

HIGH ON TECHNOLOGY

Digital tools such as social media, analytics and mobile technology are helping the hospitality industry check into a new world of customer loyalty and growth

BY KTP RADHIKA

About a year ago, a foreign tourist who arrived at Indira Gandhi International Airport in New Delhi lost his baggage owing to his airline's negligence. Despite his best efforts, the gentleman could not locate his stuff, and reached The Oberoi, the hotel he was booked into.

As soon as the tourist reached the hotel, he tweeted that he lost his baggage at the airport and was now staying at The Oberoi. The central agency that was tracking Oberoi's social media activities noticed it and informed the hotel's duty manger at the airport. The duty manager traced and collected the baggage from the airline and

delivered it to the guest at the hotel — to his pleasant astonishment.

"This not only increased the loyalty of the customer, but also gave us satisfaction as a hospitality player. We many a time experience a whole lot of business benefits with new technologies such as social media," says Rajesh Chopra, Senior Vice President - Information Technology at Oberoi Hotels & Resorts.

Like The Oberoi, many hotels in India in recent years are adopting a whole lot of modern technologies to streamline their day-to-day operations, better servicing their customers and to make more revenues. In fact, advanced technology has become a



tourists in India by 2015, according to the World Travel Organization (WTO)



According to the most recent report of the Federation of Hotel and Restaurant Associations of India (FHRAI), the industry is set to see an investment of about Rs 26,000 crore by 2017.



We experience a whole lot of business benefits with new technologies such as social media.

Rajesh Chopra, Senior Vice President - Information Technology, Oberoi Hotels & Resorts



With more informed and demanding customers, the industry is adopting many technology tools these days.

Douglas Gray, Chief Solutions Officer, Bluestar Infotech

boon to the hospitality sector in today's difficult economic situation. Department of Industrial Policy and Promotion (DIPP), Government of India, estimates the total market size of Indian tourism and hospitality sector at \$117.7 billion and projects it would reach \$418.9 billion by 2022. According to the body, the foreign direct investment (FDI) inflows to the hotel and tourism sector during April 2000 to July 2013 stood at \$6,754.49 million. The world travel organization (WTO) predicts that India will receive 25 million tourists by 2015. According to the most recent report of the Federation of Hotel and Restaurant Associations of India (FHRAI), the apex body of regional associations of the hospitality industry, the industry is set to see an investment of about Rs 26,000 crore by 2017. The government has allowed 100% FDI under the automatic route in the hotel and tourism related industry.

However, the hotel industry is currently hard hit by the recent slowdown in the global and Indian economy. The ongoing crisis in Europe and the recessionary environment in other countries are harshly impacting Indian hospitality space. To add to that, the GDP growth in India has slipped to 5% level this fiscal year and most hotels in the country are running half empty. A preliminary report by FHRAI states that average hotel occupancy in the financial year 2012-13 dropped to the lowest in a decade at 58.3% and average room rates fell to Rs 6,214, the lowest in six years. Demand from business and leisure travelers, both domestic and international, is down. That said, supply of rooms has increased dramatically over the past few years, and more inventories are adding up. According to hospitality consultant HVS, in 2012-13 alone, close to 12,782 new rooms were added, taking the total supply of branded hotel rooms up to 96,000. India is expected to add another

54,000 hotel rooms over the next three to four years.

To ward off falling revenues and to increase competitiveness, Indian hotels today are leveraging technology to a great extent. According to Douglas Gray, Chief Solutions Officer Bluestar Infotech, technology is playing a key role and is a key differentiator for the hospitality sector. "The industry has undergone tremendous changes in the past few years. With the emerging markets and more informed and demanding customers, the industry is adopting many technology tools these days. The key areas of technological development for hospitality industry are online booking, mobile technology, customer relationship management (CRM), social media and analytics."

Social means business

Over the past few years, Indian hospitality sector has adopted social media such as Facebook and Twitter as effective tools for its business communication. Consumers have become tech-savvy and are now taking feedback from fellow travelers before they plan a trip. Social media is a big influencer now in shaping and forming consumer's opinion and can play a bigger role in brand awareness. "Social media provides a channel for guests to share information and experience feedback. Hoteliers are using social media tools to analyze guest sentiments and deliver messages via social media in a manner that is effective and communicates the value of the brand. In addition, tools for online reputation management help monitor and respond to social media conversations in a timely and effective manner," says K.S. Bharath, Business Practice Head - Hospitality, ITC Infotech.

A comprehensive strategy for guest engagement is to employ social media

Hoteliers are using social media tools to analyze guest sentiments and deliver messages via social media in a manner that is effective and communicates the value of the brand

HOSPITALITY INDUSTRY: A SNAPSHOT

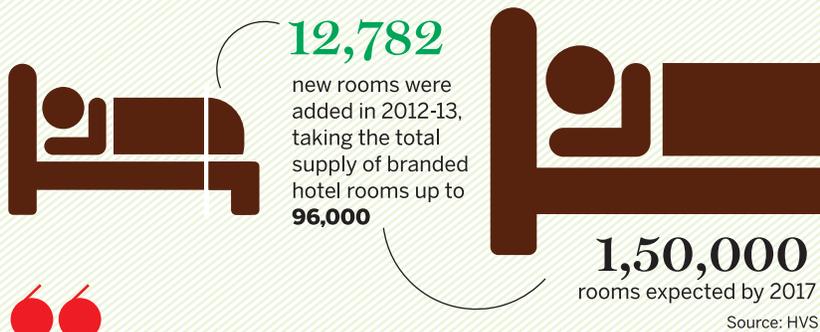


\$6,754.49 MILLION

The foreign direct investment (FDI) inflows to the hotel and tourism sector from April 2000 to July 2013

Rs 26,000 CRORE

According to FHRAI, the industry is set to see an investment of about Rs 26,000 crore by 2017.



We started concentrating and promoting our online presence through own website, social media sites like Facebook and Twitter and through travel agent sites from December 2012. We also used channel managers to track and identify the online data. And the results are much rewarding. We have received 150% more upside on our business in the last one year."

SHARAD BHARGAVA, Associate Director-Development, Golden Tulip Hotel

6 TIPS TO BUILD A SMART WEBSITE

1 Technology is the key for success: customers should be able to book smoothly without any hassles. As it involves online payments, transactions should be smooth, bug-free and secure.

2 In addition to maintaining their own sites, hotels can tie up with OTAs (Online Travel Agents) to enhance visibility and strengthen web presence. However, they need to have an exit clause in place while entering into such agreements.

3 The website should be user friendly, and customers should be able to navigate freely and choose the right products and pricing based on their preferences

4 It can be further enhanced if customers can get tailor-made services on the website based on their specific needs and preferences. A website offering customer segmentation, more choices, will certainly fare better than one with few options.

5 Hotels can also tie up with Google Maps or Bing, so that customers can easily locate them while searching for hotels in a particular location.

6 Mobile apps, no doubt, are the flavor of the day today to enhance online presence and bookings



Tools for online reputation management help monitor and respond to social media conversations in a timely and effective manner.

K.S. Bharath,
Business Practice Head - Hospitality,
ITC Infotech



Hi-speed wired and wireless Internet, mobile docking stations and data ports are standard features available in all our guest rooms.

Prasad Iyer,
Head - Cluster Ecommerce - India,
Malaysia & Maldives,
Marriott International

analytics tools on social media channels. Explains Chopra of Oberoi. Social media tools can be put into good business use for the hospitality sector. Engagement with guests have increased manifold with the help of social media. The moment we get a booking confirmed, we start profiling them and here social media comes in a big way." For the past three years, the hotel is using tools such as Facebook, Twitter and Pinterest, which help them get further prepared to receive guests. "We are able to serve them with personalized services and are able to avoid situation that our guests dislike. We are getting a complete profile of our guest regarding her interests, hobbies, travel patterns, stay at other hotels, etc." he adds. The hotel monitors social media activities round the clock and negative feeds, if any, are sent to the respective departments immediately for them to take a corrective action.

Social media is also being used for promotions and support. Hotels are even using it for sale of last minute inventory through channels such as Twitter. Increasingly, hotels will use social media to build social profiles of their customers that will help in personalization. Agrees Prasad Iyer, Head - Cluster Ecommerce - India, Malaysia & Maldives, Marriott International Inc: "We are very proactive on social media platforms such as TripAdvisor, Facebook and Twitter. Our social media activities and presence primarily support our quest to increase our engagement levels and share information with our patrons globally."

Activities on social media will influence visits to the hotel's website which in turn will influence rankings on search engines. On-site visibility, which is another important technology tool, is directly impacted by updates on social pages and posting of new content on brand websites.

Presence on online channels enhances a property's visibility and reach, two vital components required to generate business in a highly competitive environment. Within online marketing, hotel managers are beginning to use tools such as search engine optimization, pay per click, mobile website marketing, social marketing etc. Claims Sharad

Bhargava, Associate Director-Development, Golden Tulip Hotel, "Social media and better online presence have a lot of business benefits to offer. We started concentrating and promoting our online presence through own website, social media sites like Facebook and Twitter and through travel agent sites from December 2012. We also used channel managers to track and identify the online data. And the results are much rewarding. We have received 150% more upside on our business in the last one year."

CRM and ERP: the nerves

Hospitality is all about serving the customers. Therefore, ERP and CRM tools are the technological nerves of any hotels. CRM can help hotels retain customers in the long run by providing better customer services and can generate alternate sources of revenue by selling non-core services. A smart CRM tool also helps reducing cost of operations. CRM is essentially supported by various disciplines like guest profile management, loyalty management, sales management, marketing and campaign management, and social media management. "Traditionally, CRM solutions have been expensive to implement and difficult to integrate with disparate hotel systems. Only a few large hospitality chains have been able to achieve true integration. However, new age technologies such as cloud computing and innovative pricing models such as SaaS have enabled product vendors to offer CRM Services at a marginal cost. Hence, one will see increased adoption of CRM amongst hotel chains in India," observes Bharath of ITC.

The hotel industry is also planning to offer competitive prices and value added services which can woo the customers. Currently, a lot of hotels are offering various loyalty programs integrating it with their CRM tools. This really helps them enhance revenues by repeat business from customers. "However, CRM tools can be successful only when they are executed properly. CRMs should not be considered only as technology but should help hoteliers offer customized



solutions by understanding customer psyche,” explains Gray of Bluestar Infotech. CRM also helps hotels to prepare for receiving the guest. “Before the guest arrives, our CRM system prepares pre-arrival reports and helps us receive them in a personalized way. If it is a repeated guest, our CRM systems gives us 360 degree view and helps us in guest segmentation,” informs Chopra.

Modern hotel ERPs are integrated so that a single application can run on a single database. It effectively covers all the departments in a hotel that includes front office and reservation, restaurant sales, sales & marketing, banquet & conferences, housekeeping, inventory & purchase, engineering & maintenance, HR & payroll, credits, finance & accounting, asset management and gate pass. It also streamlines and makes the day to day operations easier.

Take this example. Berggruen Hotels,

Larger hotel chains are using business analytics in fields such as inventory management, pricing and yield management to maximize revenues

a leading player in the mid-market segment was facing challenges working with multiple vendors for point-of-sale, material management, financial accounting and property management solutions. This was a hurdle when the company decided to scale up. The hotel wanted a fully integrated hotel management software which could seamlessly manage both front and back office requirements. They then implemented IDS NEXT’s (a technology solutions provider for the hospitality and leisure industries) integrated ERP solution FortuneNEXT 6i. The solution

not only provided them a centralized system but also provided greater visibility into hotel processes and efficient automation for all management operations. Vikas Chadha, Chief Financial Officer, Berggruen Hotels, says, “In keeping with our long-term growth plans, we wanted an integrated and efficient software with both on-site and off-site support mechanism. Now with an integrated ERP solution, the management can quickly access centralized cost centre wise reports to determine profitability and take positive corrective action immediately.”



A lot of guest room and back-of-house facilities management data is being analyzed to optimize factors such as power consumption and cost optimization.

Debasis Basu,
Vice President, Travel and Hospitality Practice, Cognizant

Mobility solutions and mobile applications are changing the way the hospitality sector operated traditionally. New age mobile solutions can manage and connect a guest throughout the entire guest life cycle.



Analyzing customers

Hotels have been collecting information about customer preferences for a long time. However, the adoption and application of business analytics in hospitality is in the emerging stage compared to other industry verticals such as BFSI or telecom. That said, larger hotel chains are using business analytics in fields such as inventory management, pricing and yield management to maximize revenues. The hospitality industry has a big opportunity in applying business analytics in the areas of customer profiling, segmentation, and uniquely targeting offers, promotions and advertising. “BI and analytics enables hospitality service providers to see more clearly who their target customers are, observe their behaviors through purchase history data, and tailor offers, promotions and advertising at specific demographic and psychographic sub-segments of the mass consumer market,” observes Gray.

Analytics makes it easier to find out what product or service a customer really wants. “Hotels have lots of data that shows guest information such as likes, dislikes, nationality, demography and spend patterns, etc. Such data is voluminous and complex but highly useful for hoteliers to thoughtfully use in targeting their guests with several

tailored campaigns and promotions. This data need to be analyzed and presented in a form that is actionable for hoteliers,” views Binu Mathews, Chief Executive Officer, IDS NEXT.

Analytics are being used in the sector to also achieve operational efficiency. “A lot of guest room and back-of-house facilities management data is being analyzed to optimize factors such as power consumption, cost optimization, and so on. In the age of Internet of Things, there will be an explosion of data being generated by different devices. It will be interesting to see what data stewardship guidelines are used to curate and filter this data to achieve actionable insight,” feels Debasis Basu, Vice-President, Travel and Hospitality Practice, Cognizant.

New BI tools are providing deep insights from data collected about customers, helping the hotels to personalize their services and do closed loop marketing and CRM. “For example, hotels have started collecting data on which side of the bed and what kind of pillow the guest typically sleeps on. This data is used to personalize the guest’s next stay in terms of choice of pillows and orientation of other in-room accessories such as the iPod docking station and alarm clocks,” explains Basu.



In keeping with our long-term growth plans, we wanted an integrated and efficient software with both onsite and offsite support mechanism.

Vikas Chadha,
Chief Financial Officer,
Berggruen Hotels

Mobility and more

Another important technology trend that grabs the sector is mobility. Mobility solutions and mobile applications are changing the way the hospitality sector operated traditionally. New age mobile solutions can manage and connect a guest throughout the entire guest life cycle.

“Most hotel websites allow for apps to be downloaded onto a mobile device. This allows guests to check for availability, create a reservation, update their preferences both for rooms as well as for restaurants,” explains Bharath of ITC.

“We have enabled ‘Golden Tulip mobile app’ for guest reservations and are planning to launch ‘Food and Beverages apps’ soon,” reveals Bhargava. Mobile devices sometimes can also act as a room key and allow guests to check-in and access their rooms. “Marriott recently launched the mobile check-in feature using the Marriott mobile app which has been one of the newest features in the hospitality sector. Our mobile web apps have been very strongly adopted by our international and domestic guests,” adds Iyer. Digital payments can be enabled through mobile devices as near-field communication (NFCs) and mobile payment are becoming popular.

Mobile apps are equally important within the property to help increase service quality. Staff enabled with mobile devices can respond instantly to priorities. This can also be integrated with guest recognition solutions for real time guest information and preferences. Mobile devices are also being used for in-room entertainment management, ordering room services and verifying check-out bills. They can also act as virtual concierges. Hotels are also using the concept of active kiosks, where hotels can give targeted messages to their guests and interact with hotel staff through video chats for service requests. “When the guest or passenger is on the move, the best way to provide contextual services is through a mobile device. In the hospitality industry, killer apps can be constructed where different partner service ecosystems collide for example, in-property contextual offers of spas and golf, and enabling business services such

as wirelessly printing documents or taking guest feedback,” feels Basu.

Technology shifts and upgrades are happening in other areas such as front desk management, better inside room technologies, smart card technology, loyalty program solutions and around data security. The days of waiting in the queue to fill in registration cards and check-in are far behind. Though the traditional front desk continues to operate, where group check-in is concerned, assisted check-ins for groups by staff using mobile devices are common. There is also an increasing trend of self-service check-in kiosks being used. Hotels also have started using RFID-enabled loyalty card for room access.

Improvement in in-room technologies is also helping the hospitality industry to serve their customers better. “Hi-speed wired and wireless internet, mobile docking stations and data ports are standard features available in all our guest rooms. Interactive smart TVs will also be available in some of our new hotels. Wireless internet in public areas like lobby, corridors, restaurants, meeting rooms, business centers, indoor and outdoor function areas is now a default feature across all our properties,” reveals Iyer.

Future stay

As technologies become more integrated and advanced, the face of the hospitality sector will change a lot in the coming years. Technologies like augmented reality will give travelers a look-and-feel of the hotel before they arrive at the spot. Modern technologies will even allow the hoteliers to understand food preferences of the guests before they enter the restaurants, or display the latest headlines about a VIP when he arrives. Some of the biggest changes might happen in guest rooms, where interactive bathroom mirrors can be used as touchscreens for browsing or TV displays are projected on to walls. Industry experts believe that these new technologies will not only give the hotels an image makeover but boost their business as well.

radhika.ktp@expressindia.com

Though the traditional front desk continues to operate, where group check-in is concerned, assisted check-ins for groups by staff using mobile devices are common. There is also an increasing trend of self-service check-in kiosks being used.

10 Years and Counting !

19 Properties of Lords Hotels and Resorts Use IDS NEXT Software



Aakar Lords Inn, Saputara

Lords Hotels & Resorts were looking for a smart Property Management System that was scalable, robust and well-tested. The System also had to measure up to recent technology changes in the hospitality industry. Since October 2004, their properties are using Fortune Suite of Applications from IDS NEXT.



“Compared to other hotel software, we found IDS NEXT offers greater operational efficiency. The software has helped us streamline procedures and organize brand management. It has also helped us retain guests through the guest history feature”

- Rishi Puri, Associate VP, Operations, Lords Hotels & Resorts

Today we power 1000+ rooms of Lords Hotels and Resorts' and have helped the group find solutions in Accounts and Finance, Front Desk and Reservations, Material Management and HR Management.

#490 RT Nagar Main Road, Bangalore -560032, India. +91 991 613 4605 | easy@idsfortune.com | www.idsnext.com

 facebook.com/idsnext

 linkedin.com/company/ids-softwares-pvt.-ltd.

 twitter.com/idsnext