

# TOP Hotel Technology Trends in 2012

The rise and rise of consumer technology and the increasing take-up of this technology by our guests combined with the shorter life cycles of this technology creates considerable challenges for both operators and owners of hotels. In the past we stayed in a guest room to experience technology that we could not get at home but now this changed completely and in most instances the reverse is true today where what we have at home is far superior to anything that is in hotel guestroom.

This article outlines where his technology is headed and how hotels may for the first time be able to embrace the next generation of consumer technology and with selected investment in this technology gain a competitive advantage.



## 1. The iPad Revolution

This device in my opinion is going to redefine how guests are going to use technology in hotels in the future particularly in the guestroom. Consider these points.

- a). It is the fastest selling consumer electronic device in history with Gartner Group predicting that Apple will sell 100 million units by 2012
- b). iPad is the first video centric guest internet device
- c). It has a very simple GUI ( Guest User Interface ) and new users both young and old are able to use it almost immediately with little or no training
- d). iPad is already placing huge demands on Hotel Wi-Fi systems consuming much more bandwidth and data than in the past with people doing emails etc...

While I have focused on the iPad we cannot forget other tablet devices that are also gaining market share namely the Samsung Galaxy, plus the new Kindle Fire and of course other smart phones that use the Android operating system from Google.

## What does this mean for hoteliers?

- a). Many hotels Wi-Fi systems are suffering from a lack of available bandwidth and as result are getting overloaded as guests wish to download their own content. The result of this is that many guests are complaining about poor download experience and are using sites such as Trip Advisor to express their negative opinions.
- b). guests want the same technology experience they have at home or office and if they have a bad experience may not return to hotel
- c). With the increasing demand for more bandwidth and the subsequent costs to provide this it is in my opinion going to be difficult for hotels to agree to offer anything other than a limited free Wi-Fi mainly for emails.
- d). iPads that are made available to guests to use in the guestroom open up a world of new opportunities for hotels to deploy in guestrooms to handle the following applications:
  - Room Service ordering (one Five Star Hotel has seen a 13% increase in room service revenue since offering guests the option of ordering room service on the iPad as compared to ordering over the

phone. The room service ordering on the iPad is fully integrated with the Point of Sale so once the items are ordered it is automatically sent to the kitchen plus it also posted to the guests folio without any more manual entries required. This integrated process plus the ability to showcase dishes on the iPad with photos plus preparation notes etc. has, in my opinion, led to the increase in room service orders

- Concierge services where the guest has the ability to access the full range of hotel services on the iPad without the need to call down to the concierge desk.

- The iPad can have a range of application software installed on it that is fully integrated with all the in room facilities such as lights, air conditioning, TV, curtains etc. whereby a guests if they wish guest can turn on or off these facilities simply by using the iPad application.

- Another advantage of offering in room iPads is the elimination of the printed guest compendiums as these can all be accessed via the iPad. The GM of the hotel I visited believes that he will save between \$30 - 40,000 in annual printing costs as compendiums need to be constantly updated.

e). With the above application now available on the iPad it is my belief that these devices if installed are going to fundamentally impact the guest user interface (GUI) and make it simpler for guests to access the in room facilities as many guest find the TV remote control or the buttons on the wall to turn lights on and off too complex.

f). As Wi-Fi becomes the dominant platform for guests to access their applications what does the future hold for the historic requirement for multiple Cat 6 cabling to each room?

g). Many guests are bringing their own content on the iPad and are happy to watch it on the iPad screen so does that mean less watching of traditional TV or do hotels need to install expensive IPTV systems at all? I recently came across this statement which I think sums up the current situation:

*“Customers will arrive at your hotel and will want what they want when they want it and the key for hotels is provide them with the infrastructure and the bandwidth to achieve this.”*

If this is indeed what guests want then how can hotelier’s monetize the investment they make in new wireless access points, increased bandwidth etc. The answer I believe is to offer tiered bandwidth where guests are offered a range of fees directly related to the amount of bandwidth they require. In other words the bigger the pipe a guest wants the more they should pay?

In summary the iPad has changed the way customers are using technology on the road and while it creates a great challenge for hotels it is now up to the industry to embrace this device so guests can have the same download experience they have at home.

## **2. Mobility**

Mobile devices are now part of our everyday life and for many travelers they are now replacing the laptop, PC, telephone, kiosk, and boarding pass as part of the booking activity. A guest’s handheld device is now an integral part of the entire journey, not just from pre-trip planning and booking, but through the actual trip itself.

According to a recent survey that identifies traveler’s attitudes to mobile services it shows how emerging mobile technologies will revolutionize each stage of the travel experience in the future:

- Pre-trip (i.e. plan, book and board)
- At the airport (i.e. lost bags, seating and disruption)
- On-board (i.e. enhanced services)
- At the destination (i.e. explore, connect and share experiences)
- Post-trip (i.e. social media for immediate feedback)

These trends will become increasingly important and the challenge will be how hotels and other service providers will meet the expectations of the always connected traveler. Are the smart phone applications that guests can access going to replace the traditional check in experience or the need to use a magnetic card to gain access to a guestroom? Does this now allow hotels to develop new on demand revenue

generating opportunities? In the future how will this change the relationship between the guest and the hotel?

### 3. Cloud Computing

There has been a lot of talk about this subject and I believe 2012 will be when this technology takes off as a number of PMS vendors release their cloud version where hotels will have the ability to access their major software applications on a web browser. Cloud computing offers many benefits to hotels not the least is a more cost effective way to deploy technology without the large up front capital expenditure and the need for a lot of hardware on premise. Furthermore hotels that adopt this technology will have the opportunity to enter into Service Level Assurance (SLA) agreements with the vendors offering this service where if pre-determined service levels are not then the contract can either be cancelled at short notice or financial penalties can apply.

### 4. Social Media

Wikipedia defines Social Media as “media designed to be disseminated through social interaction, created using highly accessible and scalable publishing techniques.”

The reach of Social Media is growing substantially and now hotels are using it more than ever to engage with both new and existing customers.



It is important for hotels to actively monitor comments on Trip Advisor and do not allow negative comments to go unanswered. Also hotels should consider TripAdvisor Apps for Facebook and LinkedIn where they can link up client’s social media platforms and online communities to share information about the hotel where appropriate Facebook has created enormous changes in social networks and now with the release of their latest version it is now possible to use Facebook as a booking channel. Recent research from PhocusWright reveals that 66% of travelers are on Facebook and they spend an average of 46 minutes a day over a 30 day period.

So based on this why would you not consider using the Facebook booking app to allow your guests to book your hotel on Facebook. Another app is Facebook Places and this provides an excellent tool in providing viral exposure which may assist in generating more web traffic and brand recognition hotels. Twitter is another social media juggernaut that provides a free tool for guest and hotels to interact with each quickly and effectively. Hotels need to harness the power of social media in order to stay ahead of their competitors.

### 5. Hosted PABX

For many hotels one of the largest capital expenditure has been the PABX. In the past revenue from guest phone calls justified this large capital outlay but the advent of mobile phones and the cost of making calls from a hotel guest room have left hotels reeling from the costs of providing and maintaining this service. Hosted PABX provides many benefits not the least is that a new PABX requires minimal upfront costs and a monthly subscription based fee which can be based on the preceding month’s occupancy. There are still some challenges in putting this model together but for the first time it offers an alternative to hotel owners who have a very old PABX which has passed its use by date.

## **6. Energy Management (EMS)**

With the cost of electricity continuing to raise hotels have to start looking seriously at more sophisticated systems than the traditional magnetic stripe cards in the slot.

Hotels that have invested in sensor based occupancy systems or those where the door lock systems are integrated to the PMS have shown dramatic reductions in energy bills as when a person leaves a room the EMS via an occupancy sensor can detect that no one is in the room and then automatically lowers the air conditioning to a designated set back position and also turns all the lights off.

ROI on these system has shown pay back on the investment can be between 2 and 3 years and can be less if hotels can qualify for government rebates on the original investment.

## **7. Lighting**

Another major contributor to excessive power bills is the type of lighting that is installed in hotels. With replacement of lights to LED and Halogen hotels can save up to 30% and have lights that have a long life up to 12,000 Hours. While the costs of these lights are more expensive in the first instance their shelf life and the energy savings they generate more than compensate for the initial costs.

Clearly consumer technology is changing rapidly and to keep pace with our guests needs in this area tablet devices such as the iPad have to form an integral part of any technology refresh. The ability of hotels to provide the environment particularly in to terms of bandwidth and Wi-Fi accessibility to allow guests to download whatever they want when they want will be a key ingredient to hotels retaining their loyalty guests.

Owners and operators of hotels are also looking to embrace technology that either decreases costs such as electricity via energy management systems or increases revenue by allowing guests to interact with hotels both on and off premise via their mobile devices.

*Sincerely,*

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