



TECHNOLOGY AND HOW THIS CAN IMPACT YOUR BUSINESS

A WHITE PAPER





TECH CHECK

Technology can be a useful servant or a lousy master but there are ways to ensure it serves your business well, says the IoH.

The most commonly used piece of hotel technology is audio-visual but it has never been loved by either clients or employees because it was always the bit that went wrong – and publicly. Happily, things have moved on and these days, it can be put online and supported remotely, so that the supplier knows there is a problem and can solve it remotely and out of hours, often before their client even knows about it.

AV is one of numerous pieces of technology employed by hotels but to expect someone in hospitality to integrate these disparate elements and get them to work together is asking a lot, especially as traditionally, hotels have not had one dedicated person to take responsibility for technology; as a result, decisions are made in isolation over a long period, creating a disjointed tech stack that does not provide a cohesive service.

It is important that you control technology and not it you.

ALL CHANGE!

The human race does not like change but evolution is both inevitable and essential; embrace it and you will succeed. It will not eliminate jobs but make them easier – it will automate basic tasks, leaving people free to look after guests and enhance their experience.

Introducing technology into a busy working environment is not easy, so plan the implementation, phase it in, have success criteria that everyone buys into, and identify technology champions to drive that forward.

It is important your teams feel part of the process and know they have a say in what's happening. Divide the task into manageable chunks and allot those to different people, with one individual to oversee the entire project.

API

Hoteliers should work out exactly what they need, which bits of technology should talk to each other and what the outcome should be. A hotel might need open API capabilities to pull point of sale revenue data from an ePOS, for example, and marry it up with a work schedule to help forecast labour requirements; APIs can also integrate with business intelligence systems to look at events in the area and forecast weather based on previous years.

Bear in mind that APIs are not all built equal and having connectivity doesn't mean having connectivity with everything you want – it might be able to push data into a CRM but not get any out. Unfortunately, there is no way of knowing whether technology is going to work for you until you do it and you need the expertise from the technology developer to understand that. If you are taking on a new system, accept there are going to be challenges.

Map out the customer experience before you approach the developer, so that you understand what you are trying to achieve.

Complications are exacerbated by the lack of technology standards in hospitality and this leads to silos. In other industries this does not happen. Airlines, for example, have standard connectivity procedures and how they are written. In hospitality, everyone is doing it differently.

SIGHT AND SOUND

Because people register first what they see, hoteliers' main concern is how a hotel looks – colour, fabrics, furniture. But sound is very important because it prompts a fight or flight reaction; people notice if the sound is wrong: quality, volume, appropriateness, not enough speakers. At The Fat Duck, Hester Blumenthal gives guests headphones with some courses so that they perceive food in a particular way.

It is, however, hard to measure the impact of AV. It has been done in retail, where operators track how many people come in, how much they spend and how long they stay. Hospitality is not keen to do it but that knowledge would allow hoteliers to change one thing at a time – music, speed of service, etc.; it is difficult to do that without technology.

RETURN ON INVESTMENT

When hoteliers invest in technology they are looking for a return on that. This does not apply to a physical asset, where wallpaper or furniture, for example, are part of the brand, but a website and AV are on the profit & loss account, rather than the balance sheet. In short, physical and digital assets are viewed differently.

However, people often treat the refurbishment of a property and a website similarly, anticipating renovations after five years. But technology evolves quickly and its performance and how it looks should be reviewed regularly. Evaluate your digital investment but do not expect an immediate return.





SUSTAINABILITY – TIME TO CHANGE

Companies are moving away from paper and they are considering allocation of resources and the waste of energy that can accompany overstaffing. But in hospitality, organisations need to look beyond their own four walls to suppliers and their suppliers to ensure full visibility and consistency of sustainability. Technology can help companies measure their impact.

Sustainability is being driven by consumers and technology should be positioned as sustainable. People often look at a hotel's website first and they do that more often than they visit the property or use its services. Your website reflects your business in both brand and identity – and that needs investment. If it's clunky and difficult to use, that might put off potential guests and if it's exceptional, they will expect that when they arrive. However, despite its importance, there is rarely one person in a hospitality business whose job is dedicated to looking after the website.

In contrast, online travel agencies (OTA's) invest huge amounts in their technology in order to drive bookings away from the direct channel, which is the one place a hotel can showcase and align the physical and digital experience. That said, despite OTA's best efforts, direct bookings have now hit more than 50% of all bookings made.

Direct bookers represent a big opportunity but investment in the digital experience is often secondary to the physical; the two need to be aligned.



COMING SOON

Many people have quality surround sound and speakers at home driving hoteliers to approach sound the same way, making quality a minimum expectation.

In payment and systems technology, there have been huge shifts: people used a physical cash register in 1990, this was digitised in the 2000s, and in the cloud by 2010. Things will continue to become more efficient with point of sale phones, payments and workforce management tools that connect seamlessly – teams will expect to use numerous pieces of technology simultaneously; and revenue centres will be in the cloud, physical terminals will go. Some hoteliers are already putting technology in rooms so that customers can scan for a towel or food; that will accelerate and consumers will accept it.

AI will allow smart scheduling, taking account of absence or sickness patterns, and it will be possible to automate common questions and personalise answers, which will increase productivity.

PEOPLE POWER

ChatGPT is already hugely influential. It can create ad copy, write code, and more; it is impacting on the marketing executive role. In fact, it can be leveraged to good effect – it is a tool in a hotel's arsenal, but the more you see it as a threat, the more it will be one.

Technology will never replace the human factor in hospitality – people are why we go out, but technology needs to make it easy for employees to do their job; with so many apps, people become a differentiator. It allows you to invest more in your team; it is a trusty servant.

It will soon be vital for new hires to be tech savvy, including the ability to write basic code, and training should support that. This should shorten the divide between an agency's empathy with the hotel and the hotel's understanding of technology; the shorter that gap, the better the relationship, making it a joint role.

Having an elementary level of technical competence and understanding is useful even at strategic level, it helps make better decisions. Someone in their twenties has grown up with a smart phone, a tablet, etc. and understands how the world connects. It is essential that how any technology works means something to the user and should be formatted to that end; it should also be operable by the newest member of the team.

Good technology implemented badly is bad technology. Take time to implement the technology you have chosen, get the right people involved and take account of the cost attached to that. And do not neglect the employee experience, focus on how they engage with technology. With a happy team, you will have happy customers.

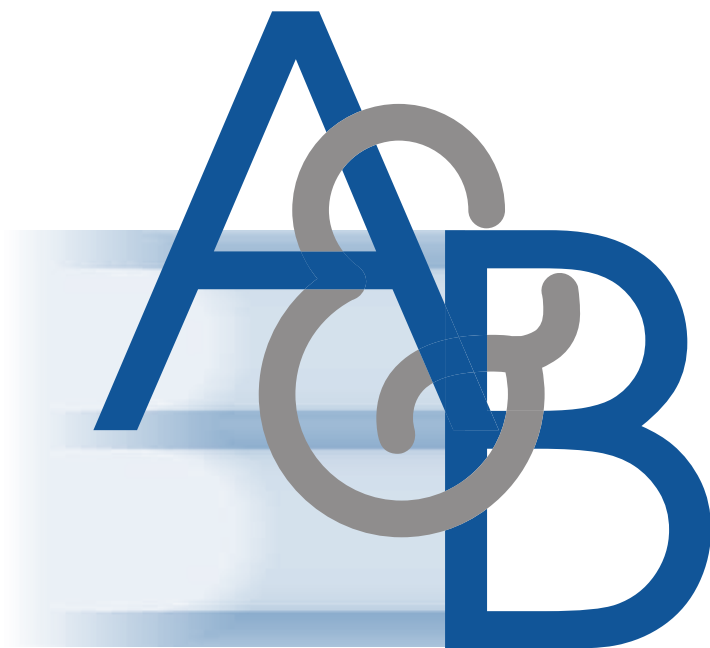
But the most important thing for hoteliers who are implementing technology is to assign someone as main decisionmaker, head of technology. That way, everything runs through them and they become a central repository for information; it keeps data cohesive and does away with silos. That will be your success story.



CREDITS

This White Paper has been produced following a panel discussion at Above & Beyond – Rosewood, London.

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