Hotel technology digitalization: Take the next steps

Beginning the journey to create a scalable hospitality technology platform
Introduction

Digitalization is a transformation process that organizations in all industries are taking seriously as they focus on engaging customers and their own teams by harnessing the potential of the digitally based systems and solutions. For hoteliers, this means embracing existing and emerging technology, such as native cloud infrastructure and mobile-friendly solutions to meet and exceed evolving consumer expectations for a more personalized experience. In the hospitality industry, this is the future.

What areas of the business should be the focus when seeking to invest in more scalable hotel technology? What solutions are at the heart of this important process? Where should organizations begin making the leap into a digital paradigm? This eBook shares techniques and strategies to help today’s hospitality leaders plan a successful digitalization strategy that is sustainable and sets up their organization for leadership in an ever-changing marketplace.
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Digitalization now: the latest trends

Adapting to the technology and cultural landscape in the 2020s

Why must hospitality organizations implement a digitalization strategy? Some of the preeminent forces that are driving the hospitality industry—personalization, mobile-enabled processes, and the cloud—are making significant changes to how hoteliers now do business. These forces also impact how they plan their priorities to continue to compete in the future. Here are some emerging statistics across multiple industries that leaders can expect to see as the 2020s progress.

- 70% of purchases will be judged on the quality of the experience, even more than how much those experiences cost.
- 69% of consumers industry-wide in the US would provide more information in exchange for more personalized experiences.
- 67% prefer to manage operational and purchasing processes via mobile and without intervention from staff members.
- 83% of all enterprise workloads will be in the cloud by 2020 due to scalability, cost-effectiveness, and easier integrations.

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Digitalization and your guests

The questions to address when investing in new hospitality technology

Innovations in hospitality are emerging at a breakneck pace. However, digitalization does not mean upending every process and system across the organization just for the sake of change. Instead, it should start with a careful look at business goals. As leading hospitality companies start to look at the guest experience differently, from the perspective of evolving demands and expectations, consider these questions:

- What do our guests want out of their stay?
- What does our competition deliver that we do not?
- How do we keep guests loyal to our brand?
- How do we inform, engage, and empower staff to optimize the guest experience?
- What are the risks are worth taking in terms of investment in new solutions?
- Who in the organization should we involve in decision-making?
- What KPIs and milestones will reflect successful progress in digitalization?
- What is our timeline to implement changes?
Maintain a clear vision

Once you’ve addressed key questions as far as your guests are concerned, it’s helpful to craft a vision for your supporting technology platform in its current state, using measurable challenges and goals to help frame your future vision. Here’s an example.

Current state
- On-site servers take up valuable floor space and resources
- High-maintenance burden on in-house IT staff for system updates, security among others
- Disconnected business systems across revenue centers and properties bridged by manual processes
- Technology limits options for guests—checking in, paying bills for food & beverage, amenities, traditional line-ups at front desk, etc.
- Low visibility for staff to easily address guest requirements and issues in good time
- Time-consuming manual reporting via spreadsheets
- A large portion of staff time spent on managing processes

Future state
- Cloud-based technology platform deployed via SaaS with no on-site server hardware needed
- Remote support and security, and timely software updates
- Connected solutions in a multi-tenant platform—PMS, RMS, POS, S&C, and others
- Mobile options and room look-up functionality for seamless transactions and processes across revenue centers with less time waiting in line
- Better view of guest histories, activities, and communications before, during, and after their stay with increased agility to see and respond to guest needs
- Easily generated and sharable web-based reporting based on real data whenever needed
- Less time managing processes manually, more time for guests
What to know before you begin

Digitalization is a business strategy, not simply technology

Digitalization is more than digitizing tasks or investing in specific hotel technology solutions. It’s a broad strategic approach to further personalize customer experiences and increase staff agility through specific, targeted, real-time information exchange. Digitalization also includes connectivity across all customer-facing and operational systems, using existing and emerging technologies to drive innovation in an increasingly competitive market. Take a look at these areas when approaching digitalization as business strategy.

Determine specific, measurable goals—Clearly define your goals with investment in new technology and use these aims as your horizon line.

Get leadership buy-in—Winning the support among all C-level executives is crucial to success throughout the process.

Establish criteria for choosing technology partners—Decide on a list of key attributes for vendors—scale, experience, industry knowledge, values, etc.

Monitor incremental changes as you go—Setting benchmarks that demonstrate evidence of success, no matter how small, is important in a long-term digitalization strategy.

Be inclusive—Value the input, perspective, and work of all stakeholders along the digitalization journey.

Ensure good communications across departments—Constant communication and dialogue with front-line staff, IT, the business office, and all stakeholders is paramount.
Ever-growing guest expectations and mobile tech

After strategic planning, it’s time to concentrate on technology and the culture it increasingly supports and defines. Mobile devices have led the way in how people live and interact with each other. Today’s consumer expects—and demands—any interaction with a business and service to be immediate, seamless, and supportive of on-the-go use. This dictates that today’s hoteliers and properties must focus on mobile-friendly systems that not only meet consumer demands, but also work behind-the-scenes to create operational efficiencies, and support of staff along the path toward a fully digitalized experience.

For many hoteliers, digitalization has started in an important area—online booking—but will seep into several important areas of the organization and at all stages of the guest’s journey.

Here’s a list of areas where mobility for a superior guest experience is essential:

- Bookings and reservations—rooms and events
- Check-in/out processes
- SMS-based text communications, push notifications to alert room/reservations readiness, etc.
- Guest room services—food and toiletries
- Housekeeping apps for staff to coordinate services more efficiently and less intrusively to the guest

The underlying principle to investing in a hospitality technology platform is to allow the guest to manage his or her experience in a more personal and empowering way. In an era when guests can review their stay at any point in their experience, another important principle for hotels is to make sure that mobile communications are enabled throughout their stay. Using mobile technology to address concerns before it’s too late to do so can mean the difference between a one- and five-star rating.
Set the stage for success

The definition of success depends on the project

As you roll out a digitalization project or series, it’s important to define and refine what success looks like for all stakeholders and for the organization overall. This includes creating an open system and workflows that provide insights and real-time reporting at-a-glance as you go. And right at the start, it means defining who digitalization projects will serve internally as well as externally.

A part of the digitalization roadmap includes clear definitions and buy-in around the organization’s current state of operations.

Steps to take to clarify strategies can include:

- **Defining user personas**—A digitalization strategy depends on knowing who is doing the work at all levels and giving them with what they need to excel.

- **Defining guest personas**—Who are your most valuable guests? How has their experience and expectations evolved or stayed the same? How will the project help those guests feel more at home?

- **Defining benchmarks**—As you implement new processes and solutions, set those dates as starting points to more accurately measure progress as projects roll out.

- **Defining long-term strategy beyond single projects**—Employ business analytics, staff and employee feedback to track trends and get a better sense of ROI to inform how to devise future strategies.
How to choose a technology partner

**Digitalization requires alignment and expertise. Choose well.**

A crucial aspect of digitalization is finding the right software and support technology partner that will help you to meet business goals and empower you to turn your digitalization vision into reality. Look for a vendor that:

- Understands the importance of digitalization and the elements involved including cloud-based strategy, mobility, and seamless system integrations
- Demonstrates guest-first approaches to developing their solutions
- Invests in your vision of where you want to take your organization—not just in getting you to sign the dotted line
- Reflects your core values
- Knows the hospitality industry, and its challenges
- Leads the way in industry evolution and transformation with organizations comparable to yours
- Provides solutions specifically built for cloud deployment
- Commits to long-term digitalization success through ongoing consultation, collaboration, and technical support
Creating a platform for success

Implementing a successful digitalization process starts with a robust and scalable technology platform. Cloud-based and integrated technology helps provide the foundation for a long-term digitalization strategy and a sustainable environment for dynamic operations, reporting, and competitive positioning. To scale a platform at pace with quickly changing technical and even cultural trends requires an integrated ecosystem of industry-specific solutions. Only such a purpose-built, unified application set can power the true innovation that, in a competitive landscape that’s constantly shifting, is essential.

What are some of the key areas where the right technology serves to create streamlined processes to manage a more cost-effective, scalable, and smarter business? Here is a select list to consider:

- Business strategy and forecasting
- Operational cost management
- Events management
- Pricing automation
- Reservations

A scalable platform for digitalization

Precision, intelligence, original solutions and systems integration, and a superior guest experience are all integral to a winning digitalization process in hospitality. It’s vital for industry leaders to pursue and understand what’s needed in a technology platform to modernize operations, get a better handle on incoming business data, and adapt more easily as new technologies emerge, all while serving guests better and better.
Take the first steps to digitalization

In a hospitality context, digitalization touches on:

- Property management
- Analytics and reporting
- Team collaboration environments
- Financials
- EAM
- Workforce management

The current landscape demands the implementation of elements like next-gen mobile, AI, machine learning, and voice-activated technologies. A true digitalization strategy helps businesses transition as needed toward a successful, prosperous future.

It’s time to move toward digitalization.


4. Louis Columbus, “83% of Enterprise workloads will be in the cloud by 2020” Forbes, January 7, 2018.