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Hotel Tech Trends: Using Technology to Discover New Revenue Opportunities



Technology is reshaping the hospitality industry, offering hotels novel ways to improve service and grow their bottom line. Innovations such as AI, machine learning, and IoT are not just improving efficiency; they're creating new revenue possibilities. From smart room controls that adapt to individual preferences to AI-driven recommendations for dining and activities, the opportunities are immense.

In this white paper, we explore how the strategic use of modern technology can reveal fresh opportunities for growth while ensuring that each guest's stay is tailored to their needs. By adopting a forward-thinking approach and integrating these tools into their operations, hotels can not only meet but exceed the expectations of today's tech-savvy travelers, thus gaining a competitive edge in the market.



Predictive Analytics for Upselling & Cross-Selling

Predictive analytics can be a game-changer for hotels. Powered by machine learning, properties can analyze guest data and predict preferences based on past behavior. Hotels can then use these predictions to tailor recommendations for upselling and cross-selling, such as room upgrades, dining offers, and spa treatments. These personalized suggestions, backed by data, increase the likelihood of additional purchases, thus boosting revenue.

Surveys suggest that roughly half of guests consider personalization important. Many are even willing to pay extra for customized choices when booking. By presenting offers that better align with guest interests, hotels can significantly boost revenue. Moreover, guests value recommendations that match their preferences, leading to a more satisfying and memorable stay and potentially further increasing future revenue.

Personalized Experiences

Using IoT devices and AI, hotels can create personalized in-room guest experiences, including room settings and entertainment. Personalized and comfortable in-room settings improve guest satisfaction, making their stay more enjoyable and encouraging repeat stays.

Hotels can also use this approach to offer premium services or experiences for an additional fee. Such options can not only enhance the guest's stay and make it more memorable but also contribute to a positive bottom line.

Hyatt Hotels are using AI to deliver tailored experiences to guests during their stay. Hotels use technology for in-depth analysis of guest data to provide more personalized recommendations. With this data, guests receive information about dining options and activities and can have their room settings automatically adjusted for personal comfort. All these offerings enhance guest satisfaction and loyalty, increasing revenue.



AI-Driven Loyalty Programs

AI technology can also enhance loyalty programs by creating personalized experiences. Data analysis of guest behavior over time can enable hotels to offer dynamic rewards tailored to each guest. This encourages repeat business and can increase guest spending and long-term profitability. It also makes guests feel valued and recognized, enhancing their overall engagement with the hotel brand.



Enhanced Segmentation

With collected data and AI-driven analysis, hotels can develop detailed guest profiles and segment guests based on their travel purpose, spending habits, and personal preferences. Hotels can then use these segments for targeted marketing and personalized offers, leading to higher conversion rates. This can also improve guest satisfaction, as they benefit from more timely and relevant offers, improving their perception of the hotel and overall experience.



Entertainment Platforms

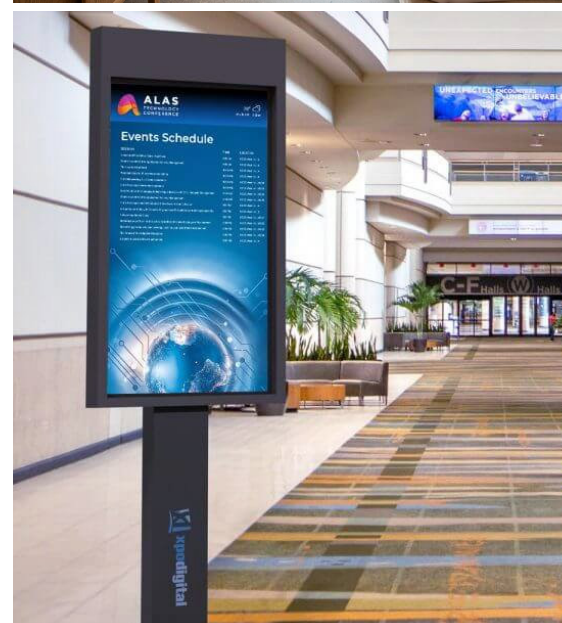
In-room entertainment platforms can also provide ways to reach guests for improved satisfaction and increased revenue. For example, the WorldVue Entertainment HUB™ enables properties to highlight amenities and offers through text, photos, and looping videos played on each in-room television screen. In addition to the many options it provides for guest entertainment and assistance, such as streaming apps and digital concierge, the HUB functions as an advertising platform, with ad and media placements available within the platform to drive revenue on the property.



Digital Signage

Digital signage can also support revenue enhancement by highlighting amenities and offers targeted and relevant to guests within that area of the hotel. For example, hotels can highlight offers for protein shakes in the gym or service offerings in the spa. These kinds of relevant offers can not only increase revenue but can also improve guest satisfaction and loyalty.

Using digital signage, offers can change dynamically to meet guests' needs and interests and the property's goals. An excellent example is digital menus, where pricing and selections can change more frequently than printed menus based on weekend/weekday, time of year, weather, and other factors.



Events & Meeting Personalization

Similarly, AI and data analytics can help hotels tailor event and meeting packages to client needs for catering, room setups, and AV services. Highly customized event packages attract more business events, yielding increased bookings and revenue. They can also foster loyalty and positive word-of-mouth by yielding seamless and personalized experiences for planners and attendees.

Radisson Hotels is approaching this aspect in an interesting fashion with its new AI-powered visioning tool. This immersive technology enables meeting and event planners to visualize new ways of thinking about the planning process and event spaces, with representations of their dream event spaces. Although this tool is currently only available during specific demonstration events, Radisson is bringing this demo on tour to highlight a novel way of thinking about the possibilities for meetings and events.

Hotel Apps

According to recent research by Criton, as many as 80% of guests say they'd be willing to download and use a hotel app for check-in/check-out and to find information about that hotel. Many say they would be more likely to use hotel amenities if they could order food or book services through the app. Offering easy access to hours, menus, and service options for the hotel's restaurant or spa enhances guest awareness of amenities and may even increase the use of those amenities, leading to additional revenue opportunities.

As an example, IHG Hotels & Resorts is incorporating AI-powered travel planning into its mobile app. Using generative AI, the travel planner aims to help people discover new destinations across IHG's entire portfolio. With additional capabilities being added, guests can also use the planner to get recommendations and ideas for dining and entertainment, find pet-friendly hotels, and more. Similarly, Choice Hotels International has integrated generative AI into its mobile app for personalized recommendations and itineraries. Brands expect these tools to drive revenue while providing a service that enhances the guest experience and improves loyalty.

Geolocation-based push notifications can also boost revenue. By highlighting exclusive offers, amenities, and events that are nearby and easily accessible, hotels can improve the relevance of such offers, increasing the likelihood that guests will take advantage. This can build goodwill and improve customer satisfaction and retention, yielding both short-term and long-term revenue increases.

Voice Assistants, Chatbots, & App Integration

AI-powered voice assistants and chatbots can assist guests with service requests and recommendations, providing immediate and personalized responses. Fast, convenient, personalized service enhances guest satisfaction, making their stay more enjoyable and stress-free. This also provides the opportunity for hotels to promote on-property services that can drive additional revenue by encouraging guests to explore and use more hotel offerings.

Hilton Hotels uses AI-powered voice assistants and chatbots to respond to guest inquiries before, during, and after their stay. This technology can assist with booking, respond to basic queries, provide personalized recommendations, and even learn from each interaction. This not only improves guest satisfaction but also lessens the staff workload to enable better service.



Wyndham Hotels also uses AI to simplify and speed up check-ins/check-outs, answer basic guest questions, and more. Properties piloting this technology have reported an average increase of 25% in positive reviews. This approach has also freed staff from routine tasks, allowing them to focus on providing better service. Marriott International is testing a similar approach at some of its Renaissance Hotel properties.

By integrating these options into an existing app, hotels can facilitate communication between guests and staff for service requests, concierge requests, and more. Guests can accomplish simple tasks with the tap of a button, while apps can address more complex tasks using voice assistants, chatbots, or handoffs to staff as needed. This kind of streamlining can improve the guest experience, increasing satisfaction and loyalty.

Dynamic Pricing

AI-assisted dynamic pricing models can suggest adjustments to room rates in real time. Factors considered include demand, booking patterns, and competitor pricing. This ensures that hotels maximize revenue during peak periods and minimize losses during off-peak times. By using real-time data to maintain fair and transparent pricing, hotels can encourage repeat bookings and increase guest loyalty.

Revenue Management Systems

For most properties, it's no longer enough to use Excel for number crunching. To harness the full power of the aforementioned new technologies, it's crucial to integrate advanced hotel revenue management systems (RMS). These systems, tied into your PMS, channel manager, booking engine, and other systems, analyze vast amounts of data to provide actionable insights, enabling hotels to optimize pricing and personalize offers to guests. Such insights can help hotels better capitalize on revenue opportunities. This is especially important for smaller luxury and boutique hotels with fewer rooms and thus less room for error in pricing.

For instance, an RMS can dynamically track inventory and adjust room rates in real time based on market demand, competitor pricing, and other relevant factors. This ensures optimal pricing for maximum revenue while avoiding overbooking. With in-depth analysis from an RMS, managers can more easily spot trends and produce more accurate forecasts. Owners and managers can then spend more time and effort on better decision-making instead of struggling to tie all the data together manually.

Improved forecasting can remove some of the headaches associated with hotel management; it can also have a measurable impact on a hotel's bottom line. A report by AMR Research notes that improving forecast accuracy by 3 percent can result in a 2 percent profit increase.

An AI-assisted RMS with machine learning can improve pricing and forecasting even further. Such a tool can not only analyze current and historical data but can also learn what models work and adjust their recommendations accordingly over time.

Beyond pricing, modern RMS can also personalize the guest experience by integrating with other devices like IoT controls and AI-driven analytics. By tracking guest preferences and behavior, an RMS can suggest upselling opportunities, such as room upgrades or exclusive amenities, that align with each guest's interests.

Additionally, these systems can streamline the management of loyalty programs, providing personalized rewards and offers that encourage repeat visits. Through this strategic use of RMS, hotels can uncover new revenue streams while delighting guests and fostering loyalty.





Integrating Systems for Synergy

With an RMS, a PMS, a CMS, business intelligence (BI), and other systems all working to assist with aspects of hotel management, one might be concerned about the associated costs in time and effort. But tying all these systems together doesn't just result in revenue-enhancing insights; it can also reduce the need for manual and repetitive tasks, saving labor costs.

For example, an integrated technology environment can remove the need for repeat data entries for guest check-ins, billing, and reservations. Advanced systems tied to IoT can even log data automatically, providing a better understanding for improved personalization. With greater efficiency and insights across systems, your staff can make better decisions and spend their time providing service instead of entering and sifting through data. This enables them to focus on creating positive and memorable guest experiences.

Ensuring a Positive Guest Experience

To implement these technologies successfully while enhancing the guest experience, hotels should consider the following aspects:

- **Privacy and data security.** Prioritize guest privacy and secure data handling. This will build trust with your guests and ensure regulatory compliance. Failure to do this will leave your property open to data breaches and risk bad publicity, loss of business, and fines.
- **Transparency and control.** To avoid mistrust and ill will, clearly communicate how your hotel uses guest data. Also, give guests control over their data; the choice should be theirs regarding how much to share and in what ways.
- **Diversity and inclusivity.** Solutions should respect the diversity of guests' backgrounds and needs and strive to be inclusive. This could mean including language translation options, accessibility features, and more. A well-implemented approach will make guests feel welcomed, respected, and valued rather than treating them in a cookie-cutter fashion.
- **Seamless integration.** Ensure new technologies integrate smoothly with existing systems. Avoid disrupting the guest experience as you roll out additional features and options.
- **Continuous improvement.** Regularly collect guest feedback, then use it to refine your implementation. This will help you give guests more of what they like and less of what they don't enjoy.
- **Human touch.** Remember to balance technology with personal interactions! The goal isn't to remove the human touch but to enhance your guest service. The right balance will leave guests feeling valued and cared for.



By thoughtfully leveraging advanced technologies, hotels can uncover new revenue streams that will also enhance the guest experience. Such innovations help hotels provide personalized, efficient, and memorable stays. This fosters guest loyalty and drives long-term profitability. Embracing these technologies can help hotels position themselves at the forefront of the hospitality industry, ready to meet the evolving needs of modern travelers.

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