What to Look for When Budgeting for 2018

Hotel Technologies that should be on your watch list and maybe on a budget line item.

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Former U.S. Secretary of Treasury Jacob Lew once said, "The budget is not just a collection of numbers, but an expression of our values and aspirations." What a valuable way to look at budget season, considering each line item in terms of whether it reflects a hotel's commitment to guests and superior service. On building trust and loyalty.

The hotel industry is now entering "budget season" and making budget decisions this year may be quite an interesting process. There has been a dynamic shift related to the hotel operations landscape. A new type of hotel competitor has been gaining ground quickly, and now the guest is more in control of their stay than ever before. Having a comprehensive plan will increase the chance to garner a competitive advantage in such a vibrant environment.

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Fueled by new innovations, the hospitality market is evolving exceptionally quickly. Recently Oracle conducted a research initiative titled, <u>"HOTEL 2025: Emerging Technologies Destined to Reshape Our Business".</u> Among 150 hoteliers and 702 guests surveyed, it was revealed that more and more guests want to engage with hotels that offer the latest innovative technologies. The likelihood of this number continuing to increase is incredibly high as technology filters into every aspect of our work and personal lives. The challenge lies with hoteliers and their respective vendors determining the right combination of solutions that deliver either cost reductions or revenue gains as well as defining where to invest their CAPEX or OPEX dollars. We also mustn't forget about the guest. There are a plethora of technologies that are guest-facing – designed to help hotels build a better relationship with

guests. Unfortunately, the exact ROI on these particular types of offerings is often hard to find. However, don't let that stop you from investing and implementing these technologies. People are always asking, "What is the ROI on the new engagement platforms?" We must then also ask ourselves, "What is the ROI on trust? What is the ROI on loyalty?"

Some of the technology trends that are re-invigorating our industry and that should be considered for your 2018 budget:

- Mobile - BYOD (Bring Your Own Device) where people bring their mobile devices to watch (stream or cast) their own video content on the hotel TV.
- Digital Keys - "Keyless entry" allows guests to bypass the front desk, sends a notification to staff before guests arrive, and gives guests the option to book a variety of hotel amenities directly from the app.
- Data Analytics & Artificial Intelligence - Provides more personalized offerings such as suggesting services based on previous purchases or submitted preferences.
- Voice Activated Devices – Used as a channel of communication with the hotel (e.g., ordering room service or reporting issues with the room).
- Wi-Fi - This seems like nothing new, but bad Wi-Fi can sink a hotel's reputation.

There is one glaring issue that often seems to be missed. This issue focuses on relevant expertise. As these new technologies are being adopted and implemented, the chance that you have on-property expertise and resources may be limited. Also, if you would like to expand the current offering and integrate it with other platforms such as analytics - you may not be able to perform these development initiatives in-house. Hotel companies need to fully understand the future development roadmap of the products they purchase and ensure that they meet their current and future needs. These new solutions will be part of the hotel technology ecosystem in short order, so you also need to prioritize your technology spend based upon your market segment and upon your typical guest profile. Some of these investments can be viewed as immediate requirement versus future needs. Ultimately, it is up to you, your marketing team, and your IT team to put together the tech budget that help you achieve your unique goals. You should also provision for consultancy and development services as the complexities of our business grow. The quality and speed of technology adoption are critical conditions in our highly competitive environment.

Technology providers and solution design consultants, like DataArt, help hotel companies and IT vendors to partition the challenges. Further, they engage with optimized resources to help mitigate the risk related to the adoption of innovative and relevant solutions or platforms. The goal… to help hotels choose and integrate the technologies that will clearly reflect their values and aspirations back to the guest.

Original article can be found here: https://www.hospitalitynet.org/opinion/4085038.html