

What trends will be paving the way for hotel technology in 2022?

By Andrew Metcalfe, chief technology officer, Guestline

The technology that will enable hoteliers to secure a sustainable approach to profitability

We hope the next 12 months will be more positive than the previous, even in the current midst of more uncertainty. The need to keep attracting new bookings, acting fast and meeting customer needs will all continue to take priority in an ever-changing market, whilst at the same time ensuring profitability.

The guest mix for hoteliers has doubtless seen a dramatic shift alongside the evolution in attitudes towards online interactions, that previously were done in person. Indeed, for many hoteliers and their guests faced with the challenges of cash payments, online offers a safe and viable alternative. The increased willingness of guests to adopt a more self-service approach to the administration of a booking – whether that be online payments or check-in and check-out, for example, have crucially paved the way for hoteliers to be able to safely operate their business against the backdrop of continued restrictions. In addition, it has enabled many hoteliers to take a more sustainable approach to staffing by offering greater flexibility and remote access.

The shift to greater online adoption has given hoteliers a vital opportunity to re-imagine how they interact with guests permanently. So, what trends in hotel technology will help them build on that knowledge and achieve sustainable profitability?

Greater ownership of end-to-end guest management

Throughout the pandemic one of the keys to success for many hoteliers has been the agility to respond to a swiftly changing market. In the first instance and as a first response to demand for social distancing, and then latterly the benefit from a convenience perspective, the adoption of online tools for many of the previous face to face interactions has accelerated a change in the preferred experience from guests. This shift happened with airlines, from concern from some about needing to print your boarding pass rather than collect at the airport, to a new normal where having to queue to get one was largely seen as just not good enough for travellers. This demand and agility together will, I expect permeate through to the next stage in the evolution of the guest experience and a marked shift towards a greater digitisation of the end-to-end guest journey as hoteliers and guests are increasingly more digitally competent.

The digitised guest journey needs to be seamless, easy to follow but brings real opportunity for an improved overall guest experience. If guests have to change to different apps and systems

throughout their journey then it can hold less appeal as they need to learn to navigate through different platforms. We believe that having maybe one system or at least fewer not only improves the administrative journey it can also pay dividends in terms of the in-property experience. For example, with staff shortages, queues can quickly build up at reception. Online check-in helps reduce the risk of queues building up and also enables staff to focus on actually delivering an enhanced service to guests.

Unquestionably Covid-19 has increased the rate of adoption of online hotel technology by guests and their willingness to use them actively throughout the guest journey. It is now a given as guests have come to accept and expect self-service and self-administration of a booking to speed up the more time-consuming aspects. Moving into 2022 this adoption and implementation of a more digitised guest journey looks set to increase even further.

Pre-payments set to increase market share

Drilling down into the greater digitisation and self-serve approach to the guest experience, will be a greater focus on and shift towards, pre-payments, as a key feature of the hotel tech stack. A win-win for hoteliers as it secures funds, and for guests as it removes the need for additional payment stages.

Guests can benefit from, once again, a more efficient and less time-consuming administrative experience of their booking. Hoteliers using a pre-payment structure can then bias the price and incentivise guests to use a pre-pay. Whilst hoteliers might have to take a hit on the price in the short term, in the long term the value that a pre-paid guest offers is arguably worth it. Not least because of the protection that pre-payments and ecommerce offer hoteliers against no-shows and chargebacks which pose less of a risk when initiated by the cardholder (guest). In this way the digitisation of the guest journey and technology available can shape a hotelier's commercial decision around pricing strategy for example, rather than drive it.

More efficient payment reporting will also come to the fore courtesy of pre-payments technology, especially for direct bookings. Hoteliers will have to use just one gateway to manage reconciliation, whilst guests will have more frequent and live access to their invoices and balance which again adds value to their overall experience.

Google Hotel Ads: a sea-change in pricing and inventory?

One trend to watch with baited breath will be how the market responds to the changing functionality and impact of Google Hotel Ads and the disruption this is expected to bring to booking behaviours and hotelier approaches to distribution.

Google Hotel Ads presents brand.com links and pricing alongside an OTA listing, when viewing search results for hotels on Google, has the potential to shift market behaviours in an unprecedented way.

From a pricing perspective, hoteliers may seek to utilise this opportunity to take a more competitive approach to their pricing strategy, to go completely against pricing parity potentially. Even if Google were to start charging more for the brand.com ad placements, offering direct guests a cheaper rate than on an OTA, might for many hoteliers, deliver more bookings and more revenue. Additionally, strategies like preferable rate options might include a 9% cheaper rate if a guest chooses to pre-pay, or 5% cheaper if seeking a flexible rate, could still be less than an OTA commission rate. It has the

potential for guests to change their interaction with the hotels and for hoteliers the opportunity to really expand their direct markets.

The question remains then, how will the OTAs respond to maintain market share and a positive guest experience as hoteliers seek greater control over pricing? Will they lower their commission percentages to remain competitive? Time, as ever, will tell.

-ENDS-

Notes to Editor:-

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About Guestline

Established over 28 years ago, Guestline provides innovative property management, guest engagement and distribution software to the hospitality industry. Founded on cloud technology, Guestline's revenue generating solutions enable independents of all sizes and small hotel groups to achieve maximum occupancy at the most profitable rate.

With offices in the UK, Germany, The Netherlands, Ireland and Thailand, Guestline's property management software is currently growing revenues in businesses in 25 countries across five continents. The range of solutions include Guestline PMS, CRS, C&B, Channel Manager, EPoS, IBE and GuestPay. Additionally, Guestline's PMS can be integrated with nearly 200 third-party solutions via an API.

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