



Hotel Tech Trends 2020

The search for revenue and guest satisfaction



Contents

1 Introduction

2 Market

Which business goals get priority and what is most challenging in 2020?

3 Market Insights

What market patterns do we see and in what context do they emerge?

4 Tech

Which software solutions are popular?

5 Tech Insights

What tech patterns do we see and in what context do they emerge?

6 Study Setup

Participants and setup details.

1. Introduction

“What should my accommodation do to be successful in 2020?”

About this report

We're excited to share this Hotel Technology report amidst rapid changes in the hospitality industry. This report helps you to learn from other hoteliers' experiences. By learning from others you will be better able to adapt to these changes.

Chapters 2 & 3 show what other professionals in hospitality prioritise in 2020 and which problems they're expecting.

Chapters 4 & 5 examine which hotel technology is being used, or is being considered, to help hoteliers reach their goals. This part inspires fellow hoteliers to look for different ways to reach their goals this year!

About tell Charlie

tell Charlie is a hotel tech startup. It's mission is to help accommodations make more money by creating the best guest experience.

The tell Charlie software suite helps to advance communication to the next level: convenient and relevant attention for guests, better reviews, more upsell and performance insights for hoteliers.

Find out more at tellcharlie.com



“The hoteliers that succeed tomorrow are the ones who best understand their guests today”

Peter Boermans

Founder, tell Charlie

2. Market

Hoteliers' most important business goals
and the challenges they're facing in 2020

What are hoteliers' top goals for 2020?



Direct bookings

1. Drive direct bookings

Selected by 41% of respondents



2. Increase guest satisfaction

Selected by 38% of respondents



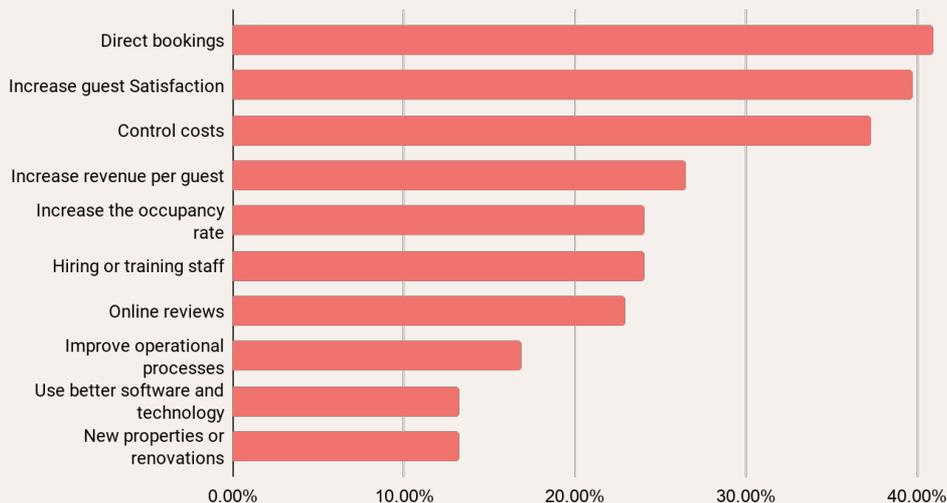
3. Control costs

Selected by 37% of respondents

Other top goals

- Increase revenue per guest
- Increase occupancy rates
- Hire & train staff members

“Which 3 business goals have priority at your accommodation in 2020?”



Differences between accommodation types

3-4 star hotels prioritise increasing guest satisfaction over direct bookings which is followed by controlling costs and increasing revenue per guest.

5 star hotels focus on direct bookings, followed by controlling costs and increased guests satisfaction in third place.

Alternative lodging and B&Bs prioritise occupancy rates highest and, surprisingly, online reviews in the penultimate position.

What are hoteliers' challenges for 2020?



Direct bookings

1. Difficulties with boosting direct bookings

Selected by 43% of respondents



2. Personalising the experience

Selected by 32% of respondents



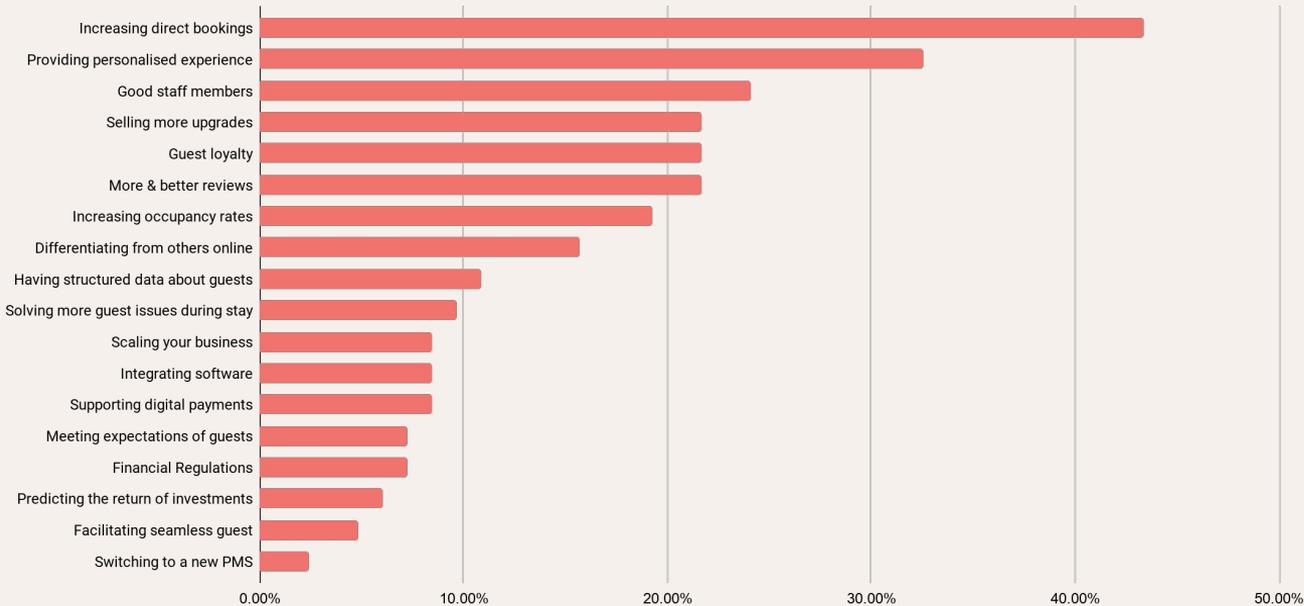
3. Attracting and keeping good staff members

Selected by 24% of respondents

Other top challenges

- Selling upgrades & ancillary services
- Increasing guest loyalty
- Attracting more/better reviews

“Which 3 challenges are most important to address in order to reach your business goals?”



Differences between accommodation types

3-4 star hotels struggle with personalising the experience, boosting direct bookings and attracting and keeping talent.

5 star hotels' biggest problems are boosting direct bookings, differentiating themselves online and increasing loyalty.

Chains, contrary to independents, perceive selling upgrades & ancillary services as the #1 problem.

3. Market Insights

What market patterns do we see and in which context do they emerge?

Revenue Goals & Challenges

Increasing direct revenue and profit per guest is a 'meta goal' that is shared by all different accommodations in different markets. Obtaining a higher percentage of direct bookings and selling upgrades & ancillary services are two popular strategies intended to help hoteliers realise more revenue per guest.

Yet, from interviews and surveys it becomes clear that increasing the percentage of direct bookings is extremely challenging. Even accommodations who invest in Search Engine Marketing (SEM) or in specialist booking boosting software have a hard time substantially moving the needle on direct bookings.

In this light, it's understandable that more and more hoteliers turn their attention to things they can more easily influence such as upselling, controlling costs and better revenue management / pricing software.

"Are you able to you increase your direct bookings with your current tools?"

Direct bookings

The online dominance of OTA's, the reduced effectiveness of classic loyalty programs and the online-centricity of modern guests will increase hoteliers' difficulty to increase direct bookings.

There are big differences between different accommodation types, with some getting the vast majority of bookings directly and others that are stuck with single digit direct booking percentages.

Improving Guest Satisfaction

Higher guest satisfaction has top priority for hoteliers in 2020. Many respondents have a problem with giving all guests a personalised experience and with attracting and keeping good staff. Both of these problems influence guest satisfaction.

From the literature and interviews with hoteliers we see that a satisfying and personalised experience can drive up revenue per guest considerably. How hoteliers try to increase personalisation however, differs drastically.

At one end of the spectrum we see hoteliers who base their personalisation efforts on face-to-face guest contact, while aided by procedures such as staff training. At the other end are hoteliers who automate almost all personalisation while aided by tools such as CRM, guest segmentation and online check-in.

“Where do you stand on this manual-automated personalisation spectrum?”

Guest satisfaction

The changing needs of a new generation of guest and the difficulties associated with managing the expectations of international guests are often mentioned in the context of guest satisfaction.

Guest satisfaction is not only important for driving revenue per guest. Very satisfied guests are also more willing to leave a review than guests who have an average experience.

4. Tech

Which software and tech solutions were popular in 2019, considered for 2020 or are ready for replacement or termination?

Which tech are hotelier's considering in 2020?



Direct bookings

Direct booking boosting

Selected by 41% of respondents



Destination content & experiences

Selected by 40% of respondents



Revenue management & pricing

Selected by 40% of respondents



Upselling

Selected by 40% of respondents

Which tech are hotelier's ending or replacing in 2020?



Website live chat / Chatbot

Selected by 14% of respondents



Reputation management

Selected by 13% of respondents



Email marketing & CRM

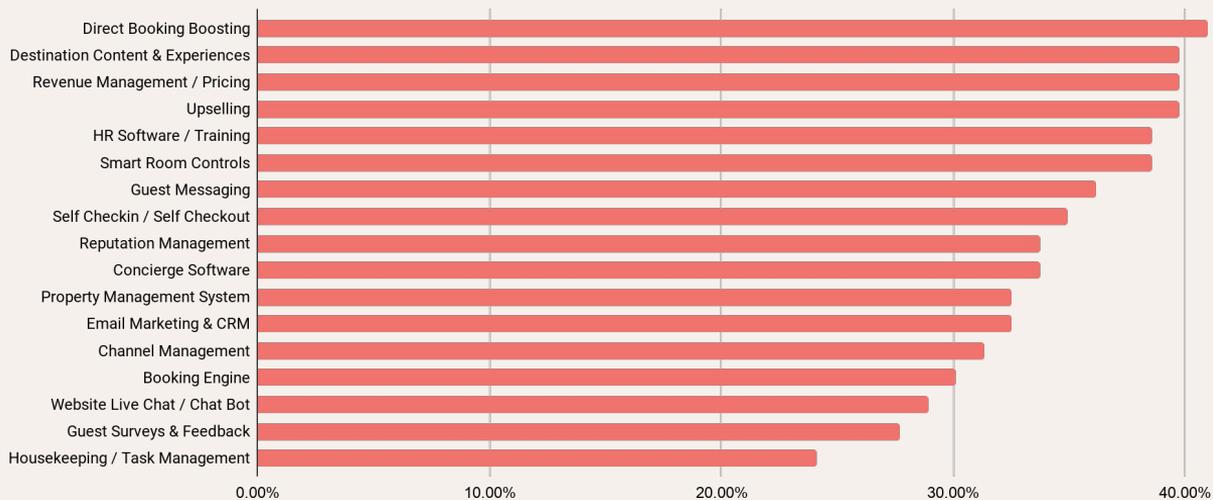
Selected by 12% of respondents



Smart room controls

Selected by 12% of respondents

“Which software solutions are you considering to start using in 2020?”



Differences between accommodation types

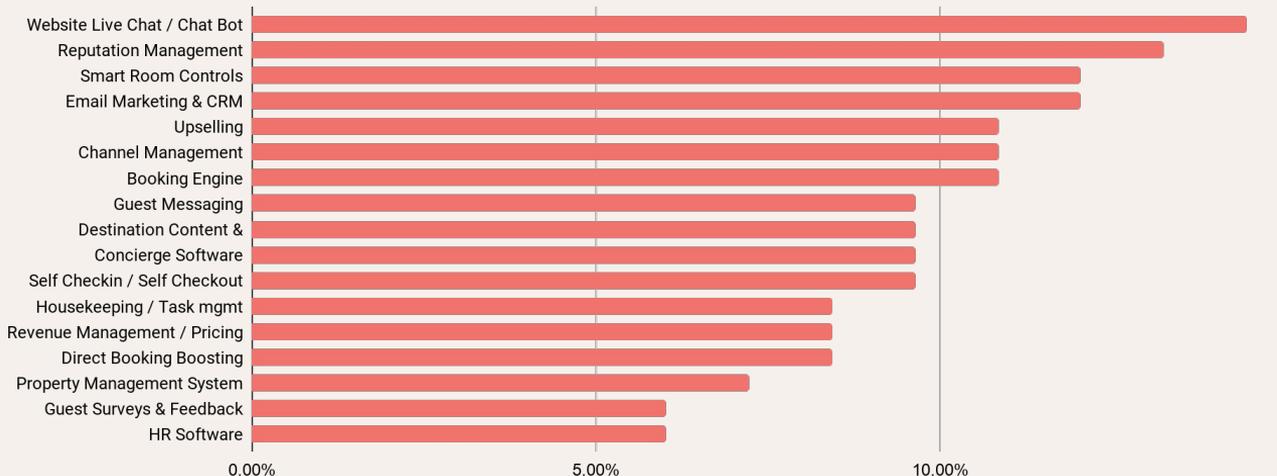
3-4 star hotels are mostly considering software for destination content & experiences, followed by revenue management / pricing software.

5 star hotels are most interested in email marketing & CRM software followed by direct booking boosting and concierge software.

Alternative lodging & B&Bs are primarily looking into direct booking boosting and revenue management software followed by website live chat / chatbot software.

“Which software solutions are you ending or replacing in 2020?”

When software is being replaced or terminated this indicates that the current software isn't living up to expectations.



Differences between accommodation types

5 star hotels are planning to end or replace their booking engine, followed by guest messaging and HR software.

3-4 star hotels see their reputation management software as ripe for replacement or termination, followed by guest messaging and concierge software.

5. Tech Insights

Which tech patterns do we see
and in what context do they emerge?

Hotelier's Tech Toolbox

What 10 solutions do most hoteliers have in their digital toolbox today?

- Guest Survey & Feedback software
- Booking Engine
- Property Management System
- Housekeeping / Task Management software
- Guest Messaging software
- Direct Booking Boosting software
- Email Marketing & CRM
- Revenue Management / Pricing software
- Channel Management software
- Reputation Management software

How to Increase Revenue

With increasing direct revenue and profits per guest being such a popular meta goal it's not surprising that technology which helps to drive revenue is considered most in 2020.

Direct booking boosting software stands out as the most frequently considered new technology in 2020.

Website live chat / Chatbot software on the other hand, is most frequently mentioned as software to replace or end. This indicates that the current tools on the market aren't living up to expectations. Also, **booking engine** software, vital for direct booking conversion, is often mentioned as software to replace in 2020.

Upselling software also shows up very high on hoteliers' wish lists for 2020.

Alternative ideas on revenue

Hoteliers in the interviews also shared interesting alternatives that can help to increase revenue per guest through self-service.

More 4-star hotels seem to explore the use of self-service mini-boutique shops to sell guests premium products and food & beverages on-site.

Another alternative mentioned is to limit default guest services to the bare essentials and making the rest extra services guests can easily add before arrival or during stay.

How to Improve Experiences

With Increasing Guest Satisfaction as a popular goal and Personalising the Guest experience a top problem, what tech are hoteliers using to succeed in this area?

Destination content & experience software is remarkably popular on hoteliers' wish lists for 2020. It holds the promise of a more personalised guest experience, makes trips more memorable, more shareable and generates commissions. **Guest messaging**, which was already popular with many accommodations last year, is being considered even more for 2020; in particular for 5-star hotels and resorts, but also by 3-4 star hotels.

Email marketing & CRM and self check-in / check-out software becomes more common this year if we look at the list of popularly considered solutions. The popularity of Self Check-in/-out is interesting as some hoteliers believe it makes guests' lives easier and reduces the workload. However, others fear it will remove valuable opportunities for genuine guest-accommodation contact.

Do guests really want more Destination Content & Experience software?

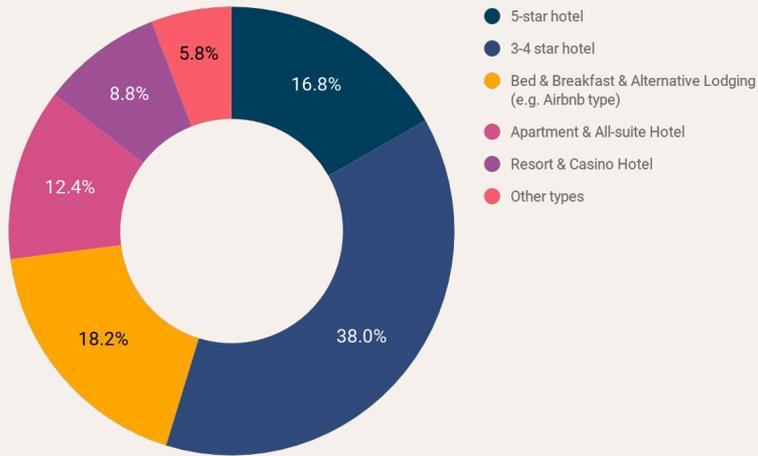
Does the buzz around companies such as Klook and GetYourGuide show that accommodations can also benefit from offering tours and similar experience services at scale?

At least accommodations are well positioned to promote these services; guests often trust their advice and moderns PMS and CRM systems store guest data that enable personalised recommendations to guests.

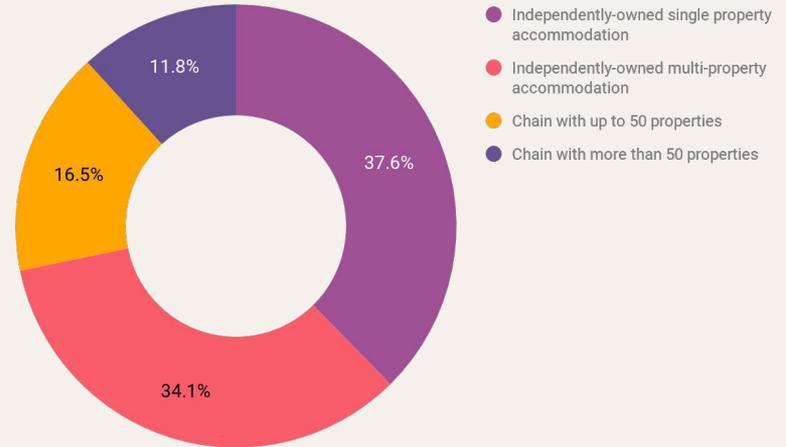
According to Google research "85% of leisure travelers decide on activities only after having arrived at the destination".

6. Study Setup

Participant Overview



Distribution by accommodation type



Distribution by accommodation size

Study Setup

Online

305 people participated in the online survey and 130 responses were valid after applying pre-defined screening rules.

Offline

25 in-depth interviews were done with hoteliers working at different accommodation types from Europe and Asia.

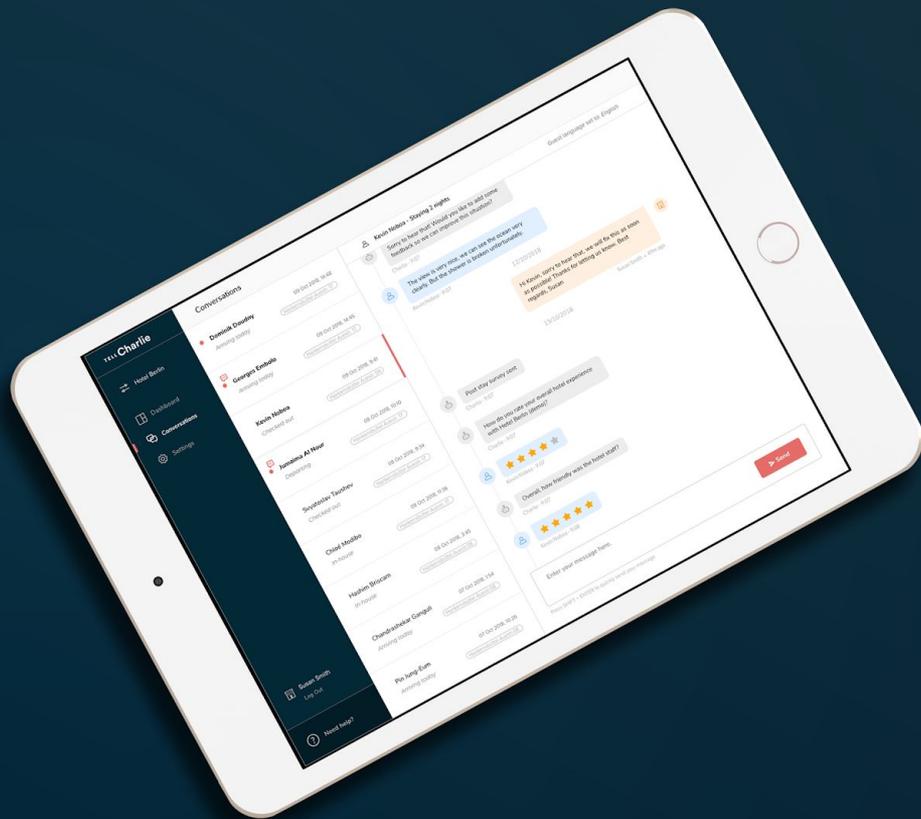
Questions?

Chat with us at tellcharlie.com or send an email to info@tellcharlie.com.



The key to a better guest experience is communication

We enable easy communication between the guest and accommodation throughout the whole journey.



Find out more at [tellcharlie.com](https://www.tellcharlie.com)