enables hoteliers to personalise guest stays. From in-room systems to hotel apps such as room service, online ordering, and contactless guest journey... the whole experience can be tailored to your guests' needs.



WHAT ARE THE LATEST TRENDS AND DEVELOPMENTS IN PMS SOFTWARE?

The pandemic has changed the hospitality industry more than any other sector, with many hospitality businesses adapting, changing, and diversifying to stay afloat. Guests now expect a different level of service, which is bringing about new trends this year and beyond.

This presents an opportunity for hoteliers to streamline operations even further reducing staff tasks and freeing up their time for when guests arrive at the hotel.

The 'bleisure' boom

During the pandemic, all businesses were required to adapt and implement the technology required to facilitate remote working. As a result, many more businesses realise the benefits of implementing either 100% remote working or a hybrid approach. This enables employees to mix business with leisure by extending work trips to include some downtime or fitting in work commitments around travelling.

This presents a great opportunity for hotels. Not only does this blended travel and leisure provide a greater reach of customers, but if hoteliers provide good facilities, they can start implementing remote working hubs for 'bleisure' guests to utilise while travelling.

Contactless payment options

Another trend that has become a mainstay since the pandemic is the need for hoteliers to implement contactless payment options, as many consumers now prefer this as opposed to exchanging cash or even paying in person. It has therefore, created a need for hoteliers to upgrade their systems to meet the rising demand.

Callout: 45% of UK travellers (60% in the US) intend to add leisure days to business trips in the future. (Crown Plaza, 2022)

Automation

The staffing crisis continues to hit the industry hard, with hospitality businesses throughout the sector being impacted. As a result, this has brought about the need for hoteliers to leverage technology to streamline operations and drive efficiencies.

A cloud-based PMS helps to eliminate manual tasks and increase automation so hoteliers can still provide the same (if not, better), hotel experience for guests, but with fewer staff.

Tailoring the guest experience

OTAs are giving guests the option to tailor their booking along with the price they are willing to pay. Options like room location, view and early to late check-in or out and restaurant reservations, means that guests can fully tailor their experience prior to their arrival.

This presents an opportunity for hoteliers to streamline operations even further reducing staff tasks and freeing up their time for when guests arrive at the hotel.

KEY FEATURES TO CONSIDER WHEN CHOOSING A HOTEL PMS

Cloud technology and mobility

A cloud-based hotel PMS gives you the flexibility to manage all aspects of your business from one platform, on any device, anywhere in the world. Accessible from a web browser, you and your team can view real-time data on reservations, check-in/outs, housekeeping and more.

Not only that, but you can connect seamlessly to your OTAs with OTA and direct bookings all deposited in one central booking calendar, enabling you to adjust rates based on capacity, and eradicate overbooking. You can also access data analytics and sales reports at the touch of a button from any device in any location - all you need is an internet connection.

Your PMS provider is responsible for fixing any issues that may arise and you're also no longer at risk of losing your data.

For all these reasons, a cloud-based PMS is more powerful and cost-effective than an on-premise solution. Reliability and security are paramount and all you pay for is a monthly subscription.

Functionality and usability

An intuitive, user-friendly system that includes all the features and functions you need to streamline your business should be a priority.

A good hotel property management system should include key functionalities such as front-desk operations, back-office management, housekeeping, revenue management, channel management, data analytics and reporting, a marketing suite, and a centralised booking system.

However, all of this becomes irrelevant if you and your staff can't use the system. A good PMS should be easy-to-use and navigate. Not only will it improve operational efficiency, but it will also help with staff morale, retention, and training new employees on how to use the system.

What's more, most PMS software should include the automation of hotel critical tasks. This will further boost operational efficiency by reducing repetitive tasks that were more traditionally completed by staff, freeing-up their time to focus on providing the ultimate guest experience. revenue per booking, longer stays and lower cancellation rates! (hospitalitynet, 2023)



KEY FEATURES TO CONSIDER WHEN CHOOSING A HOTEL PMS

Booking engine and revenue management

Revenue management is the foundation of running a successful and profitable hotel. And part of a good revenue management strategy is to leverage direct bookings and up-selling opportunities, which, without a booking engine, isn't possible.

Most guests enjoy the convenience of being able to book online quickly and easily, whether direct or through OTAs. Not only does an online booking engine provide guests with an easy-to-use online booking platform for your hotel, but it also transitions traditionally OTA sourced bookings into direct bookers when looking to stay again.

What's more, a good revenue management strategy doesn't just focus on increasing prices, it looks at capturing as much value as possible from every guest through up-sells or extras and developing a strong database for customer retention.

Of course, hotel pricing strategies also come into play. For example, dynamic pricing uses real-time data on supply and demand to enable price increases or discounts to ensure occupancy rates remain steady and revenue is maximised. Other pricing strategies may look at placement. For example, to encourage more direct bookings, and therefore less commission payments often incurred through OTAs, hoteliers may decide to have a lower price for online direct bookings than OTA bookings.

Callout: Direct bookings are more profitable due to lower acquisition costs, but also generate more revenue per booking, longer stays and lower cancellation rates! (hospitalitynet, 2023)

Integrations and apps

By ensuring your PMS provider supports important APIs and integrates with your other business systems, you are also future proofing your business by making sure it can scale with you.

If your PMS doesn't include a channel manager, booking engine or contactless technology for example, then these are critical PMS requirements and should at least be achievable through API integrations.

Other integrations that can help with your hotel revenue management include:

- Electronic Point of Sale (EPOS) systems to help you integrate and drive revenue for your food and beverage operations.
- Guest communications for personalisation and directing repeat bookings.
- Customer loyalty and rewards through discounts, gift cards and other incentives.
- Business reporting and intelligence to enable you to gain insights, and make business decisions, based on real-time data for your entire estate.



KEY FEATURES TO CONSIDER WHEN CHOOSING A HOTEL PMS

Reliability and security

A big consideration when choosing your hotel PMS software should be its reliability and security. It's imperative that your hotel can rely on its PMS software to ensure the guest experience isn't compromised. Therefore, one of the questions you should always ask is the 'average uptime', and this should be as close to 100% as possible.

Also check the management and stability of the brand itself. Ensure they are backed by strong ownership to provide peace of mind that the company isn't going to dissolve anytime soon.

Coupled with reliability, the security of the software is equally important. The last thing you need is a security breach to compromise your credibility and guest satisfaction.

Ensure your PMS provider's payment gateway is PCI-compliant. PCI DSS is a set of security standards designed to ensure all companies that accept, process, store or transmit credit card information maintain a secure environment. It is managed by a PCI SSC, an independent body that was created by the leading payment card brands (Visa, MasterCard, American Express).

Contactless technology

Contactless technology is relatively new to the hospitality and hotel sector and was catapulted into the industry due to COVID-19 and social distancing laws. However, the functionality has become the norm and guests now expect a contactless guest experience because of it.

Contactless technology, which includes contactless check-in/ out, mobile ordering including room service, table reservations, completing secure payments and using mobile keys to unlock room doors, enables operators to improve guest experience and reduce operational burden.

Not only does this technology provide guests with what they want, it also enables you to make operational efficiencies from reducing front-desk and restaurant staff to improving housekeeping and room assignments meaning less time-consuming trips to the front-desk.

KEY FEATURES TO CONSIDER WHEN CHOOSING A HOTEL PMS

Data analytics and reporting

The key to maintaining a competitive advantage and profitability is how you analyse and manage your data. We've already spoken about how much data plays an important role in your revenue management strategy, and there is an abundance of data available to hotels, so it's an important functionality when choosing your PMS provider.

Thorough data analysis can provide vital intelligence to help you make better business decisions. Whether that's improving the guest experience, formulating an effective revenue management strategy, creating personalised marketing messages to increase direct bookings, or leveraging your food and beverage operations, data analytics should be at the heart of your business strategy.

Onboarding, training, and customer support

Contactless technology is relatively new to the industry. Once you've chosen your PMS provider, you want to know that the onboarding and switch over from a previous supplier is going to run as smoothly as possible with zero downtime.

On top of this, staff training and access to training resources for new employees, means that you can relax in the knowledge that your staff can pick-up and run with your chosen PMS software provider.

Likewise, if something goes wrong with your PMS, you want the confidence that you can get in touch with customer support, no matter what time of day, so be sure to quiz potential providers on their customer service and support credentials.

TYPICAL PRICING MODELS AND VISIBILITY OF IMPLEMENTATION TIMELINE

There are two types of pricing models typically charged by PMS providers: licensing and subscription-based.

Licencing

More traditionally used for an on-site (on-premises, as opposed to cloud-based) implementation and isn't widely used now. However, some legacy PMS providers may still charge a licencing fee even for a cloud-based implementation. The key here is to ask the question and make sure you have visibility of all costs.

Subscription-based

A monthly subscription fee is often used by cloud-based PMS providers and is usually based on the number of rooms or properties. You should watch out for hidden costs for add-on features, implementation and set up fees, training costs, commission fees, and customer support costs. Before appointing your PMS provider, be sure to have access to all costs as well as any commission fees.

IMPLEMENTATION

Typically, a PMS provider can onboard your business within one to three weeks depending on the number of reservations, number of rooms and rooms with customisations, the number of properties, and the number of channels you wish to connect to.

A good PMS provider will also provide staff training and give access to tutorial videos and guides to help you train new users.



A GUIDE TO HOSPITALITY TECH JARGON FOR HOTELIERS

In the ever-evolving landscape of the hospitality industry, technology plays a pivotal role in enhancing guest experiences and streamlining hotel operations. However, navigating through the myriad of technical terms and jargon can be a tall order.

In the below glossary, we explain some of the common tech buzzwords you might encounter when speaking with different providers.

Channel Manager

Software that enables hotels to update room availability and rates in real-time across multiple online distribution channels, ensuring consistency and avoiding overbooking

CRM (Customer Relationship Management)

Strategies, technologies, and practices that hotels use to manage and analyse customer interactions throughout the guest lifecycle, with the goal of improving customer satisfaction and loyalty.

CRMS (Customer Relationship Management System)

Definition: Software that helps hotels manage and analyse customer interactions and data throughout the guest lifecycle to improve customer relationships and drive loyalty.

CRS (Central Reservation System)

A system that allows hotels to manage and distribute room inventory and rates across various distribution channels, including online travel agencies (OTAs) and the hotel's website.

IBE (Internet Booking Engine)

A tool integrated into a hotel's website to facilitate direct online bookings by guests.

IoT (Internet of Things)

The interconnection of devices (such as thermostats, lighting, and sensors) embedded with software, enabling them to collect and exchange data, enhancing guest comfort and operational efficiency.

Kitchen Display System (KDS)

KDS streamlines communication between the kitchen and the front of the house, improving order accuracy and kitchen efficiency, enabling operators to do away with paper tickets.

Mobile Room Keys

Mobile apps that allow guests to use their smartphones as room keys, streamlining the check-in and check-out process.

OTA (Online Travel Agency)

Websites and platforms that allow users to book hotel rooms online. Examples include Booking.com, Expedia, and Hotels.com.

PMS (Property Management System)

A centralised software platform that helps hotels manage their daily operations, including reservations, check-ins, check-outs, billing, and room assignments.

A GUIDE TO HOSPITALITY TECH JARGON FOR HOTELIERS

POS (Point of Sale) System

Systems that handle transactions between the hotel and guests, including food and beverage purchases, spa services, and other on-site expenses.

Smart Room Technology

Integrating IoT devices and automation to enhance in-room experiences, such as smart lighting, temperature control, and entertainment systems. Immerse guests in a tech-savvy environment with cutting-edge smart room technology.

Table Management System

This system helps hotel restaurants manage reservations, table assignments, and waitlists, optimise seating arrangements and reduce guest waiting times with an intuitive table management system.

Other specialised terms and phrases utilised by professionals in the hotel industry to evaluate hotel performance and effectiveness can sometimes be bewildering. These often revolve around key performance indicators (KPIs) which serve as benchmarks for success. Some of the most common include:

ADR (Average Daily Rate)

The average rate charged per occupied room in a hotel over a specific period, calculated by dividing total room revenue by the total number of occupied rooms.

CPOR (Cost per Occupied Room)

Used in the hotel industry to evaluate operational efficiency and cost management, CPOR represents the total operating costs associated with each room that is occupied by a guest during a specific period.

GOPPAR (Gross Operating Profit per Available Room)

performance metric that evaluates a hotel's profitability by measuring the gross operating profit generated per available room, calculated by subtracting total operating expenses from total revenue and dividing by the total number of available rooms.

Occupancy Rate

The percentage of available rooms that are occupied during a specific period, calculated by dividing the number of occupied rooms by the total number of available rooms and multiplying by 100.

RevPAR (Revenue per Available Room)

RevPAR is calculated by dividing the total revenue generated by room sales by the total number of available rooms in a given period. It is a crucial indicator of a hotel's revenue-generating efficiency and helps managers assess pricing strategies, demand trends, and overall performance in comparison to competitors.

ABOUT Zonal

Zonal is a British, family-owned connected technology provider offering innovative solutions, from hotel PMS to EPoS to reservation systems, to 16,000+ businesses of all shapes and sizes across the hospitality sector. With an ever-growing list of more than 200 third-party integrations, Zonal helps operators to build their perfect tech stack in order to streamline operations, maximise profits and deliver great guest experiences – all backed up by unparalleled, industry-leading support.

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