The future of the hotel industry

Next month, next year, next decade
- a blueprint for the future of the hotel industry

Closing the gap between dreams and reality
next month, next year, next decade . . .
“It doesn’t do as much as we can dream. I don’t know if we’ll ever solve that one . . .”

This is what one hotel senior executive recently told us when we asked how technology was constraining his business today.

We would love to speak to that executive a few years from now and hear that his technology platform does everything he could dream of. That’s our aim and this report is a step towards closing the gap between dreams and reality.

As part of our ongoing quest to ensure we deliver future-proof technology, we commissioned research with Inspire Resources in the second half of 2007 to find out exactly what the industry was dreaming about. They scoured the globe and asked a selection of the hotel industry’s top executives, consultants and academics what they think is driving the hotel industry over the short, medium and long-term. By understanding these drivers we aim to deliver technology that will enable our customers to achieve their objectives. And to shape the future of hotel technology.

Partnership is fundamental to the way Amadeus does business so we also want to share this research. We hope you will find in it some interesting, surprising, and maybe reassuring insights into the future of our industry. It would give us enormous satisfaction to find that these insights had played an active role in helping you to create the future of our industry.

Happy reading,

Antoine Medawar,  
Managing Director,  
Hospitality Business Group,  
Amadeus IT Group
As times change, so too does the terrain on which our businesses are built. What is a top priority today may not remain so tomorrow.

In 1987, respondents to a similar survey would not have predicted the birth of the web. Twenty years on, and it may be that there is something equally revolutionary just around the corner.

For now, all we can do is predict the future as best we can while trying to prepare for the unexpected. The tables reveal what our panel of thought-leaders say the key business drivers are likely to be over three timeframes - the short term (i.e. the next year or so), the medium term (three to five years) and the long term (from 2012 onwards). They are ranked in the order of importance attributed to them by the survey sample.

### Short-term drivers

1. Globalisation
2. Web 2.0/new technologies
3. Demanding/educated customers
4. Price transparency
It is significant that the order of the priorities changes, and how some of the priorities disappear altogether as the timeframe extends.

For example, web 2.0 is high up the agenda today but in the medium- to long-term will not be an issue. This is presumably because businesses think they will be able to adapt to its demands in the not too distant future.

But it is equally significant how often the same themes emerge. We shall look at three of them – the new breed of customer, new technologies and globalisation – in detail in section B of the report.

Section C will briefly look even further into the future, and will summarise what our respondents think the industry will look like in 2012 and beyond.
Two words cropped up time and again when our panel was asked to describe the nature of the modern traveller - ‘demanding’ and ‘educated’.

Whether business or leisure, budget or luxury, he or she expects to feel special, to have their expectations met, to have their experiences built around them. This is not just about the ‘soft’ issues of ensuring they have the right kind of pillow on their bed or can gain access to the spa when they want it. It is also to do with the run-of-the-mill, hygiene factors involved in any hotel stay.

As Chris Elam, vice president central reservations, Hyatt Hotels, puts it: “In the past and even today, we force the customer to deal with us at regular points. Generally speaking that’s check-in, check-out, wake-up calls, room service, things like that. The future will see us interact with them when they want us to. Whether they want to check-in or check-out or make their reservation electronically or online, it’s going to be on their terms. I think everything is going to evolve into multiple touch points based on customer desire.”

Moreover, this new breed of traveller will know what to expect before they arrive at their destination. They will have done their research. In a web 2.0 world, this will increasingly mean reading what their peers had to say about the place they’ve booked into.

Technology is of course at the heart of this. The demographic group which is approaching adulthood now is sometimes known as Generation Y. Like their Generation X forebears, the members of Gen Y have been raised in a gadget-filled world of choice.

And they’re likely to be even more demanding than their predecessors.

This is a theme picked up by Christine Brosnahan, vice president distribution and reservations services at Carlson Hotels Worldwide. “In my opinion, the next generation, Generation Y, is much more demanding than the Baby Boomer generation, although I still believe Baby Boomers have the biggest market dollar to spend. But I think hotel companies are going to have to begin to satisfy Generation Y because their expectations are quicker, faster... [they are] more self-centred.”

Many Generation Ys will expect you to confirm their booking via SMS. After all, they get bank account statements this way. Can you deliver that?

They will expect broadband in their rooms, and may wish to download music, videos and movies over the hotel network. Could yours handle the demand?

A young Generation Y business traveller may want to reserve some time in the spa at the same time he books his room online. Are your systems geared up for that?

Paulo Salvador, senior vice president, internet relationship market and studies at Accor Hospitality Worldwide, points out that there is a lot of work to be done before technology is truly part of a hotel’s DNA. He says: “The hotel industry’s goal could be compared to the airlines when it comes to guest interaction. Everything [in the airline sector] is done online – research, ticket prices, seat and meal selections. The next contact we have with the air company is to sit on the plane for departure. You don’t even have to touch the check-in people... Hotels have not yet reached such a level of interaction. No hotel chain offers the client a complete online experience. The client still needs to book, go to the hotel for check-in, receive the room key at the front desk, open the door with the key and order room service with the phone and so on.”
Why can’t a hotel send a barcode to a guest’s mobile phone which will act as a virtual key?

After all, the food retail sector is already using such technology to give customers discounts at the till. It may turn out that there is no demand for such services in our industry as most hotel guests will always want the ‘personal touch’ that only face to face interaction can provide. But these things should be up for discussion now.

The problem is that historically, the hospitality sector has not invested as much in IT as, say the retail or financial services sectors. But this must change if the modern traveller is to be satisfied.

Hyatt’s Elam adds: “The hospitality industry’s channel and content management is absolutely average if not below average when compared to other industries, like financial services. Customers don’t compare one travel-related company with another; they compare you, your website, your content, your distribution methodology, with the best of the other companies they deal with in their working day.”

Cindy Estis Green, managing partner of the Estis Group, says. “The relay and exchange of information between people on a personal and commercial relationship basis is becoming more important. The system will need to become smarter so that more of what is known about people is taken into account...

“If someone is looking for travel information, instead of getting 180,000 hits on Google, the system will know that the person looking online is a teenage girl who is into fashion – that search result will be different if a business person were doing the search.”

She adds: “In three to five years, there will be much more of that type of searching going on. We better have technology that is able to handle it so that we know about our hotel customers and know that they are a college student or an executive who is looking for something different in a hotel... These are different people and we have to treat them differently every step along the way. They will expect that.”

This is far from being a trivial matter of course. We are all different ‘people’ at different times. You may be a business traveller one day and a leisure traveller the next. You may be both during the course of one hotel visit. How can a hotel’s systems know which version of ‘you’ has come to the website via Google?

Many of those companies have become adept at personalising the contact they have with their customer base. Banks and supermarkets know so much about us that they can tailor communications and product offerings to our individual profiles.

The same cannot be said of most hospitality businesses, which do not spend enough time working out how they can exploit the data available to them. That mindset will have to change going forward, as will the enabling technology.
Technology is likely to provide the answer.

It is available now (or will be very soon).

The trick is knowing how to invest in it and use it.
The demanding/educated customer. Business implications

- Capturing and making use of customer information is key
- Multiple touch points need technology to support all customer interactions, from the consideration and decision-making process through to the post visit period
- The nature of that customer interaction varies from country to country, but the technology has to enable the conversation to happen regardless of location or language
- Customer engagement and personalisation is required across all touch points. This might need to be a tailored gift to a high value guest instead of loyalty points, or flexible check-in and check-out times
- The industry must embrace communities and social networking as they are set to grow in importance
- Distribution, channel and content management will become more complex

The demanding/educated customer. Technology requirements

- Centralised, comprehensive profiles with CRM (customer relationship management) and loyalty integration. Integration is key – hotels need easy access to customer information from the research stage through to the post-stay period
- The development of customer-centric processes enabling personalised offers and services throughout all guest interaction phases
- Embed user-generated content collection, analysis and use in the search process
- Deliver comprehensive search capabilities and content, including destination information
- Enable online booking of rooms, hotel and destination services
The back office systems used by companies in the hospitality sector are, of course, crucial. For example, integration was identified as a top technology priority by many of the survey respondents.

That should help deliver cross-channel distribution, make it possible to yield the last available room whatever the point of sale, or enable the instant accrual or redemption of loyalty points at any customer touchpoint for example.

Another top priority was ensuring that applications, databases and networks could interface more easily with others in the future. There appears to be a strong demand for open systems.

Some of the challenges being faced today are more to do with day to day operational efficiency. This may be a less glamorous topic, but it is just as important.

For example, Stuart Walters, chief information officer of WORLDHOTELS, says: “Process is very important in this picture. We do have plans to include technology integration for our hotels. It tends to be online focused. But we are also helping our hotels to be more efficient. For example, with rate loading and day-to-day work. There is a lot of ground to be gained in terms of process efficiency.”

Whether to centralise or decentralise the IT infrastructure is also exercising the minds of some of our survey respondents. Heiko Siebert, vice president of distribution at Movenpick Hotels, explains: “We definitely need to make a decision whether to continue with our current decentralised approach or to centralise more. Both have pros and cons. Operationally, the move to centralise the whole thing has advantages; on the other hand, we would like the content production to remain on the side where the content knowledge is, which is typically decentralised. Long-term that is more expensive. This is a decision we have to make in the next 12 months.”

Heiko Siebert,
Vice President Distribution,
Movenpick Hotels

We are sure he is not alone in that. It is also something that Riko VanSanten, the VP of distribution and IT at Golden Tulip Hospitality Group, is thinking about. He says: “I think applications or usage of applications are becoming more centralized, more remote, moving away from the sort of traditional PC or local server environment where you would run guest applications or back of office applications, to more on-demand systems. So the internet becomes more your PC rather than a local PC in the hotel. Now that translates behind the scenes for the hotel’s operations but it also translates to the guest’s experience.”

Riko VanSanten,
Vice President of Distribution and IT,
Golden Tulip Hospitality Group
For the rest of this section, we will focus on the customer-facing operations of hotels and hotel chains. One theme that emerged strongly from the discussions with our survey respondents was the growing importance of the mobile channel.

Technology is getting smaller. The functionality that used to be the preserve of the PC migrated first onto laptops, then PDAs and now onto mobile phones.

The use of these smaller devices for booking travel is not yet commonplace — but it will be. Now that the browser technology built into them is so good, and wireless network speed limitations are not really an issue anymore, a consumer may want to book a trip as soon as he or she sees an ad on the bus. They won’t want to remember the URL and look it up when they get home. They will want to confirm a booking via SMS.

The technology platforms used by hospitality companies must support and enable all user interfaces, from phone to fax to PC to PDA to mobile. They must be able to adapt each time without the need for data to be re-keyed or for any other human intervention.

"Forrester Research believes that mobile devices will have to support a number of activities in the future, including coupons or vouchers, SMS short codes for push and pull marketing campaigns, mobile search marketing, mobile advertising and proximity based marketing.

These activities are easy to imagine today. But the future may see us living in a Matrix-like world. Face recognition software is developing at a rapid rate, for example. Sometime soon, we may find that a front desk hotel representative will be wearing glasses incorporating a camera and a tiny, built-in screen that displays information about a guest to her.

Or it may provide audio information via an earpiece, reminding the representative when the guest last stayed with the chain and at which hotel. It may simply supply the name and some basic information about him.

Forrester has also predicted that in three to 10 years’ time, the technology to enlarge the data content returned on mobile devices will become commonplace. This could be a flexible liquid crystal display or a portable holographic projector.

Think that’s far-fetched? Maybe. But it is worth considering that the web is only 13 years old, and look how far it has come in that time."
It is easy to get carried away with the potential of technology, but it should only ever be deployed where it’s wanted and needed.

Henry Harteveldt at Forrester Research had these words of wisdom for anyone thinking of going overboard with IT. “I do not believe customers will necessarily be using kiosks or the internet to check into rooms. There will be some growth in that area but I don’t think that is necessarily what the customer wants. They value the person-to-person interaction of checking into a hotel. Technology will be operating in the background more and more, in terms of customer information, customer preference, customer behaviour, helping to guide the hotel staff toward relevant suggestions of upsell and cross-sell offers.”

Choice is the key thing. If a customer wants to do everything online, let her. Ideally, let her do it in her own language. If she wants to use the phone, make sure your call centre staff have access to exactly the same information she has online. This sort of thing sounds beguilingly simple, but is not always happening today. Indeed all staff will need access to a different kind of data if they are to deliver the personalised, flexible service tomorrow’s traveller will demand.

Cindy Estis Green predicts that software will change to meet this demand. “The old, linear versions of CRM systems will become multidimensional. You want to know about each individual consumer. Is she travelling alone or with her family, is she on business? There are many ‘versions’ of each of us, and [hotels] need to respond to the right one... The technology has to enable this personal relationship...

“Getting to that point is not about filling in more lines on a profile. It is about observing the consumer’s behaviour while staying in hotels, while searching for information, while talking about her experiences. There will be 100 times as many sources of information because so much of it will happen online. It will be captured, and therefore available to us so we can have a real relationship with her.”

The final word on this should go to Hyatt’s Elam. “Those who can deliver on that personalisation, deliver down to the hotel stay, not just the transaction, will tend to win out in the long run.”

Technology is bound to be at the heart of that.

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New technologies.
Infrastructure requirements

- Content and shopping/booking capabilities must be available on mobile devices
- More data will be stored – yet access to it must be quicker and more intelligent
- Systems used by consumers and staff must be intuitive
- Online booking capabilities will need to improve. There must be relevant availability and product responses based upon customer intelligence
Globalisation was the third key driver identified by our survey participants – and it’s a complex one.

3. Globalisation

The first thread to draw out from the respondents’ answers is the impact of emerging markets and how hotel companies might expand into them. The markets most frequently mentioned were Russia, India, China and the Gulf.

There are opportunities in all four regions of course – but they cannot be treated as a homogenous block.

This is something Stuart Cerullo, senior vice president of business strategy and key initiatives, Wyndham, knows very well. “Our stated growth plans are international and a significant proportion of that growth will be in Asia. They don’t have that many PCs in Asia. They do have an overwhelming number of mobile phones. We don’t do business that way so that is just one thing we are confronted with from a technology standpoint that we have to think through and plan for.”

That is yet another argument in favour of building true cross-channel distribution capabilities. It sounds easy, but legacy technology means it is anything but.

Then there are cost factors. One leading hotel executive explains how his company takes advantage of differing labour overheads. “We have to make sure we’re nimble enough to react to market opportunities – we have enough localisation in the regions, but we also leverage our scale. It is looking at new low-cost centres where we can do something that is extremely high quality – our offshore call centre conversions are higher than the US and UK for example – and is much less expensive. Take that money and reinvest it in other high value things,” he advises.

But the differences in the cost of the global workforce do not always work in your favour. Take Shangri-La Hotels and Resorts. It has a reputation for excellent customer service. Its properties in Asia are extremely well-staffed, and, while it may be a cliché, many of the local populations in that part of the world are famed for their hospitality.

When expanding into the US or Europe, it can be difficult for a company such as Shangri-La to maintain those staff-to-guest ratios and those levels of hospitality.

As chief information officer Anand Rao asks: “How do you transfer a Shangri-La experience from Singapore, Hong Kong or Beijing to Chicago, Toronto, New York or wherever? The costs are different, the staff strengths are different, the staff to room ratios are different, but we need to make sure we are delivering on the Shangri-La brand formula... It is very easy to get it wrong.”
Globalisation.

Business implications

- Brand integrity: hotels need to supply consistent service and support in a global environment, while adapting services to support customers with new cultural backgrounds and sensitivities in local markets.

- Staffing is the key challenge when a hotel chain is expanding – skills, training and intuitive technology are among the critical success factors.

- Hotels will need the ability to easily manage prices and payment across markets, channels and segments.

Globalisation.

Technology requirements

- Centralised management of content, rates, profiles and channels.

- Business rules to enforce brand governance while enabling fine-tuning of controls to support the specific needs of local operations.

- Multi-lingual content and reservation capabilities.

- Multi-currency, flexible taxes and rates management across markets and segments.

- Multi-lingual admin GUI (graphical user interface), customisable workflow, e-learning (to help with staff training).

These are just a few quotations that summarise the first globalisation thread – the challenges of moving into new markets and the vagaries of the global labour pool.

A second thread – and arguably a more significant one – is the impact that the number of travellers coming out of countries such as Russia, Poland and China is having.

Andrew Rubinacci at Intercontinental Hotel Group has already seen the implications of this at work. “There are a lot of emerging markets and they are all different in different ways. China is pretty much bypassing the GDS altogether and is going directly to the web. Poland is three to four times more likely to book on the web than book through an offline agent, but Russia is the opposite because of the visa issues. You have to understand local dynamics in each market.”

That’s a theme picked up by Paulo Salvador at Accor Hospitality Worldwide. “I need to be in compliance with the new and emerging markets in terms of delivering value in the booking experience. For example, the client who is booking from China will need to have a booking experience that is related to his values so I will need to adapt my content. I will need to adapt my language, I will need to adapt my performance systems to the new needs of the emerging markets... Those markets are not only big, they are also different.”
Now it’s time to get the crystal ball out.

Section C

The long-term picture

As part of the survey, our interview subjects were asked to look into the next decade and beyond. We wanted to know what some of the long-term drivers of change in our industry might be. As we outlined in the table in section A, they are the customer, new technologies and hotel ownership.

We’ve already covered off the first two of these, while number three is worthy of its own report. As the ultimate consumer of a hotel’s services won’t be much interested in whether the hotel they’re staying in is owned by a private equity company or an entrepreneur, we won’t go into it here.

What we thought we should do is sift through the survey responses and draw out one or two of the more significant long-term trends.

The first one we would like to highlight is a shift from geographic to demographic and technographic markets. The influence of Generations X and Y has already been mentioned. But the so-called Millennials will be joining the workforce and visiting hotels before long, and some experts believe you should look beyond geography altogether when planning for the future.

Henry Harteveldt at Forrester Research is one such person. “New emerging markets will always be there but I believe that the emerging markets will shift from being geographically based to being demographically based,” he says.

“The Gen X and Y generation are independent. Companies are going to have to establish relationships and prove to these customers why they are worth being considered. In the meantime, these younger generations of travellers will be doing their own research, will be more self-sufficient, will be more reliant on technology to learn about destinations, to learn about hotels, to plan their trips - they will be more reliant on using technologies that are mobile-based.”

Gen Ys will want to ask you a question via SMS and will expect an immediate response. This may mean that call centres will have to handle text communications as well as voice calls. Indeed that may not even be a long-term goal, but one worth aiming for in the near future.

In some ways, the old demographic definitions will also need to be redrawn. There is an association in the United States which arranges travel discounts for its members, who are all over the age of 50. The generation which is now approaching that milestone do not consider 50 to be old, and in any case will not want to be reminded of their age. They may appreciate travel discounts, but they will want them based on who they are, not how old they are.
Another innovation that is likely to affect many in the industry is the appearance of more low-end hotels. This does not mean we shall see the rise of squalid, cramped, flea-ridden hotel rooms, but does mean new chains catering for the less affluent traveller will spring up.

As Ted Horner explains: “You are going to see the rise of more low-end hotels as the low cost carrier (LCC) model takes off... LCCs have allowed another class of traveller to travel for the first time and many of them don’t have a lot of money. So how are we going to accommodate their requirements? You are going to see more of these EZ hotels. I still see a great need for five-star hotels, but in sheer numbers you’re going to see the mid- and low-range marketplace start to become more significant.

“That will create challenges for hotels because they will not want to spend as much money on technology because the room rates will be so much lower than in a five-star hotel. This is where ASP and web-based solutions really come into their own.”

The second trend is to do with branding. This is an issue which is at the forefront of most of our respondents’ minds today, and will stay there for years to come.

In a world of social media, brands are going to be crucial. Choice is one thing travellers are not short of; a known brand is a shortcut to a consistent quality of service and reduces the time it takes to book a room.

It has to be said that some industry commentators believe the brand will become irrelevant; having read what other guests have had to say about a hotel, and having seen their pictures and videos of it, would-be travellers will not care what name is hanging above the doors of the hotel in which they end up booking a room.

But if you subscribe to the former point of view – and most of our respondents do – the brand will have to engage with the target audience earlier in the decision-making process.

Cindy Estis Green has an interesting take on that subject: “It used to be that there were marketing campaigns designed to build awareness and then another set of campaigns designed to target the point of purchase. There is an interval between awareness and selection which includes the period of research and validation by the consumer and hotels have traditionally done little to engage the customer in that part of the purchase process.

Due to the transparency afforded by the consumer’s use of the new social media tools, hotels can now more easily interact at every point in the purchase process: before, during and after a hotel stay is experienced.”

That is beginning to change, according to Estis Green, and will be hugely significant for all hotels in the future.

She also makes the point that hotels have in the past not been great at what you might call ‘post-stay’ communication. They need to get better at keeping in touch with a guest with relevant communication. They need to work harder to get that repeat booking.

This post-stay period will become even more crucial as increasing numbers of people go home after their trip and write reviews and share their thoughts online.

Brand differentiation will also be a major battleground of the future, according to Peter O’Connor, director of institute de management hotelier international of the Essec Business School in France. “I think one of the things that we are seeing already is the development of more niche products – that hotel companies which were trying to be the same before are trying to be different, trying to create some sort of brand identity, both offline and online,” he says.

“For example, InterContinental Hotels & Resorts are trying to sell the experience idea, Novotel are trying to sell this whole idea of a sanctuary from the business world. They’re all trying to position themselves in the mind of the consumer as not just another chain hotel.”

This message has already hit home with Christine Brosnahan of Carlson Hotels Worldwide: “I would say that our biggest objective is brand value... [and] brand consistency. I believe that if the hotel companies do not continue to talk about their value propositions and how to differentiate themselves from each other, then we will become a commodity and if we become a commodity then the way you would distribute your inventory could be substantially different.

“So to me the [big question when it comes to] achieving our business objective is how to keep ourselves and our industry from becoming a commodity? I don’t want to be an airline. I just don’t want to do that. And I think we are at risk of that happening.”

Ted Horner, Managing Director, E Horner & Associates Pty Ltd

Peter O’Connor, PhD, Academic Director - IMMI (Institute de Management Hotelier International)
Consistency is a key word here. The brand has to communicate its values throughout the purchase cycle – and beyond. This cycle includes the first Google search, the consideration and short-listing process, the stay itself and then on into the post-trip period when reviews may be written and repeat bookings considered.

Bill Carroll at Cornell University sums this up nicely. “Your capability once you interact with the customer to protect your brand and engage them creates an opportunity to capture that customer for current and future bookings. How hotels do this is going to be essential to their success. In the case of brands or chains, they must protect their brand and engage the customer through all the distribution channels and touch points. This could include search engines or Facebook or a branded website. Hotels must engage the customer however they can.”

Another long-term threat to hotels is the risk of new entrants into their markets. Villa rental companies for example are often better than their hotel counterparts at marketing their portfolio of properties online. Their use of pictures, video and local information often outstrips that of hotels’, and as more and more people book online that could be a problem. They could also start buying up hotels of course.

But it’s not all doom and gloom. There are likely to be new opportunities out there. For example, many in the industry believe that supplying some sort of provision to the elderly is a natural extension of hotel companies’ current business models.

Cindy Estis Green picks up on this theme. “There will be a blending where hospitality will start moving into hospital and senior care. It will not be clinical, but rather a recreational, pampering, spa and health-oriented direction.”

That makes perfect sense. The Baby Boomers, and most certainly Generation X and Y and the Millennials, will have grown up valuing experiences. It is not just enough to travel in hope any more; what you do on arrival is the thing. This attitude is likely to extend into other areas of their lives, including retirement.
Conclusion

If one message came through loud and clear from our survey, it is that we are in a period of unprecedented change. Customers are changing; technology is changing; markets are changing.

This can feel overwhelming.

But this is also a period of unprecedented opportunity. The new breed of customer can be catered for; new, future-proofed technology is available; new markets are an opportunity for growth.

This surely feels exciting.

We at Amadeus are certainly inspired by the possibilities. We are committed to being at the forefront of these changes - next month, next year and on into next decade.
A day in the life of a future traveller

It’s never easy to predict the future . . . but we are basing our tale below on solid foundations. Indeed, some of the activities our fictional family undertake are possible today.

This scenario is all about capturing the latest trends that are turning travel into a self-service and out-of-the-box experience. The guiding principles of this scenario are based on three big hospitality trends:

1. Globalisation
2. Demanding/educated customers
3. New technologies
One day, a family sits down together to plan their next holiday. Grandfather is 60 years old (and therefore part of the baby boomer generation). Mum and Dad are 40 and 41 respectively; as such, they fall into what is often known as Generation X. Their children (a son and daughter of 14 and 13) may not like being branded as such but, demographically speaking, are members of Generation Y.

As with any family, their wants, needs and patterns of behaviour vary. This leads to some heated discussion, but they finally reach a consensus that the holiday should be in Europe. The family members then agree to go away and investigate a few specific holiday options. They plan to reconvene in a day or two to compare notes.

Dad is on a train on his way home after a stressful day at the office. To cheer himself up he thinks about the holiday and goes online to begin his search for the perfect place to visit. He uses his iPhone to go to TripAdvisor.com to check his inbox for the travel alerts he has set up, and also visits a travel-specific search engine to get rough pricing information on flights and hotels. He also has a look at eBay’s travel section and then browses through some photos on www.panoramio.com to get a flavour of a few potential destinations.

At home, his daughter is on social networking site Facebook, chatting virtually to her friends and asking for their opinions on a few different locations.

Meanwhile Grandfather is having a ‘real’ conversation with a travel agent in an office on a high street near the family home.

They are exhibiting behaviour that is typical of their respective generations. Mum, Dad and the kids (or generations X and Y) are tech savvy, brand agnostic, deeply cynical and extremely independent.

When it comes to travel, these younger generations are doing their own research instead of relying on traditional sources of information. They use technology to learn about destinations, to learn about hotels, to plan their itineraries. Increasingly, the technology they use is becoming wireless and mobile. They are no longer reliant on the wired desktop PC.

The following day at breakfast, the family members sit down together again and agree on a shortlist of destinations within Europe. At length (and after some heated discussion), they decide that Barcelona fits the bill.

And so they are ready to book. Dad is always on the lookout for a deal and so shops around on various websites. He ends up on a hotel branded website as it provides the best rates. It also helps that it hosts content in his language and includes 3D photos, virtual tours and 360o panoramas.

And so, without further ado, onto our story . . .
The hotel branded website features a calendar which clearly shows which rooms are available when as well as an upsell panel, cross-sell panel and multi-room booking functionality.

The family is unaware of the industry jargon of course; all they care about is that they can configure each room to their own requirements and specify the additional services they require.

The parents request a room with a sea view and a king-sized bed for themselves, a double room with twin beds for the kids and a standard room for Grandfather. Using the upsell panel Dad books breakfast for the duration of the stay and also uses the cross-sell panel to reserve a spa treatment for Mum and daughter. Son is lucky enough to get a Nintendo Wii in his room while Grandfather and Dad ensure they avoid the queues on the golf course by booking a tee time on the hotel’s site. Dad also arranges airport transportation to avoid hassle when arriving in Barcelona. Being a savvy traveller, he gives the hotel the flight details during the booking process. He knows this will help should, for example, the flight be delayed.

In addition, Dad fills out a complete customer profile for each member of his family, including room preferences and hobbies. He knows that this information may be shared with the airline, but is perfectly OK with that. Indeed he is more than happy for hotel and airline to access each other’s data about him and his family as both parties will then be able to deliver a more personalised service.

Once the booking is complete, Dad receives confirmation via email and also has the option to retrieve more information from the hotel branded website.

A little while later an invitation to become a member of the hotel’s loyalty programme arrives in his email inbox. He is offered 500 bonus points for being a first time booker on the website, which he gladly accepts.

As a jazz aficionado (and one who likes to share his passion), Dad books tickets for all three adults and completes the transaction using a third party destination services partner. Again, he is unaware of the jargon – the transaction is transparent to him since a link is provided in the hotel’s email to facilitate the ticket purchase. As far as he’s concerned, this is simply an example of exemplary customer service from the hotel.

Meanwhile, the kids are on Facebook looking for things to do during the vacation. Friends highly recommend going to Tibidabo Amusement Park. They tell Dad; again (without thinking about how it all works) he purchases tickets through a third party destination services partner.

Time passes. It’s now the day of travel. As our family do their last-minute packing, Dad gets an SMS advising him of a flight delay. He gets another one, informing him that his hotel check-in times and airport transfer have been adjusted according to the new estimated time of arrival.

The family travels to Barcelona six hours later than scheduled. It’s a bit of a pain, but it could have been worse. The hotel has sent a car for them at the right time and they know they need not worry about checking in late.
The family arrives at the hotel. They could use a kiosk by the main entrance to check-in but Dad, being a bit of a traditionalist at heart, decides to register with the hotel front desk.

He wants to get hold of local maps and restaurant information, which the front desk manager is happy to provide (having access to such things on his terminal) before pointing out that his team can book event tickets, car rental and flights for the family at any time during their stay.

The manager also takes the opportunity to review all of our family’s requirements, such as extra pillows for them all, hotel rooms located close to a vending machine for the kids and rooms with a sea view on a higher floor for mum and dad. In addition, he gives them a weather forecast in advance of Dad and Grandfather’s round of golf tomorrow. Stormy weather is expected in the morning, so they are advised to change their tee time (which they do).

The family members then each receive a barcode via SMS to use as a hotel room keycard.

As they are settling into their rooms Mum, Dad and Grandfather receive another SMS promoting happy hour at the pool bar at 6pm. The hotel offers the first round on the house as a welcome gesture.

The text message says that further drinks can be purchased with loyalty points directly at the bar. The kids also get a text message – this one contains information about a rock climbing competition for the following day.

They may not know it but during the stay each purchase made by the family is logged, which enriches the repository of guest information held by the hotel. This data can then be used by the hotel as the basis for personalised offers in the future.

In addition, hotel personnel can make a record of any guest preferences they become aware of during their stay. This data will be instantly viewable by guest relations staff in all the properties of the chain which will enable it to provide a more personalised guest experience in the future.
Sadly, the holiday comes to an end. Our family has the option to carry out their flight check-in at the hotel, either through the self-service kiosk or at the reception desk.

They again choose to do it in-person – they want to thank the staff for their help during their stay, and especially for the late hotel check-out that was arranged for them based on their afternoon flight schedule.

During check-out, Dad is advised of the total loyalty points earned. The family then leaves for the airport in their pre-arranged taxi.

A few days after the holiday, Dad receives an email from the hotel asking for feedback on his stay. Having had such a good time and having received such a personalised service, he is more than happy to follow a link to the hotel website and complete a short questionnaire.

Mum also goes to TripAdvisor.com to recommend the hotel and to praise its staff, who made their vacation unforgettable. The kids go to Facebook to upload their holiday pictures and to share their experiences with their network of friends.

The holiday may be over, but the memories will live on – just as a record of their behaviour and preferences will live on in the hotel’s databases, enabling its staff to provide an even better experience for them should they ever visit again.

Appendix

- Survey methodology

The Amadeus IT Group commissioned Inspire Resources to conduct this hotel industry survey. The goal was to identify the trends and the needs of the hotel industry for the future.

A large variety of hotel industry executives were interviewed, including industry thought leaders such as consultants, educators and researchers, as well as senior level executives from hotel companies ranging in position from president and CEOs to experts in the disciplines of IT, distribution, revenue management, marketing and sales.

A very special thanks goes out to all of these individuals for taking time out of their busy schedules to allow us to speak with them. Even if they are not quoted in the report, their input was invaluable.
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