

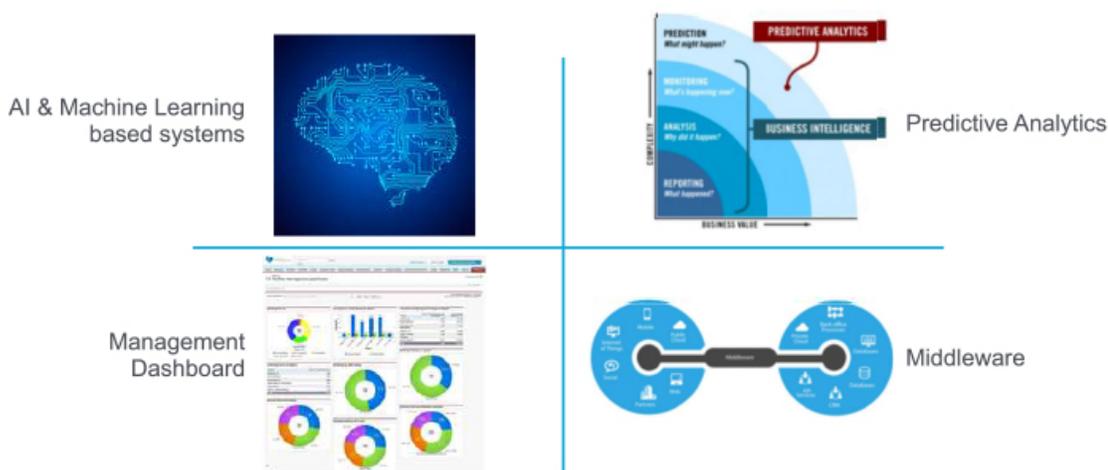
Technology

5 things to know about hoteliers' tech expectations

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Technology is expected to significantly evolve in the hotel industry over the next few years, but a change in attitudes might be needed to facilitate the shift.

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PARIS—It's not uncommon to discuss expectations for [how the hotel industry will be different in 2020](#), and many of those opinions are built around growing use of technology, particularly in guest rooms.

But recent research from Peter O'Connor, professor of information systems and dean of academic programs at the France-based Essec Business School, shows the need to evolve goes beyond in-room streaming or other bells and whistles. The most significant growth, O'Connor said, might come from leveraging technology to make business operations more sophisticated.

O'Connor recently led a survey, study and think tank on what the hotel industry will look like in 2020. Here are some of the top takeaways from his research, some of which was shared during a recent webinar hosted by Revinate and SiteMinder.

1. Hoteliers have ground to make up

Think back to the state of consumer technology in 2007—the year Apple launched the iPhone—and have a wave of nostalgia for how things were relatively simple back then. But that thought becomes less charming when, as O'Connor pointed out in his research, the hotel industry is dealing with many of the same technological issues as it was back then.

“To me, it’s clear the consumer has jumped far ahead,” O’Connor told Hotel News Now.

To illustrate his point, O’Connor examined some of the tech issues that were ranked as the most important for hoteliers in 2007. Those problems included things like standardizing property management systems, consolidating guest data, enhancing online distribution and refocusing in-room systems.

O’Connor noted those are all issues still hanging in the air today to be dealt with.

2. Consumer expectations are increasing

O’Connor said one of the clearest trends from his research is that hoteliers know guests are going to be more demanding when it comes to tech.

“Respondents felt that tomorrow’s guests will seek out unique experiences, expect to be recognized and have higher expectations than the guest of today,” he said during the webinar. “As digital natives, they will use mobile as their primary way of interacting with the hotel, at the search, book, during their stay and at post-stay stages of the guest cycle, and will expect a high degree of personalization in both the selling process and the actual experience itself.”

The research showed that expectations for 2020 include higher degrees of tech-based recognition and personalization.

3. Data matters, and so does the way you use it

O’Connor said the hotel industry collects a lot of data, but often doesn’t get the right kind of data—and when it does, sometimes doesn’t know how to use it correctly. He said technology that helps with data collection and analysis will be key. He said this was one of the most pressing issues raised by his think tank.

“All issues focused on data are about better understanding the customer in terms of making more money in future,” he said. “But it’s a vicious cycle. Archaic systems aren’t collecting the right data, and when they do (the data is) siloed and can’t be used together. So a key challenge is mastering the data we have.”

O’Connor said this presents an opportunity for vendors, and he expects to see more development and adoption of “middleware,” which helps translate between different systems to put data to better use. He said there are also opportunities with things like management dashboards, artificial intelligence and better predictive analytics.

4. There are opportunities and challenges for indies

Independent hotels don’t have brands pushing them to adopt new technology, and they also have the freedom to be more experimental and entrepreneurial, O’Connor noted.

“They can be agile if they want to be,” he said. “They can try things if they have the right mindset.”

But without brands pushing for improvement, managers and owners of independent hotels have to be pretty tech savvy on their own.

“Unless the GM or owner is very much aware of where consumer demand is going, (tech improvements are) not going to happen,” he said.

5. Hoteliers have to bite the bullet, spend some cash

It’s easy to talk about wanting better tech, but O’Connor said the hang-up often comes when hoteliers have to back up their good intentions by actually putting up some money. But with hoteliers already running well behind consumers, he said, significant investment in technology won’t be a luxury; it will be a necessity.

He said part of that will be making better pitches to owners for things like strong back-end systems that can improve operations and data collection/analysis.

“There’s always an issue with who pays (for technology),” O’Connor told Hotel News Now. “When there’s a specific amount for CapEx, it’s a lot easier to show the new sinks in the bathroom than some content management system that an owner can’t touch or feel.”