

The Next 100 Years: Hospitality Guests of Tomorrow

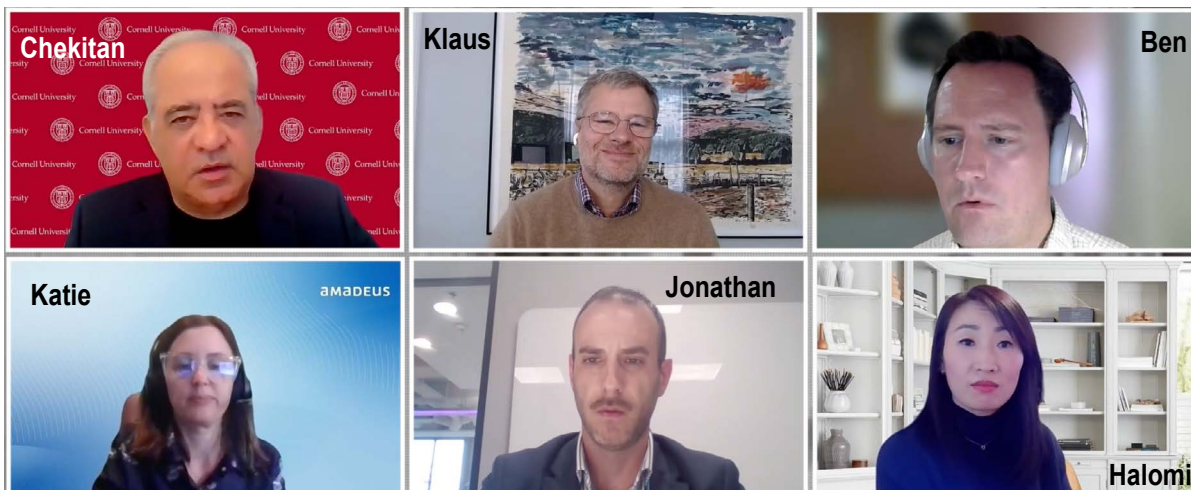
by Chekitan S. Dev

INTRODUCTION

In this report, we present a panel discussion in which we look ahead to where the hotel and travel industry will be in the next 100 years. We chose this topic in part because 1922 was the year when the American Hotel Association (as it was then known) encouraged Cornell University to create a “hotel program,” which had the goal of helping to professionalize an industry that was experiencing the growth and expansion of the first hotel chains (notably, the Hotels Statler). The newly created hotel program rapidly outgrew its initial home of Cornell’s College of Home Economics and in the intervening century became Cornell’s Peter and Stephanie Nolan School of Hotel Administration.

As part of our centennial, we’re having panel discussions like this one to mark this 100-year milestone and then prepare for the next 100 years. I was delighted to be able to chair this discussion. Before I introduce the five participants, I want to start by thanking those people that made this possible. They are Professor Linda Canina, the Academic Director for the Center for Hospitality Research who gave this panel the green light and strongly suggested it to all of our five participants, Nicole McQuiddy-Davis, Program Manager for the Center for Hospitality Research, for organizing the panel, and Glenn Withiam, for helping convert the transcript into this report.

Most important, I want to welcome and thank my fellow panelists. I appreciate their taking the time and trouble to join us.



The Panel

Ben Cary is vice president of development of Accor in the United States. A proud graduate of the Cornell School of Hotel Administration, he has been working in the industry for more than 20 years. At Accor he's responsible for the development of all brands in the United States. Prior to Accor, Ben led all facets of development for Meininger Hotels in North America. And before that, he spent 11 years in various development and feasibility roles at Starwood Hotels and Resorts. Earlier in his career, he worked for the hotel investment company, Hotel Capital Advisors, and on property at the Carlisle.

Jonathan Fuentes is hospitality strategy senior manager with Accenture, based in Madrid. In this role, he identifies business opportunities and helps companies to successfully integrate technology. With 13 years advising hospitality clients regarding technology, he specializes in digital hotel operations, distribution channels, revenue management, and the application of the latest technology trends to the travel industry.

Katie Moro is vice president of data partnerships, hospitality, with Amadeus Hospitality. In that role she leads data partnerships as well as the global expansion of the Demand 360 product at Amadeus. She has been with Amadeus via TravelClick and Rubicon for about 15 years. Before that, she worked on property at hotels.

Klaus Kohlmayr is chief evangelist and development officer with IDEaS, the leader in revenue management and pricing for the hotel industry. IDEaS has about 22,000 hotels on its various pricing solutions. His evangelist role includes thought leadership and speaking—through this panel, for example. He is also overseeing a new venture called IDEaS Labs, which is an innovation group. Klaus has been in the industry since age 15, half of those years working mostly in hotels, and then the other half in the technology world.

Halomi Sukhbaatar manages CRM, customer journey, with Yotel. As a management consultant for CRM, she is handling substantial digital transformation projects. She has been in the customer service, customer experience, CRM space for 20 years, with leadership experience in optimizing customer experience journey design, digitalization, and service delivery execution in CRM and customer services in real estate development, including hotel-branded residences such as Four Seasons Private Residences and The Residences at Mandarin Oriental.

Topics Covered

As a brief outline, the panel covered the following topics:

- (1) changing customer profile, including the data needed to track those changes, the remarkable strength of hotel prices, generational changes in customer needs, challenges of brand management, and changes in owner profiles and requirements;
- (2) evolving marketplace trends causing changes to panelists' standard operating procedures and to recommendations that they're making to clients and partners, including the effects of artificial intelligence on travel planning and booking engines, adjusting operating procedures according to changes in guests' purpose of stay (as a business guest switches to leisure activities), using data for competitive intelligence, and the growing importance of sustainability and environmental, social, and governance activities in raising ADRs and guest bookings;
- (3) maintaining the balance of high-tech and high-touch, including using technology to accomplish personal service activities, especially since guests expect to be able to use guest-facing technology in the course of their stay; and
- (4) surviving and thriving for the next 100 years, including a consideration of allowing guests to book rooms and check-in via whatever tech channel they prefer (e.g., an app, a web site, in person), the continued expansion of technology use by and for hotels, the importance of understanding your guest, and the essential need to continue innovating.

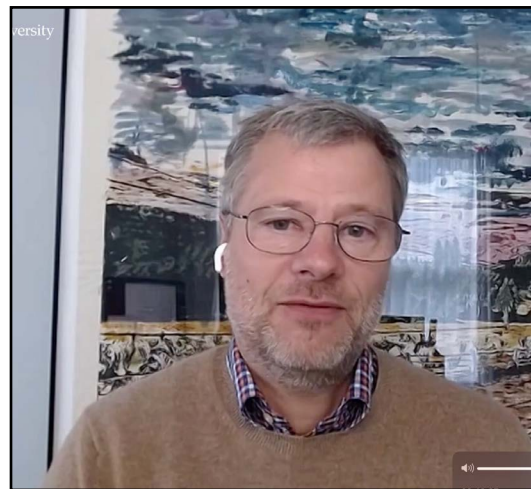
As the reader will learn, this was truly a global panel: Jonathan in Madrid, Klaus in Minneapolis, Katie in New Orleans, Ben in New York City, Halomi in London, and I, Chekitan, hosting from Naples, Florida. Here's a gently edited transcript of our discussion.

Changing Customer Profile

Chekitan: Let's start with talking about changing customer profile and how you are using data insights from within our companies, from the field, and from studies you're doing, to understand new customers. Klaus, please give us the bigger picture as to what you are seeing currently, what's changing, and what's around the corner?

Klaus: I think the biggest change we've seen over the last few years is obviously the changes that we all have experienced during COVID. In the wake of the pandemic, we shop differently, we work differently, and we interact differently. Likewise, customers that we all have in our respective worlds also shop, interact, and work differently. Along the way, we've all moved into the digital world. We've all learned how to accept more flexibility. Some of us are working from home, some from the office.

It's become a much more dynamic environment, and customers' expectations have changed regarding what an experience should look like. They are expecting to be part of digital experiences, as has occurred through the many different apps and products, primarily using mobile phones to also address the hotel world. Digitization is all around us, and customers are used to interacting with technical or digital devices more and more frequently. That said, I think the hotel world hasn't really jumped on that as rapidly as it should have. Guests are expecting better experiences,



Customers' expectations have changed regarding what an experience should look like.—Klaus Kohlmayer

and they're expecting more personalized and more relevant experiences.

So one way we can better understand guests is to follow the digital breadcrumbs that guests are leaving us, given that they're interacting with technology more effectively. We need to understand the guests'



There's data available everywhere for hotels, and it's really difficult to manage the process of mining it.—Katie Moro

needs in relevancy and experiences and personalization. Thus, we must make sure that we build the right products and the right experiences to cater to those desires. Along that line, guests are becoming more fickle; they're becoming more demanding. Their expectations have reasons, and we all need to step up to cater towards that.

Chekitan: Katie, what's your perspective, what are you seeing that's similar, and what's different?

Katie: Klaus is spot on. I think we're talking to a lot of the same customers. I think that personalization is key. I'll return to that in a moment, but I think here it's about data as well. What I see is that there's data available everywhere for hotels, and it's really difficult to manage the process of mining all of this data. That is, you're getting it from many different vendors, many different places. I think that that's going to be a critical piece for hotels to be able to understand what the traveler is looking at. From Amadeus's perspective, we're providing data to the industry. A chief goal is to understand the customers' booking patterns. What types of rooms are they choosing? What channels are they booking on? How much are they willing to pay? And those are all important features of the traveler that you need to understand to be able to better personalize.

So, I agree that personalization is going to have increasing importance, but we link data with personalization. What Halomi is doing right now from a customer relationship management (CRM) perspective is being able to mine the data, know your guests, and be able to focus on repeat customers. Especially with cookies

going away, potentially, the question becomes how do you know the customer out there? It will be really important for you to be tracking who is actually staying at your hotel so you can target and understand the guest as we move forward.

Chekitan: So, let me put you and Klaus on the spot for a moment. Could you share one key insight, one aha, one light bulb moment over the last few months? Something that popped into your head, or perhaps your screen or you said, wow, that's new, that's different. I'm thinking of an insight that may have been counter-intuitive—something that surprised you a little about what you're seeing in the data from customer trends.

Klaus: I think surprises happened with customer trends. We've talked about the blending of leisure and business a lot, right? And there is now some concrete data about how people are staying longer, and further that certain age groups are taking advantage of that more than others. I think what was a surprise to me over the last 12 months was the continuing strength of leisure demand and the insensitivity to price that we've seen. The hotel industry at large has broken all records in average daily rates.

As an example, I'm trying to book a trip for next September to Yellowstone, and the prices that I'm seeing are in line with my expectations—that is, record prices. I think the surprise has been how those strong prices have endured for the last 18 months. So, the strength of the economy, the strength of pricing, and the strength of the leisure demand has been beating our expectations for sure.

Chekitan: So maybe somebody can tell us why and how the companies use this idea of asking guests whether they are traveling on business or leisure before giving them a price. And then we are going to see the leisure and business option surface as a new one because you still need a binary combining the two.

Katie: Klaus stole my thunder, here. It's really about the rate. If you look back in any other downturn in immediate history, rate was always the last to come back. Instead, post-pandemic, the fact that we've had so much leisure demand and hotels have been able to drive such high rates has been really shocking. For me, the question as we move forward is, can rates get any higher? That leads to questions on how our hotels are going to manage those rates from a budget standpoint, and from an ownership expectation standpoint. And beyond that, where else can they drive dollars—such as from ancillary spending, food and beverage, and things like that. I think hotels are going to have to start to think outside of just room rates

and find other ways to get creative and make money, because I just don't know how much further they can push the rate.

Chekitan: Jonathan, how about you. What do you see?

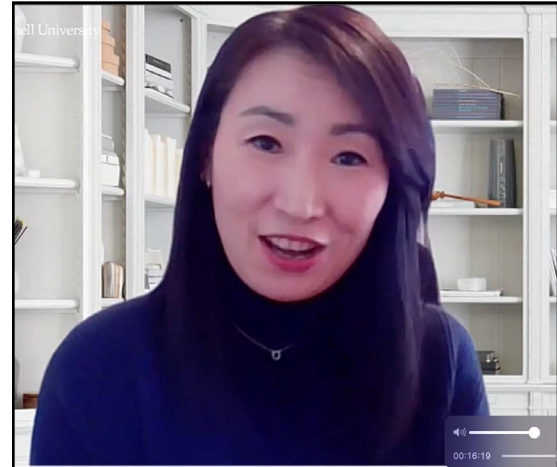
Jonathan: I think one thing that is going to surprise us is how personalization can be applied with the information that we have gotten via the data from our guests. I saw a study that 70 percent of the guests are expecting—and are having—a more positive experience when the hotels where they are staying are using personalization techniques. So there is clearly a potential for companies to win the hearts and minds of their guests by applying more data power. This is basically one big opportunity for the industry—using tools or techniques such as the client data platform. That is not to be confused with CRM. Hotels can collect handfuls of data around the different touch points for later use in the same touch points, but in a more personalized way. A retrofit applying all of this information about an experience is something that is magic to the customer experience.

Generational Changes in Market Segments

Chekitan: You mentioned CRM, so maybe this is a good time to bring in Halomi. Let's get a little bit into the weeds. Let's talk about different market segments. Let's talk about what we're seeing on a more a segment-by-segment basis. What are your insights from doing CRM at Yotel?

Halomi: Traditionally, hotels' main segments have been Gen Y and Gen X, with a little bit of Gen Z. But post-COVID, we've seen quite drastic changes in length of stay. At the same time, the segments are shifting and also the demand is changing. We have talked about data, we've talked about upsells, and we've talked about guest-experience tracking and personalization. At Yotel we're happy because everybody agrees that hotel business is booming, and it is breaking all the ceilings of expectations. Where Yotel has been positioned, I think we were essentially prepared for this. You mentioned "bleisure" guests. We actually added bleisure as one of our guest-information options. That is, customers can answer that they are bleisure customers.

So if you break down the segments, Yotel is working toward facilitating different segments of customers. That is, we're not just talking only to Gen X and Gen Y. We're talking to people who are Gen Zs, who are content creators, whereas Gen X and Gen Ys are more of content consumers. The question then becomes how do we appeal to those diverse segments? When it comes to personalization, a lot of people don't have the



We need to appeal to diverse segments of Gen X, Gen Y, and Gen Z by applying personalization based on data.—Halomi Sukhbaatar

patience to read a huge amount of information. How do we divide these contents to be more relatable, more personalized, more of what you need. For that we need data. But this becomes a chicken and egg situation.

I've seen many hotel businesses that maintain data that is siloed. There are not many groups that I have seen where their data is completely centralized into one place where you can see entire segments. You can break down the data segment-wise or location-wise. There's so many things you can do once you have your data in all places, feeding from all data points. We're trying to build our CRM database in a way that puts all data into one single place so we understand our customers better and stay more relevant. Instead of giving them 100 pages of information, or a hundred things to do, we would just do three, but those items would be personalized directly for them.

That's the sort of direction we're taking so that we can cater to different segments of our customers. This is where we're seeing the changes and shifts and needs that we're addressing. Personalization is part of where we're deploying a new guest portal, where the guests can create their own experience. We call it "you're in charge of your own experience." You design your experience, and we deliver it the way you want it. So that's a form of personalization that we are looking to deliver now.



Our brand discussions with owners and developers depend on the location and on what the developer envisions for their project—a lot of it is driven by what the client is looking for.—Ben Cary

Chekitan: One quick follow up before I bring in Ben. Unlike a lot of other multi-brand portfolio companies, Yotel is focused on a particular part of the market. You have your three brands, Yotel, YotelPad, and YotelAir. Talk a little bit about what other opportunities you are seeing in the marketplace. For example, might we see another version of the Yotel brand?

Halomi: Based on what we hear from our customers and from a lot of the travel agents that we work with, I think people are demanding more products. The hotel product is not just rooms. You see that in a lot of our Air hotels. For example, we sell by the hour to accommodate travelers' schedules. We sell room-and-shower packages, or some people can just buy a shower. Some guests ask to rent a chair or a lounge chair, so they can just relax. We're looking at so many innovative ways of how we can service the needs and demands of our guests. Ironically, we're having difficulties when it comes to hourly rates, because a lot of property management systems don't do hourly rates,

and we have to tweak and customize. But what we see as a future is new products in the hospitality industry.

Chekitan: Ben, you have the unenviable position of—as Mr. Sebastian Bazin recently reported—offering 46 brands now in Groupe Accor. Could you talk a little bit about managing all those brands?

Ben: Yes, we offer some of the hottest brands or the most popular brands at Accor, and indeed in the industry as a whole. Our “collection” brands have really taken off because they celebrate a hotel's independence, while at the same time giving them the backing of a major hotel company in terms of sales and marketing and digital presence, loyalty program, and reservation platform. The collection brands give guests who appreciate the unique nature of a hotel (not necessarily a prototypical experience) another option.

In that regard, Accor has a brand called M gallery, which has more than 100 hotels worldwide. This is a collection brand in the boutique space with hotels that tell a unique story, and it's growing quickly. In North America, we have M gallery properties operating in Vancouver, Seattle, and Miami, one under construction in Tulum, and many more still to come. That is certainly one space that we're getting involved in. The fastest-growing brand for Accor, along with sister company Ennismore, is Tribe, with 45 hotels in the pipeline. Tribe is a brand that was born in Perth, Australia, just a few years ago, with the concept that it provides contemporary travelers with what they need and nothing they don't. This means that travelers get a bold design, a bar, a quick, healthy breakfast. Guest rooms and the overall footprint are efficiently sized, so the development cost is lower. ADRs are at affordable prices. Those are just two examples of the 40-plus brands that we have.

Chekitan: Looking at specific conversations with owners, take us into your daily life in terms of what owners are asking for. How do you make sure that Accor is the brand of choice for owners today and into the future? What are you hearing from the owner community that might help inform the discussion about their guests?

Ben: Well, there are many variables when I'm talking to an owner, because with Accor and the way our business model centers around franchise and management agreements, we have what's called an asset-light strategy. Our discussions with owners and developers depend on the location and on what the developer envisions for their project.

I would say that a lot of it is driven by what the client is looking for. If it's a traditional luxury experience we might narrow it down to Fairmont as being



AI will be incorporated to personalize and customize guests' experiences on both the guest side and the operational side.—Klaus Kohlmayr

the best brand for particular development. If it's more of an urban location that might appeal to the creative traveler. It might be that Hoxton is more appropriate. It depends on the situation, and it's typically a process and a discussion with the client before we select a brand.

Trends in the Marketplace

Chekitan: Let's transition to topic number two. How are the trends that you're seeing in the marketplace causing changes to your standard operating procedures and to recommendations that you're making to your clients and your partners? The elephant in the room here is AI, including ChatGPT, which can do a decent job of helping plan an itinerary. Perhaps we should address that right now. I say that because, if you remember the presentation made by Satya Nadella and his CIO, one of the first demos they did involved travel. The guy said, I'm go to Mexico City and I'm going to show you how this works.

With that in mind, let's start with the customers' ideas for planning their trip and go all the way through to the experience itself. How are you seeing technology in these trends merging to change customers' experience?

Klaus: The question is, how will AI be incorporated to personalize and customize guests' experiences? There's two parts to this. One is the guest side and the other is the operational side. With regard to the guest side, I've been saying for many years that the way we're booking travel today is artificially forced upon us by technology that's inefficient. If you think about how we used to book travel, it was picking up the phone, calling a travel agent, and saying, "I have a couple of hundred dollars to spend. I want to go somewhere warm. Here's my timeframe. Give me some suggestions for a location and type of hotel. Maybe I'll bring my kids with me, and I want to do something with my family." All that's gone away over the last 20 years because the OTAs—or anyone—really don't enable that approach. You no longer can just say, "I have \$500 this particular weekend, and I want to stay somewhere warm, and, oh, how about a bungalow or somewhere on the beach." Travel agents still do this today, but the booking engines do not.

However, with the new AI capabilities we have, we will be able to do exactly that. And that's where we're going to go: all the booking engines and all the front ends will change so that you will be able to put in exactly that information. The customer will be able to tell the system: "I want to go somewhere warm in the third week of May, I have \$500 to spend, and I want to take my kids with me so make it kids friendly." The AI will come back and tailor that customer's experience.

Obviously, the danger is that everyone will get the same recommendations, everyone will concentrate in the same places, and then we'll be talking about over-tourism. That said, the guest side, I think, is going to get more and more exciting, and we'll go back to booking travel the way we used to book travel. That will be enabled through technology.

On the operational side, I think AI will help make us more efficient. For example, IDEaS just launched a new tool for its revenue management system, called auto configuration. With old technology, a hotel might spend hours or days configuring our system, but the AI does all that now. The system comes fully preconfigured to the end-user, and all the user has to do is just confirm that everything is correct. It cuts the time down from days to literally maybe an hour or something like that. And that's all AI driven. We also will gain efficiencies, productivity, and cost savings through AI as well. So, I think it'll be good for both sides—both the customer and the businesses.

Looking for New Experiences

Chekitan: Staying with the advisory side, Jonathan, what are you hearing from your clients in Europe? I'm sure you're having a lot of conversations about what do we do with this new technology? How does it help? Where are you with this?

Jonathan: There are a lot of studies, which our clients are trusting, around guests demanding a completely new relationship with hotels, as well as new experiences. For instance, there is a study by Get Your Guide, where almost half—40 or 45 percent—of their guests are finding that their travel experiences are inauthentic. Instead, they are demanding, not only to put their head on the bed, but also to have a holistic experience, and they want this not only during the actual stay, but also even before while they are making their plans, when they're doing the booking.

Some of our clients, for instance, are also providing the guest the opportunity to practice yoga or to practice other kinds of wellness activities during their stay. So they are providing this new service. They are also allocating, for instance, new spaces for gaming, which is one of the big trends in sports. And e-sports is also growing—why not in hotels? Hotels can offer space for this kind of activity.

Then, on a separate topic, there's how we can focus on sustainability, which is today one of the key top-of-mind topics for our guests. Beyond that, some of our clients at Accenture have already realized that the frontier between leisure and business is no longer so clear. Interacting with business hotels and business-related properties to make the connection with their parties that they offer leisure activities for their business travelers. For instance, they can give them the chance to spend some time knowing the city, if this is a new city, or to enjoy their spare time after a hard day of work. These are trends that are applicable today, that are real today, and that our clients are modifying and adapting service to the demands of the new travelers that are coming.

Chekitan: I'm reminded of a story some years ago when I first started teaching at Cornell, when a general manager from a hotel in Boston said to me, "You know, we're a business hotel during the week and a leisure hotel on the weekend. I change all my SOPs, even my employee profile, my manual, my standards, and my dress code to make people feel comfortable." From what you're telling me. It's no longer weekday versus weekend. Instead, it's whenever the workday is done, wherever the work may happen to be, depending on where you're working from, guests want to



Guests are demanding new experiences. Instead of just a head on a bed they want holistic experiences.—Jonathan Fuentes

transition into feeling like they're at a resort hotel. That means sort of blending the two, which is hard to do, as you're not one kind or another.

Katie, I'm going to throw this to you with a slight twist. We've talked about owners, and we've talked about customers, but I guess we haven't talked a lot about competitors. Harking back to your TravelClick days—and now with Amadeus—talk a little bit about using data to inform your competitive intelligence. You guys have the market-leading model for a lot of people to study what's happening on down the road—business on the books, how technology (including artificial intelligence) is changing the ability for your clients to look around the corner from a competitive standpoint. Any insights on that one?

Katie: We have immense amounts of data, so for us right now it's about what is the most relevant data and how to make it more actionable. When you think about what type of guests you want to be targeting, along with the things that we just talked about, there's many different customer profiles. It's important to have the right data in the right place to be able to take action on it. So as an example, we're sending our data into the IDEaS revenue management system, because that's where the hotels, our customers, are making a lot of their decisions. Then we are powering additional

data insights into something that's giving them a recommendation, as opposed to the hotel having to look at this system, and that system, and the other system. That's where we're headed. The process is a bit more automated, although I wouldn't say so much AI yet, but definitely more of an automated play there.

Tying the data back to what you were just talking about, what we've seen in the data is that the "Brand.com" contribution has increased about 3 percent since 2019. We're definitely seeing that book-direct model starting to grow. Certainly, that is great and that's what the industry really wants—that is, to have that direct booking to provide personalization and all of these things. However, when we talk about the future and the travelers of the future, the question becomes whether these Brand.coms are going to be able to provide the booking process that the customer is looking for. Are they going to be able to provide an experience or just a hotel room? Not long from now, guests will be able to pick room views and select the things we've been discussing. But I think that that's something that the industry has to focus on. How are we preparing ourselves for the way that the traveler is going to book differently and whether that's through ChatGPT or through an online tool, it doesn't matter. They have to be able to provide those experiences and not just a hotel room.

ESG ROI

Chekitan: Let's talk a little bit about how you're getting your owners and operators to absorb these new trends, including ESG (environmental, social, and governance) and sustainability. What sort of changes are you asking for? How is the business changing based on what you're seeing in the marketplace? What are you having to do today that you didn't do in the past and then having to do with the future.

Ben: I think it depends on the brand. Certainly, ESG is a big focus for Accor. Many of our hotels are being designed to be sustainable and to be net carbon-neutral within the next few years. A lot of resorts are doing things like having their own water filtration systems, as well as solar power and things like that. We're seeing more and more of that, although it's hard to implement that into our brand standards as requirements. We do that where we can. In many parts of the world, though, that's still an expensive piece to the development. Even so, I think that guests will pay more to stay at a sustainable hotel relative to a non-sustainable hotel. It's more interesting; they feel better about their stay. The travel industry as a whole accounts for a huge percentage of worldwide carbon emissions. So,



The Brand.com channel has done well (post COVID), but the question is whether it will be able to continue to provide the booking process that the customer is looking for.—Katie Moro

sustainability it is a focus, and will continue to be a focus. So, it's important to us, ESG in general.

Chekitan: We have a question on the chat, so let's talk ROI at this point. Are you able to show your owners a return on environmental, social, and governance expenditures? Is there a model that says if you invest in these activities, whether it's rate paid, whether it's higher satisfaction, higher intent to return, higher referral rates, just overall, customer lifetime value is enhanced by doing some of these kind of modern practices? How do you convince owners that it's the right thing to do?

Ben: We do have case studies. We do have hotels and resorts that are near or totally carbon-neutral. And we do show that there's positive ROI. ADRs are higher. And so those initiatives and those programmatic elements that address ESG are definitely worthwhile in the long run, not only through higher rates and higher revenues, but also through savings on utilities, repairs, and maintenance, things of that nature. I don't have data right in front of me, but we do have that kind of information.



Customers are willing to choose and pay for a hotel based on ESG. There's no debate about it.—Halomi Sukhbaatar

Chekitan: Halomi, could you talk a little bit about how these trends and this technology are affecting operations and how you are modifying operations, marketing, and the customer experience based on not only the trends, but also new technology.

Halomi: We investigated this issue through a survey. We found that customers are willing to pay for or choose a hotel based on ESG. There's no debate about it. Even if you compare two hotels offering the same prices, they'll go with the ESG property. Beyond that, a lot of our owners ask for ESG requirements, and we actually have ESG standards. We're putting all of our hotels into more quantitative reports, and we're working on standardizing across all of our hotels. We actually have competitions among the hotels on their ESG levels.

If you look at our target segments, there's a lot of subcultures. One of the main factors for a lot of our guests is that ESG really matters. If you communicate that ESG is part of the experience, they feel good about choosing a hotel that is more ESG conscious. So, we are driven on the ESG side, as part of the Yotel. In this context it's worth noting that our hotel is low touch. We focus on quality of experience. While we don't provide you anything you don't need, you will have everything you need. And part of the experience is be-

ing part of on-the-go guests. Traditionally, a lot of our guests are always on the go. There has been a change in trend post-Covid, as people are staying longer. But again, their needs haven't changed. So ESG is actually big factor in our brands.

More Tech, More Touch

Chekitan: Let's pick up on something that Halomi just mentioned: namely, the apparent contradiction between high-tech and high-touch. Hotels have always been a high-touch business, but we seem to be transitioning to more of a high-tech model, or more of a blended model. The questions become where are we on the continuum, and what is the right combination of high-tech and high-touch?

Klaus: The question [about a hotel stay] has always been kind of, is it human or is it technology? And the answer in my mind is very clear: it's both human and technology. Technology is really there to enable us to do things better or more efficiently, or be more productive or happier, than we would be without technology. As an example, I had a recent experience where I had to extend my stay in Austin on short notice. I quickly booked a hotel, and then I went to the hotel. There were 15 people waiting in line at the front desk. Luckily, this hotel enabled digital keys. Instead of waiting in line for 30 minutes, I just pulled up the app and downloaded the digital key. Within 15 seconds, I was in the elevator and going up to my room. So that's how technology can enable a happier and better guest experience.

In the vendor world the question is always asked, is a revenue manager still required? Are we still going to need people to manage pricing and revenue management? Clearly, the answer is yes. But technology will enable those people to become more strategic, more effective, and more productive. We are capable of doing things at scale now. We make 10 billion pricing decisions every day. That's a scale that humans could never do. But we enable people at 22,000 hotels to become more productive and more effective. That's how technology and humans should work together.

Chekitan: Jonathan, how are you helping to find the sweet spot between high-tech and high-touch?

Jonathan: In my view, especially in our industry, humans always need to be first, because we are in an industry where the guest is expecting to have a human experience. But what we are seeing these days and in recent months, is that the guest facing technologies have come to stay, and there's an increase in demand of the usage of this kind of technology when interacting with others. We saw an inflection point after the pandemic. Before, there was a sort of friction when

using technology. But now, we are used to using technology in all our day-to-day actions. For instance, compare hotels with air travel, which was mentioned above. With aviation, I can do everything regarding my flight with my traveler app. I can book my flights, I can do my check-in, I can pass the security control, and during the flight, I can even connect to the wi-fi.

So, the question is, if I can do this with my flight, why not the hotel? I see the hotel and then I see a lot of papers and I need to do everything offline and so on. And why do I have an app from my hotel but I can do almost nothing with my app? But a change in the mindset has happened. Technology forms a lever. It is a friend that will make a better experience for the guests and reduce the typical administrative and repetitive tasks for the hotel staff.

Again, the human touch and the contribution of the human is mandatory. Technology is going to empower this. Technology for me is something that empowers the human. Because if I am able to reduce the repetitive administrative tasks, I can give the whole hotel staff more time for listening and to attend to the guest. Time spent talking and attending to the guest is something that is wonderful, because I am going to the meaning of hospitality, which is attending and taking care of others.

Apps or No Apps

Chekitan: Reflecting on Klaus's response to the earlier question, I'm going to show my age, having been in the business now for 43 years. I still remember that when I was doing my training at the back of the front office at the Inter-Continental Hotel in New Delhi, revenue management was practiced via a blackboard with three columns of dates, organized by month: free sale dates, on-request dates, and sold out dates—all listed in chalk—and you would change the dates as appropriate. And now you have state of the art technology help you make those decisions.

Picking up on what Jonathan just mentioned, let's maybe bounce it over to brands for a second and talk a little bit about this idea of how you find the right combination between high-tech and high-touch.

Halomi: Everyone knows that Yotel applies a relatively low-touch approach, but let's not misunderstand that. Our hotels' technology enables our customers to do everything without actually having to queue up. As I mentioned, everybody's on the go, and nobody wants to get stuck in a queue, say, to pick up their key. Nobody wants to queue up to sign a paper to check in or sign those forms, right? So, this is like you guys all traveling on an airline today. You can get your boarding pass on line, go and check in with your boarding

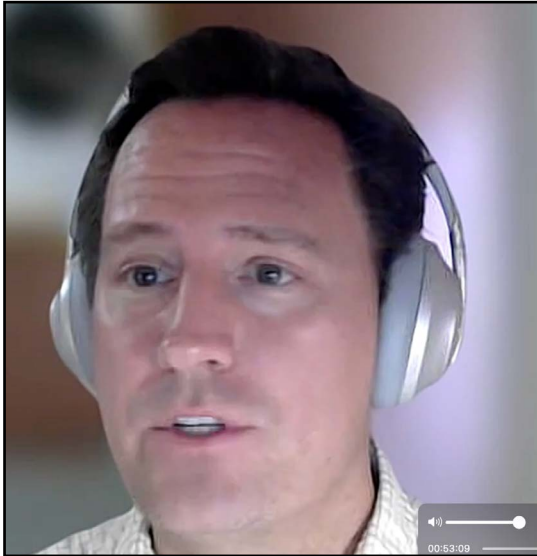


**Guest-facing technologies have come to stay, and there's an increase in demand for this kind of technology.—
Jonathan Fuentes**

pass, just scan it, and you're gone. Our people, on the other hand, spend more time actually having conversations with the guests, tackling those questions that machines cannot answer, giving them that experience and a local recommendation if they're looking for one. We enable our humans on the ground to provide help to those who need it rather than going through those regular redundant administrative processes.

Hospitality definitely needs a human touch, but technology enables guests to be able to design their own experience. Some people maybe don't want to talk to people. They're tired. They want to just go and check-in online, go and pick up the key at a key dispenser, or they use their digital key download and go straight to their room. There are regular guests who stay during the week at our hotel when they're working downtown. They just want to have a pad in the city. They don't want to talk to the receptionist and spend time on all the pleasantries. They want to have their keys in their wallet. Just walk in whenever they want, and because they've checked in, they have their digital key. They just want to go to their room.

In short, we have these different varieties of guests. What we envision right now at Yotel is the "omnichannel." For those people who actually want somebody to check them in, we have somebody to check them in. And for all those people queuing in one line who ac-



In terms of what a guest is looking for from a technology perspective or amenities, guest services, anything like that, it pays to have different brands that cater to different segments.—Ben Cary

tually are quite happy to check in online, we make that possible. We then focus on those people who want to check in online, but need somebody to carry their luggage to the lift. We tell them where the lift is, instead of making everyone queue up. This becomes an enablement rather than making everyone follow our rules.

This is omnichannel communication. You want to talk to SMS, good, you want to call us, that's fine. We have it all. In this way we can cater to everyone based on what they're expecting. They tell us how they want to experience their stay at the hotel. They design their own experience. Because like Katie mentioned earlier, it's not just the room to sleep. It's an experience, however small, however big, it's an experience.

Chekitan: I'm curious about what percentage of your customers would you say have downloaded the hotel app if your thinking is that Yotel guests are more techno forward and expecting to do a lot of the services on their own.

Halomi: We actually scrapped the app. We believe nobody wants to download hundreds of apps, so we work using a web-designed platform. It works exactly like an app, but it's web-based, so you don't need to download an app. It's not yet deployed, but we're testing it. But we're going in an "app-less-app" direction, so that people don't feel mandated to download. Personally, I have hundreds of apps I've had to download, but then I need to go back and delete them because my phone gets choked up.

Chekitan: So, how do people access your web-based app?

Halomi: As soon as the customer books, they receive a confirmation. Then their guest experience web-app is live 24 to 48 hours before their booking. They receive a link to check in online, and then they can make any requests, like extra towels or upgrades, early check-in, whatever. During that time, the guests have the platform to interact with us, ask questions, chat with us, see what's happening, what's special, what's the local recommendation? Where are we located? All information for the specific hotel becomes available. All you need to do is just click on the link that's part of your booking confirmation, and voilà it's an app experience. You can actually save it as a shortcut on your phone if you want to go back to it.

Chekitan: Then over to you, Ben, maybe with a more specific mandate. What are you asking, what are customers asking for, in terms of technology-mediated experiences, more than you currently have? By the same token, what's something that you're giving that they aren't really aren't using.

Ben: I agree with Halomi about the proliferation of apps. I think when you're a big hotel company like Accor and some of our competitors, who have loyal followers who want to get their points and make sure they stay in an Accor hotel, then it makes a lot more sense to have an app. But in terms of what a guest is looking for from a technology perspective or amenities, guest services, anything like that, it pays to have different brands that cater to different guest segments. Again, with more than 40 brands, not every brand is catered to deliver to every guest segment. For instance, we have a hotel-hostel hybrid brand called Jo&Joe that appeals to one psychographic that doesn't mind sharing a guest room. They want to stay on a budget. They like the social aspects of Jo&Joe. Whereas our more luxurious brands appeal to a totally different type of guest. So that's one way we're appealing to our different segments—we're not turning off guests by having more options.



You have to make a name for yourself. You have to come up with who you are and establish your identity.—Katie Moro

Surviving and Thriving

Chekitan: We have about five minutes left. Let's take some questions and any of you can volunteer.

Question 1: How do you help independent hotels survive and thrive? *Question 2:* What about alternative accommodations, such as Airbnb, glamping, and other concepts? We'll start with the consultants.

Katie: From a non-brand independent standpoint, that's where TravelClick started. We're focused on providing CRS, media, those types of things to independent hotels to help them grow their brand or grow their hotel, have them more online. We're continuing to do those types of things. Tying this to what we're talking about in the traveler of the next ten years, we recently did a study called "The Traveler Tribes." It shows that the reality is, as we move forward, there's going to be a million different types of travelers. We have them put into six different categories based on what's important to them. Independent markets, the 40 brands within Accor, the Airbnbs, they all have a place in our industry.

You have to make a name for yourself. You have to come up with who you are, who is your identity. And I think that you're going to meet the needs of the different types of travelers that are there. There are people

who want to stay in an Airbnb because they're a family on vacation for five days and they want to cook. A hotel might not work for them. That might be me, but then again when I'm on a business trip I'll typically stay at a hotel. So, a particular traveler can have different ideas depending on what type of trip they're taking. I think there's a lot of opportunity. I think it's about knowing who your guests are, who you best support, and how you balance technology and human touch to be able to provide the best experience.

Klaus: Relevance is the most important thing. If you're an independent hotel and you don't know how relevant you are to your audience, whoever that audience is, then you have a problem. This is why staying relevant is essential.

Chekitan: In the couple of minutes we have left, let's do a little speed round. Just go around the room and talk a little bit about what's top of mind. What keeps you up at night? How are you going to navigate the months and years ahead? What's the one thing you're keeping in your head as sort of the key insight from everything you've heard seen within your companies and in the marketplace?

Jonathan: I think we have already talked about the importance of the human side and also the technology. We will see amazing things around technology in the next 100 years. I think we need to check the technology and define which is the application of other new technologies that are happening to the business processes in our industry. In the past, we have been trying to copy their business processes in other applications for other industries. That's all well and good, but there are a lot of new things and amazing applications that we can use with AI and robotics that we can apply to our industry. These are completely different from what is happening in other industries.

Staying Relevant and Innovative

Chekitan: Ben, over to you for a quick word on how you survive and thrive for the next 100 years.

Ben: I'm always thinking two or three years ahead. I will say that nobody's talked about RevPAR so far. I think that is a record for hotel webinar, but we are seeing still positive trends in RevPAR in March year-to-date. This follows a strong 2022, and it follows a strong January and February. The post-Covid rebound continues. This is positive for the industry. I see a really positive 100 years ahead, just based on the quality of hotels that are being developed across the country, I think this is unprecedented. Also across the world. And I continue to be impressed by the innovation across the industry.

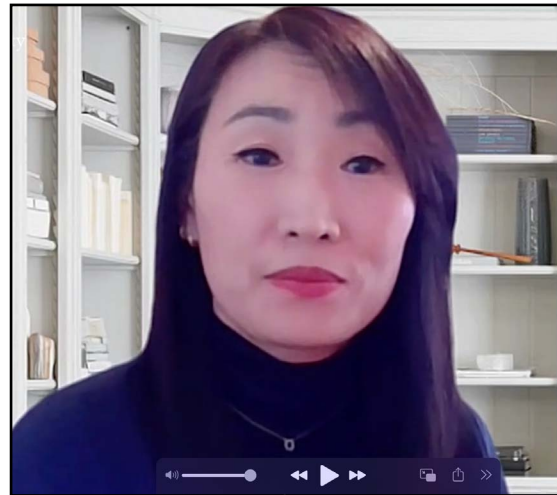
Halomi: Not just in the hotel business, but in any business, if you stay innovative, you will stay relevant. I think to me, hotels are moving a lot later than many industries, but hotels are catching up really fast. But innovation is the driving force of staying relevant in any business.

Katie: I feel like for Amadeus, overall, we sit on this wealth of data across the whole industry. Whether it's airline, rail, cruise, or hotel, for us, it's about the customer journey. How do we support guests from the time they are inspired to travel to the time that they check out. It's far beyond keyless entry into a room — it's really about the whole journey. So how do we support that and make it the best it can be and as seamless as possible? That's really our focus for the next, at least ten years. I don't know about the next 100.

Klaus: I'm super bullish. Listening over the next few years, we'll see an explosion of the middle class. We'll have a few million people or hundreds of millions people afford to spend money on travel, and they will spend it in hotels and airplanes. The industry will continue to grow and expand. The question is, how do we help our hotels become more efficient and more productive, and automate more and more using the enormous amounts of data that we're gathering, Amadeus is gathering, and many others are gathering?

Chekitan: I'll make my prediction for 100 years based on something Halomi said. When I started in the business 43 years ago, we didn't have revenue managers at the property level. I couldn't imagine at that time that there would be something like a director of revenue management at the property level. My dream job when I graduated from graduate school in Paris, was an operations analyst. Some of you might remember that role. Some of it has been phased out.

The thing that I think about as an educator for my students, if I had to classify a dream job for the next 100 years at the C-suite level, it would be chief innovation officer. At the property level, the job would be director or a manager of innovation. So just like you have a revenue manager, a manager focusing on innovation at the property level, every single property investing in somebody who is tasked with sort of shepherding, collaborating, coordinating this idea of constantly looking at what's new, what's different, and how we can evolve.

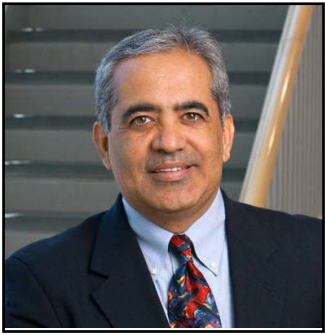


**Not just in the hotel business,
but in any business, if you stay
innovative, you will stay relevant.—
Halomi Sukhbaatar**

I think Halomi's point is well-taken, and that is, I think the industry has a blind spot. It's easy to do the same old, same old. Stay with the status quo. It's much harder to challenge it. But I think the ones that are going to win in the next 100 years are the ones that put their money on the innovation square.

On that note, I want to thank my panelists. Thank you very much for your time and energy and wisdom and insights. I want to thank all the participants who took part in this event and asked all the great questions. I want to thank the e-Cornell team for putting this together. There'll be a recording, you'll get a link to it if you want to watch it after hours. Also thanks again to Cornell and the Center for Hospitality research for hosting us and for encouraging this brainstorming session to talk about all these wonderful topics. ■

ABOUT THE PANEL CHAIR



Chekitan S. Dev, the Singapore Tourism Distinguished Professor at Cornell University’s Nolan School of Hotel Administration, is an internationally renowned scholar and thought leader on marketing and branding in the hospitality, travel, and tourism industries. As an expert witness, he has testified in deposition, trial, and at arbitration in numerous hospitality-related matters, in the United States and internationally, including multiple cases involving hotel owner–brand relationships and the online travel industry.

Professor Dev has consulted on marketing and branding to major corporations. He has more than forty years of experience analyzing an array of issues involving hotels, travel, and tourism. His recent research has focused on how branding and rebranding affect both public perception and profitability in the hospitality industry. In particular, he has assessed key drivers of profitability and customer loyalty, including branding, digital marketing, and consumer service. Professor Dev has also evaluated brand portfolio strategy in the context of hotel mergers.

An award-winning author, Professor Dev wrote *Hospitality Branding* (Cornell University Press), as well as over one hundred articles in leading academic and practitioner journals, including the *Journal of Marketing*, the *Journal of Marketing Research*, and *Harvard Business Review*. He has coauthored multiple case studies for Harvard Business School, and in 2019 received the overall winner award for best case study from the Case Centre at the Cranfield School of Management (UK). The American Marketing Association recognized Professor Dev and his coauthors as finalists for the Best Service Research Paper of the Year Award for their article “Return on Service Amenities” (*Journal of Marketing Research*, 2017).

Professor Dev is a sought-after commentator on hospitality trends. He has been interviewed numerous times in the mainstream media, and his research featured in the *Wall Street Journal*, the *New York Times*, the *Washington Post*, *The Economist*, and the *International Herald Tribune*, among others. The Hospitality Sales and Marketing Association International (HSMAI) has selected Professor Dev as one of the “Top 25 Most Extraordinary Minds in Hospitality, Travel and Tourism Sales and Marketing.”

At Cornell’s Peter and Stephanie Nolan School of Hotel Administration, Professor Dev teaches courses on brand and marketing management.

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