Budgeting During a Crisis:

What is Mission Critical for the Guest Experience?

Challenges and Opportunities
in the Post-COVID New Normal

The COVID-19 pandemic sent the hospitality and travel industries spinning into uncharted territory. The combination of a global health crisis, a major economic recession, and international pandemic lockdowns have created a budget season like none other.

COVID-19's cost to the hospitality industry has been very real, and will have a lasting impact on this years' hotel budget season. To assess this impact, StayNTouch recently commissioned a survey of almost 500 hoteliers to gauge their sentiments surrounding coronavirus and the reopening. When asked how long they think it will take their business to fully recover, 58.7% of the respondents believed that it will take over a year to reach their pre-COVID levels of occupancy and RevPar. This loss of revenue led to some significant cost-cutting measures,

with over 60% of hoteliers planning to reopen with only three-quarters of their staff...or less. And with current occupancy hovering around 40-50% of its pre-COVID levels, experts believe that many hotels will spend much of 2020-21 catching up with their 2019 performance.

Fortunately, the hospitality industry has always been resilient in the face of external shocks, and this time is no exception. As the social distancing lockdowns began to subside throughout the summer, travelers motivated by a combination of cabin fever and FOMO (Fear of Missing Out) began to take their first trips since the pandemic began. According to market research firm Destination Analysts, 54.8% of Americans are either currently traveling or ready to travel as of August 30th, with 43% of American travelers saying that leisure travel will be a high priority in 2021.
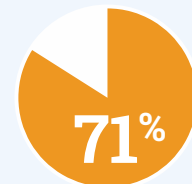
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Enhanced Hygiene and Social Distancing Will Define the "New Normal"

But while we appear to be approaching a period of growth and recovery in the travel industry, consumer behavior and industry priorities will not simply return to a pre-COVID normal. Traveler concerns surrounding health, cleanliness and social distancing are exponentially higher than they were pre-COVID: One global study conducted by Oracle and Skift surveyed over 4,600 guests and 1,800 hotel executives discovered that 84% of travelers found that enhanced social distancing rules for hotel public spaces will be the most influential factor in their decision about where to stay in upcoming trips.

But COVID is not only changing customer sentiments, it's also changing customer behavior: A recent Hilton study, for example, found that 71% of consumers were cleaning more themselves, while Destination Analysis finds that 88.1% of travelers "always" or "usually" wear a mask, and 87.9% are either "careful" or "very careful" with social distancing. This is also manifesting itself in customers' choices of destinations and modes of travel. Overwhelmingly, customers prefer to travel to rural areas over urban cities, and local rather than international destinations. Customers also prefer traveling by car rather than by airplane, and even RVs are making a comeback.

84%
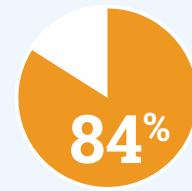
CONSIDER SOCIAL DISTANCING RULES MOST INFLUENCIAL FACTOR

71%

OF CONSUMERS ARE CLEANING MORE THEMSELVES

88%
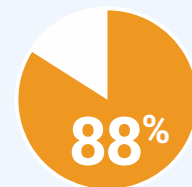
OF TRAVELERS AT LEAST USUALLY WEAR A MASK

Brand Reputation Matters More than Ever

Online reviews have become especially important in the post-COVID era, as consumers become increasingly aware of a property's hygiene and health standards. Prior to COVID, poor online reviews might be embarrassing, now they can potentially be fatal. In a market where 92% of consumers trust recommendations from friends and family above all other forms of advertising, it is incumbent on hotels to focus on their brand's online reputation, and prominently communicate their commitment to their guests' health and safety.

★★★★☆

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What Hotels Should Consider When Evaluating Technologies in Travel's New Paradigm Shift

Contactless is No Longer Optional

Prior to COVID-19, contactless technology such as mobile check-in, keyless entry and guest messaging were largely seen as luxuries for forward-thinking or tech-centric hotels. Today, they should be viewed as necessities. According to a study commissioned by Skift, 70% of consumers agreed that they would be more willing to stay at a hospitality business which implemented self-service technology, with contactless payments (35%), digital room keys (26%) and digital messaging services (20%) being among the top technologies which would make them feel more comfortable staying in a hotel. Another study by Citron found that 62% of respondents said they would prefer checking-in through a hotel app over traditional methods. The same study also noted that 73% of respondents would use an app that would allow them to use their smartphones to open the door to their room.

And it isn't only consumers who desire a contactless experience: Multiple industry associations have included investment in contactless tech as part of their best practice guidelines for enhanced hygiene policies, including the American Hotel & Lodging Association (AHLA), the World Travel & Tourism Council (WTC), and the U.S. Travel Association. This all indicates a new paradigm shift in consumer travel behavior and hotels who haven't already invested in contactless technology, should consider doing so when evaluating their technologies during budget season. Start by asking the all too important question: What technologies are mission critical to future-proof your business and your guest experience in a post-pandemic environment?

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Automation Can Help Leverage Scarce Resources

In the post-COVID era, hotels are expected to deliver superior service and enhanced hygiene with reduced resources and staff. Fortunately, technology can come to the rescue: A mobile PMS can streamline or eliminate a lot of the administrative busywork that comes with running a hotel: including auto-assigning rooms, housekeeping task management, and hyper-efficient rate-management. When combined with a contactless payment platform and a keyless entry system, a mobile PMS lets guests check-in through their smartphone, eliminating the need to maintain a heavily-staffed front desk. Mobile guest messaging can also free up staff bandwidth by allowing a single staff member to handle multiple guest requests simultaneously.
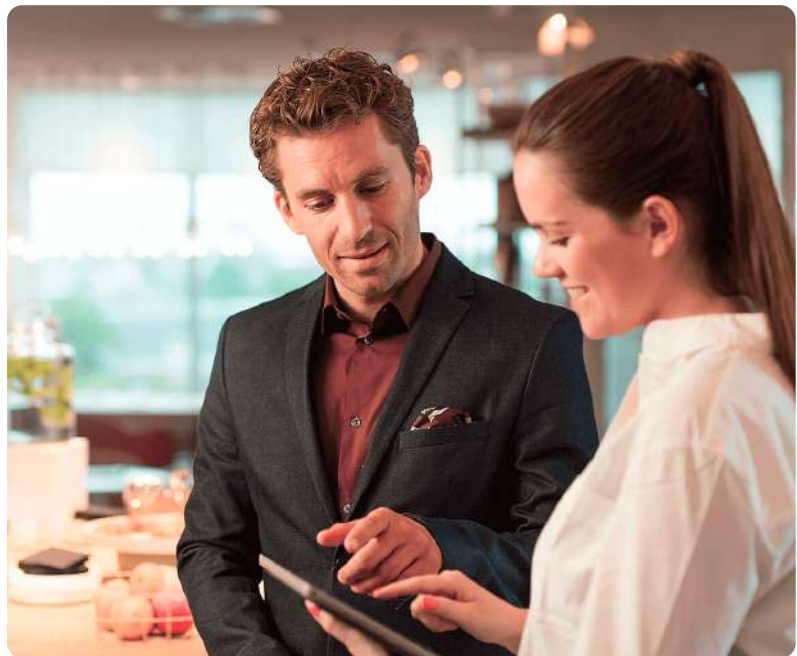
Guests Still Want a Personalized Experience

Even a pandemic can't take away travelers' desire to have more convenience, control and customization over their guest journey. Service that is contactless, and in many instances automated, must still be highly personalized. Fortunately, mobile technology can deliver on all three criteria: Mobile check-in allows guests to completely personalize their check-in experience, from their method of check-in (through their mobile device, a guest-facing smart kiosk, or a friendly hotelier), to the time of check-in or check-out, to their choice of room upgrades or amenities. Mobile guest messaging is the epitome of personalization, allowing guests to interact with staff directly from their mobile device, while customizable satisfaction surveys can help build highly granular guest profiles to inform increasingly targeted messages and offers.

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Your Tech Should Play Well with Others
Why Open APIs Are Imperative

In order to succeed in the post-COVID travel climate, hoteliers will have to invest in a tech stack that can maximize operational efficiency, increase revenue, promote hygiene and social distancing, and personalize the guest experience. But none of these goals can be achieved with a single technological solution — they require the seamless integration of multiple platforms in order to be realized.

That is why hoteliers should invest in a cloud PMS with an open-API ecosystem. Open-APIs allow your hotel and guest data to be shared across multiple platforms, creating a unified experience for your customers, and removing data silos that can hinder your hotel's efficiency and effectiveness.

CONSIDER CONTACTLESS CHECK-IN: At bare minimum, a fully contactless check-in experience requires a PMS with a guest-facing mobile check-in option, a contactless payment platform, and a mobile keyless entry system. An open-API allows all of these platforms to be integrated into a single unified experience that appears as a single unified touchpoint to the guest.

BUT THAT'S JUST THE BARE MINIMUM: If the PMS can send offers for room upgrades, amenities, and monetized early check-in/late check-out to the guest's mobile device, hoteliers might consider integrating with a CRM to enhance personalization and targeted messaging. Hoteliers could also utilize a mobile guest messaging system to capture guest feedback, process requests, and promote brand loyalty. Ultimately, an open-API gives hoteliers the flexibility to scale their operations to capitalize on emerging technologies to enhance the guest experience.

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# Essential Contactless Solutions That Hotels Should Include In Their Budget Assessments

A Cloud-Based, Mobile PMS

Because a mobile PMS is run off of a tablet, it can provide staff with instant access to room status and guest information, while also allowing employees to manage operations from anywhere on property (or on the planet). Staff will be able to break free from the front desk and process guest requests from anywhere in the hotel, while sales and revenue managers will be able to view and react to changes in rates and availability from literally anywhere, on any device.

While a PMS represents the heart of hotel operations, it also functions as the arteries enabling data flows that help personalize the guest experience. The PMS stores the foundational data for every guest profile, including reservations, stay and purchase history, room inventory and housekeeping and maintenance information. This profile can be used to implement targeted marketing and loyalty campaigns, as well as to create more personalized digital touchpoints and more meaningful interactions between guests and staff.

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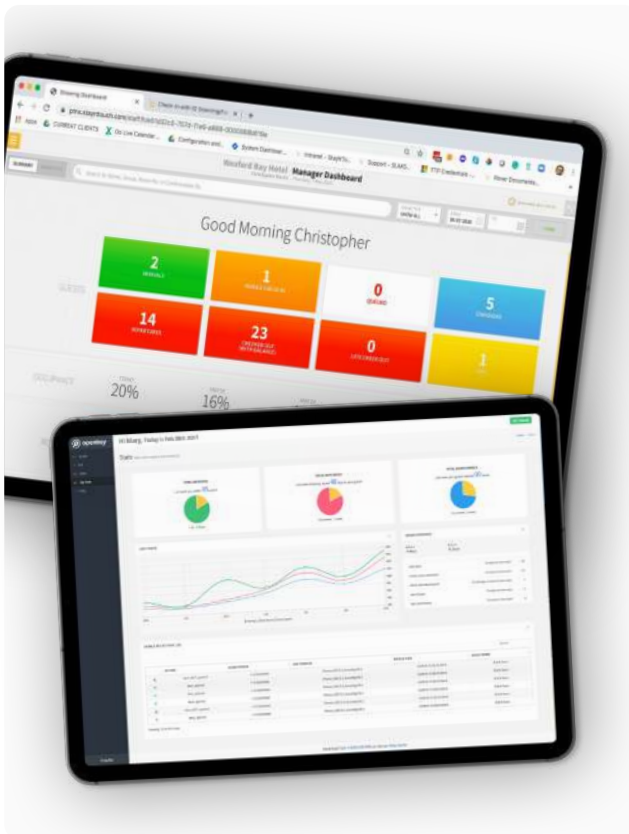
SOLUTION #2

Mobile Check-In

A mobile PMS can also provide the foundation for guest-facing mobile check-in. This can provide a number of benefits for both the guest and hotel: First, it promotes social distancing by giving guests the option to check-in without having to physically interact with staff members, and by eliminating bottlenecks at the front desk. But this "contactless" form of check-in doesn't have to be cold or "clinical". Mobile check-in can actually increase personalization by providing guests with a choice on how they check-in, when they check-in, and what upgrades or amenities they want to enhance their stay. In this sense, mobile check-in can be a major source of generating ancillary revenue, because it can send targeted offers for upgrades and amenities directly to a guest's mobile device. A study by Mashable.com found that targeted upsell ads can provide for up to a 20% conversion rate. For an average hotel with 150 rooms and 60% occupancy, this can add up to $65,000 of ancillary revenue each year.

SOLUTION #3

Contactless Payments

A fully contactless check-in procedure would also need to integrate some form of a contactless payment platform. When combined with digital key technology and mobile check-in, contactless payment gives guests the option of completely bypassing the front desk during check-in, while also being able to use the payment method of their choice. The WHO also encourages the use of contactless payments to reduce the risk of spreading COVID-19 from unsanitized paper notes or credit cards. The risk is so serious that the U.S. Federal reserve is quarantining physical currency from Asia for up to 10 days, while Chinese banks are quarantining physical cash for up to two weeks. In this sense, contactless payments can be seen as an additional way to ensure a safe and hygienic stay for your guests.

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Digital Key Technology

A fully contactless check-in process would not be complete without Digital Key Technology. Much like contactless payments, a digital key promotes hygiene by reducing the number of individuals and physical items that a customer has to interact with before entering their room. Mobile keys can even be configured to manipulate elevators, allowing the guest to avoid touching highly-trafficked elevator buttons.

Digital keys are also far more convenient for the guest than plastic keycards: Digital key solutions have been shown to decrease wait times at check-in by up to 40%, and because the "key" is operated by the guest's mobile phone, it's much less likely to be lost or misplaced. This additional convenience is reflected in guest reviews, where digital keys are shown to improve stay ratings by 7 points or more. You can also leverage your hotel's mobile app to send targeted offers for upgrades and amenities. And these offers can drive increased conversions: According to a recent study, 47% of travelers would be more likely to order room service, and 48% would be more likely to patronize a hotel restaurant if the hotel would provide them with some form of mobile ordering option.

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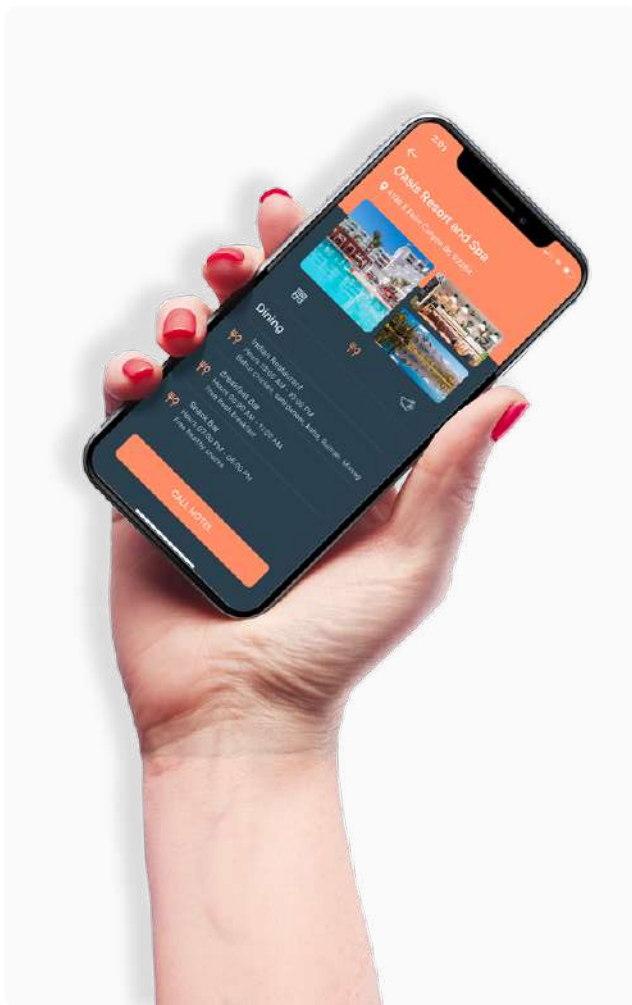
Mobile Guest Messaging

Investing in a mobile guest messaging platform is crucial to enhancing the guest experience and promoting guest loyalty, while also limiting physical interactions between staff and guests. Mobile messaging facilitates instant communication, using the very apps that customers use to communicate with family and friends (e.g. SMS, Facebook Messenger, WeChat, Telegram or WhatsApp). Mobile Messaging addresses the modern guest's need for immediacy and convenience, while also giving hoteliers the opportunity to address any issues before they turn into brand-damaging negative reviews.

While it is important to keep communication channels open during all stages of the travel experience, the on-site one is of particular importance. When communicating on-site and receiving constant feedback, it becomes easier to act upon it and take immediate action. For example, a hotel guest might notice upon arrival that his room is missing a couple of pillows - not a grave issue but still one that, unaddressed, can cost the hotel a few points. When enabling the guest to quickly communicate with the hotel staff through his preferred messaging channel, he can easily send over a text asking for pillows. The staff in charge takes immediate note and brings the requested pillows in a timely manner, which automatically contributes to a positive change in the guest experience. Not only is the guest's problem solved but he is also made aware of how much the hotel values his well being and how the staff and management are eager to cater to his exact needs and expectations.
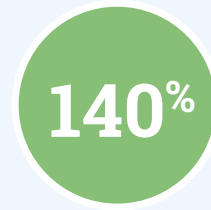
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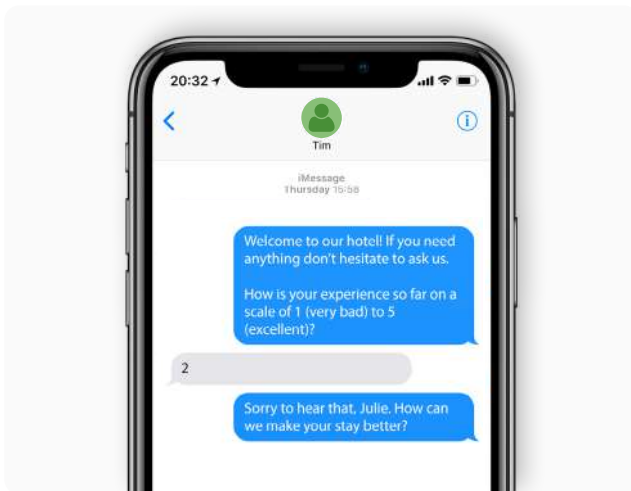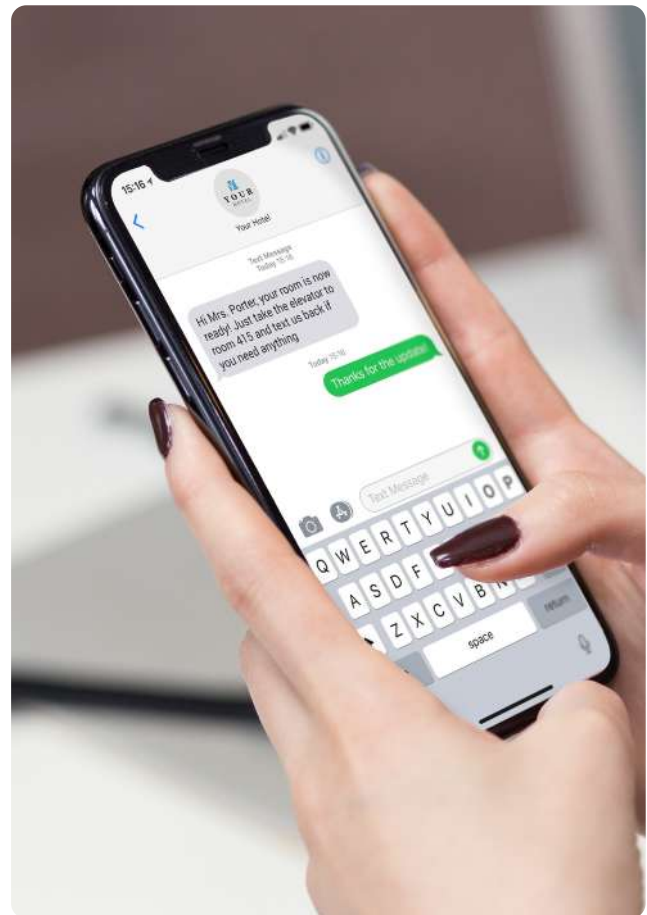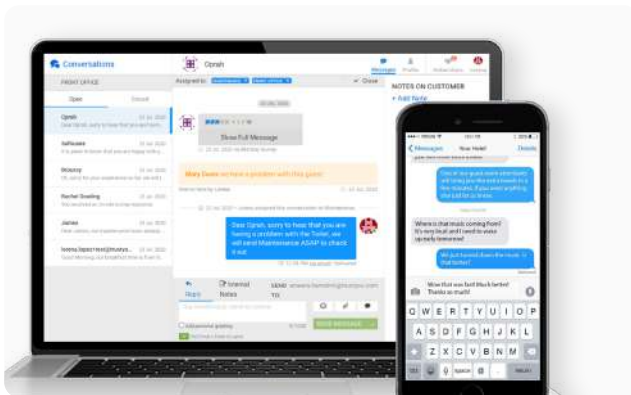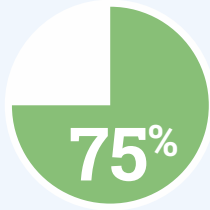
OF I.T. BUDGETS GO TOWARDS OUTDATED INFRASTRUCTURE MAINTENANCE

$1000 USD

WHAT A HOTEL COULD SAVE PER MONTH BY ADOPTING DIGITAL KEY

140%

R.O.I. GAINED IN THEIR FIRST MONTH AT AN INDEPENDENT FLORIDA HOTEL

Don't Just Look at Upfront or Monthly Fees!
Examining Tech's Total Cost of Ownership

In an era where hotels are expected to deliver superior service and cleanliness with reduced staff and resources, it's understandable that many hoteliers are hesitant to invest in new technology. However, it's important to look at a platform's total cost of ownership to see why this reluctance is misguided. A platform's total costs include a lot more than its monthly fee or installation costs: you also have to look at costs associated with maintenance and upgrades, as well as the platform's ability to generate additional revenue for your hotel.

Compared with legacy server-based systems, cloud-based platforms that utilize a software-as-a-service model — meaning there is no need to maintain expensive and crash-prone onsite servers; reduce the total cost of ownership for a business. Maintenance costs can be enormous: Many companies end up spending 75% of their IT budgets just to maintain existing infrastructure. Upgrading legacy systems is usually time consuming and costly, since the provider will have to install proprietary software directly onto your hotel's servers. With SaaS, the upgrade process is free and automatic, making your platform essentially future-proof. The same holds true for integrations: Legacy systems force hoteliers to pay exorbitant sums of money for proprietary integrations, while SaaS systems that emphasize open-APIs allow them to integrate without additional or unnecessary fees.

Digital keys can also reduce a hotel's overall operational costs. While a keyless entry solution does require the installation of digital key-ready locks, this upgrade doesn't have to be excessively expensive. In fact, if a hotel already uses RFID locks, they can be easily upgraded to accept digital keys with a modestly priced module. And once installed, a digital key platform can save hotels up to $1,000 a month in discarded RFID keycards. Traditional RFID keycards are also made from PVC-based plastic, which can only be produced during a highly toxic manufacturing process. By eliminating keycards in favor of a digital solution, a hotel can cut down on environmental waste and bolster their own sustainability efforts.

The right cloud technologies should also help your property gain revenue. A mobile PMS with built-in automated revenue triggers can send targeted offers for room upgrades and amenities directly to your guests' smartphones, granting your hotel an additional stream of ancillary revenue. In one example, a major independent hotel in Florida was able to gain a 140% ROI in their first month, just by incorporating an offer for monetized late check-out to their guests via a mobile check-out app. Mobile guest messaging can also increase revenue in the long run by increasing a hotel brand's online reputation. According to a study by Cornell, for every point increase in online reputation, a mid-sized hotel will see an increase in RevPAR by up to 1.42%. Ultimately, SaaS platforms can turn technology investment from a cost center to a revenue center.

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Budget Now with an Eye on The Future of Hospitality Technology

Although the hospitality industry has moved past the worst effects of the COVID-19 pandemic, the nature of travel will change indefinitely. In the near future, the Internet-of-Things (IoT) will expand into the hotel room, allowing guests to access mobile-controlled mood lighting, smart thermostats, smart door sensors, and mobile entertainment control.

This will boost cleanliness, save on energy costs, and allow guests to customize their room to their exact specifications. Hotels may also utilize automated technology, such as UV-light sanitation robots or temperature-checking kiosks, to enhance cleanliness without risking staff safety.

Hotel designs are also evolving to create spaces which promote public health, while satisfying the needs and preferences of their guests.

The key is flexibility: Redesigning lobbies to move away from the granite front desk and towards a more multi-purpose role that fully embraces contactless check-in. Ultimately, your technology systems should also embody this sense of flexibility, agility and scalability.

In a recent report entitled, "The Future of Contactless Tech in Hotels Past the Pandemic," Skift Research points out that COVID-19 has greatly accelerated the adoption of contactless tech solutions — And specifically named StayNTouch, TrustYou and OpenKey as leaders in this growing field. Mobile and contactless technology will ultimately outlive the COVID-19 crisis, because they give hoteliers the ability to optimize limited staff and resources to provide customers with a safe, seamless, and personalized guest experience.

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About StayNTouch

StayNTouch is a cloud-based Mobile PMS and contactless solutions provider focused on developing solutions that help hotels raise service levels, drive revenues, reduce costs, and ultimately change the way hotels can captivate their guests. Powering over 100,000 rooms globally, our game-changing solution frees hotels from the constraints of legacy or premise systems, dramatically streamlines operations, increases margins, and revolutionizes how front-line staff connect with guests.

Join a LIVE Demo of StayNTouch's Mobile PMS & Contactless Solutions

CLICK HERE

About TrustYou

TrustYou helps companies win through the power of listening and provides a guest feedback platform that makes listening to customers easy, powerful, and actionable. Unlike any other feedback providers, TrustYou's features are all built in one platform, linking post-stay with real-time feedback, providing you 360° data insights. An integrated live engagement tool enables you to take immediate actions on real-time guest feedback to turn unhappy guests into promoters, driving up your number of positive online reviews.

Request a demo of TrustYou's contactless communication & feedback platform

CLICK HERE

About OpenKey

In 2014, we set out to perfect mobile access. Since then, our dedicated team has helped hotels and resorts around the world develop a contactless guest experience they benefit from as much as their guests do. We work with your existing PMS platform to advance your property into an exciting new era of guest services and customer engagement. Our platform enables a seamless transition to contactless guest services with keyless entry, hotel-specific apps, and much more to complete your tailored remote check-in experience.

Request a demo of contactless entry by OpenKey

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