Giving Guests the Keys to Unlock Hotel Entertainment

How hoteliers are using technology to exceed guest expectations and provide their ideal stay experience

Introduction

Since it was first introduced to mainstream consumers, personalized entertainment and service options have continued to transform the way that each of us define convenience and satisfaction, with one-size-fits-all offerings continuing to give way to experiences that can be tailored to fit unique preferences. Nowhere is this ongoing shift perhaps more apparent than in the way we access and

view content, with the number of U.S. households now subscribed to personalized streaming services surpassing those subscribed to traditional cable TV or satellite providers for the first time in 2019[1].

Further still and according to Matrix Marketing Group, the number of streaming service subscribers throughout the United States now stands at 182 million, with market revenue expected to jump from $11.3 billion in 2018 to $125.6 billion by 2022[2]. Such examples demonstrate that consumers are not only making themselves clearly heard on the conveniences and customization that they wish to receive from hotel entertainment services, but are doing so at an ever faster rate.

Likewise following a skyward and increasingly rapid trajectory is the prevalence of platforms based on the Internet of Things (IoT) within home environments, even further familiarizing and accustoming consumers to lifestyles based on personalization and instant service. In fact, recent statistics demonstrate that there are now 144.4 million smart homes within the U.S., with a fifth of all American consumers expected to purchase a smart-enabled device by the end of 2020[3]. From

smart thermostats to locks and virtual assistant technology, the lives of today's consumers are becoming ever more intertwined with technology and leading them to expect the same high level of customization and convenience wherever they may go.

Such burgeoning trends are inevitably causing a mirror effect within the hospitality industry where businesses seeking to attract guests must continue to swiftly adapt their offerings at the same pace as rising expectations in order to remain competitive and achieve full satisfaction. With guests demanding a true home-away-from-home experience when staying at a hotel, statistics continue to unsurprisingly reflect the same growing desire for a guestroom environment that can fully accommodate the preference for content and service personalization along with the ability to obtain instant results. Leveraging recent survey findings from more than 700 guests and 200 hoteliers, and following a similar report conducted in 2018, this latest analysis by Hotel Internet Services not only demonstrates that demands for a comprehensive in-room platform capable

1. https://hospitalitytech.com/why-personalized-room-entertainment-crucial-improving-hotel-guest-journey
2. https://www.matrixmarketinggroup.com/video-streaming-trends-2020/
3. https://ipropertymanagement.com/research/iot-statistics

of catering to the array of guest content viewing and instant convenience-enhancing needs is an ongoing long-term trend, but is one that is continuing to rapidly expand as a highly sought after service with each passing year.

Guests Take Charge of Their Content Selection

Given the tremendous popularity of content streaming at home when compared to more traditional viewing experiences, and with the mass prevalence of personal devices allowing travelers to instantly access their own viewing preferences when traveling, it is no surprise guests value their personal content over any other available alternatives. In fact, Hotel Internet Services' 2020 survey found more than 98 percent of guests now stay at a hotel with at least their smartphone device, providing them with the ability to shape their in-room entertainment experience with few obstacles.

Issues arise for hoteliers seeking to preserve or increase their in-room revenue earning potential, as access to streaming subscriptions via personal devices continues to segregate guests from a property's guestroom entertainment offerings. For example, when asked if they are still interested in using a hotel's video-on-demand services, only 40 percent of 2020 HIS guest survey respondents indicated that they would have an interest. This result aligns with findings by Hotel 360° which found that only one percent of guests use a hotel's video-on-demand services[4]. Hoteliers for their part, likewise recognize the continuing declining value of video-on-demand in addressing guest entertainment preferences, with 71 percent of HIS survey respondents acknowledging a lack of guest interest.

As in 2018 when HIS survey respondents demonstrated the rising demand towards a streaming compatible guestroom entertainment environment, 2020's guest and hotelier survey respondents further showed interest not only in streaming, but casting their personal devices' video to the guestroom TV. Traveler interest in wireless casting increased more than 10 percent to 66.7 percent in just two years, overtaking internet search capabilities as the number-one most requested amenity for the first time.

Furthermore, 50 percent of guest respondents said knowing if a hotel is able to provide casting of apps to the guestroom TV would influence their decision to book at one property over another. Today's hotels have a 50-50 chance of losing a booking based on casting technology, making guestroom entertainment one of the most impactful investments for a hotel to consider going forward. Hotels stand to attract guests
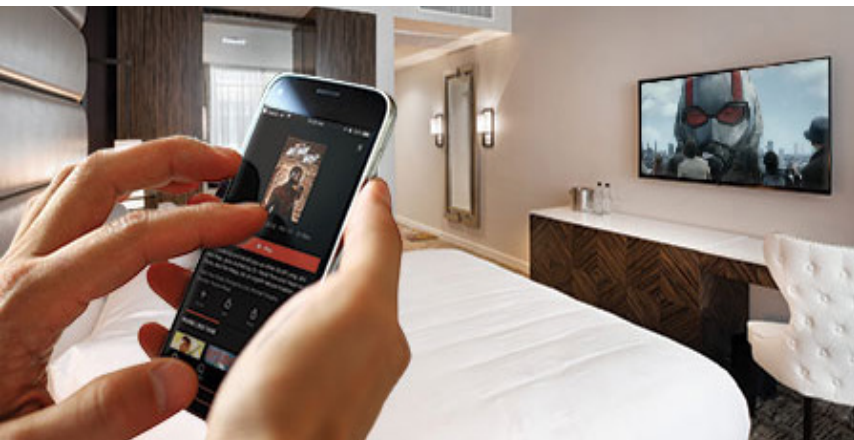
4.   https://www.hotel360expo.co.uk//news/blog.asp?blog_id=18697

back to their property in the future by ensuring that their growing demands and preferences for in-room technology are met. This coincides with respondent's 8-percent increase in using guestroom technology to order in-room dining or make reservations (reaching 50 percent overall). The hotel guestroom is meant to reflect the home experience, now more than ever, and it is up to hoteliers to provide the necessary technology.

Voice Technology: The Convenience of Contactless Options

Travel has always called for a level of convenience, and should be comparable on many levels with the traveler's home life. This year's study follows from 2018's report on guestroom entertainment trends and demonstrates that demands for personalized and voice-based services continues to be a growing trend, with more guests seeking such features from the hotels desiring their business.

Consider the adoption rate for voice technology. Nearly half of all U.S. homes are equipped with voice technology (up more than 15 percent over 2018[5]), which requires very little training or practice to use when compared to other devices such as smartphones and tablets. On top of this, travelers are currently anticipating a higher level of cleanliness while on the road. Voice technology is simple to use, familiar, and hands-free, making its ongoing adoption into the hotel ecosystem that much more important.

Despite this, 92 percent of hoteliers surveyed by Hotel Internet Services conceded that they currently do not offer either Alexa or Google Home in their guestrooms. This stands in stark contrast to 60 percent of guests who stated they would either be somewhat or very likely to use such a device if given the option. This number is undoubtedly higher today as a result of COVID-19, and it would not be a surprise if voice eventually shifted to become the primary way for travelers (or at least a large subset of hotel guests) to interact with your property.

Guests have continued to grow more and more solitary during their travel journey. Many of them want to get out of the hotel's way once they are on property, with 73 percent of guests expressing the desire to solve minor problems on their own without having to talk to a member of staff[6]. Simultaneously, 76 percent of respondents said they think customer service is the best measure of how much a company values their business.

One solution to this issue is voice technology, which allows hoteliers to provide on-property touchpoints that allow travelers to gain information, place restaurant reservations, order transportation, and more while freeing up operators' time for truly meaningful guest interactions. If guests would rather avoid direct contact with hotel staff and other guests, but still have needs to be met, voice technology is one of the most natural answers available to operators.

5.   "Survey Comparisons" Doc, Voice/Virtual Assistant, Bullet 1
6.   https://www.conceptainc.com/blog/how-ai-helps-major-brands-like-hilton-provide-top-notch-guest-services

The benefits for adopting voice technology span beyond guest usability and sanitary considerations. In many ways, voice is at the forefront of the development of artificial intelligence and machine learning. Advances in Natural Language Processing enables virtual assistants to understand a growing number of questions with increasing accuracy. Using this powerful touchpoint, hotels can continue to build more comprehensive guest profiles, personalizing the guest experience to a degree that would never have been possible before.

Secure At All Costs

Despite the utility offered by voice technology, it is not without its detractors. While the likelihood of travelers using voice technology in the hotel guestroom has increased 2 percent since 2018 (reaching 60 percent overall), a substantial block of the market considers them unsecure.

Make no mistake, guests still want access to these devices, security issues notwithstanding. In the 2020 report, 68 percent of respondents claimed they wanted to use voice technology to control guestroom amenities such as the thermostat, lighting and television. Phocuswright singled out Amazon's Alexa as the technology most likely to alter the landscape of the entire industry[7]. The challenge surrounding the complete adoption of this technology from guests is in proving its security to guests on a consistent basis.

Security concerns in hospitality are not limited to voice technology. Hotel Internet Services' 2018 survey found 64.7 percent of guests were highly concerned when inputting usernames and passwords into an app in the guestroom TV. This figure saw only a modest reduction to 61.8 percent in 2020, showing guests are no closer to trusting hotel devices with their personal information.
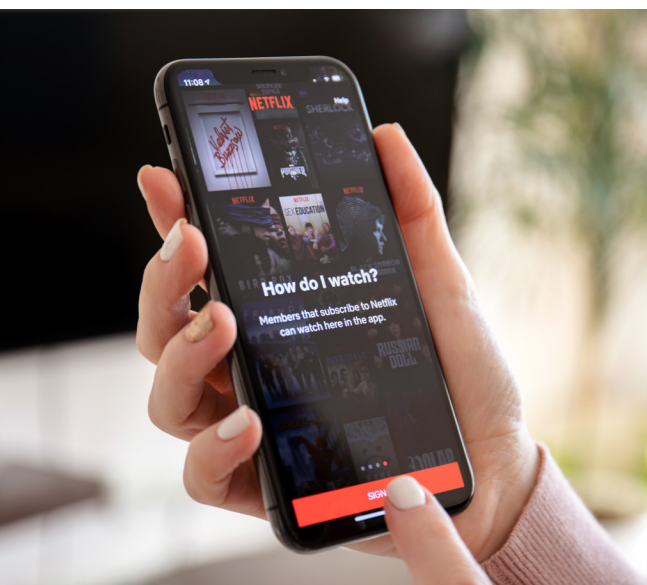
The takeaway from this data is twofold. First guests currently have a degree of distrust for several different guestroom technologies. Second, and more important, guests have a desire to use the technology that is available to them if security concerns are resolved. This is a substantial challenge, as 48 percent of respondents to this years' survey said that if the only way they as guests could access guestroom technology (such as streaming) was after entering a username and password, they would choose to abstain and use their own devices.

The answer then is to provide an effective security solution that protects your guests' information during their stay while automatically (and visibly) deleting their account and

7.   https://www.phocuswright.com/Travel-Research/Research-Updates/2018/Voice-Still-Unskilled-for-Travel-Planning

preferences after check-out. Another option is to sidestep the need for a username and password at all, instead providing a more specific network solution for each guestroom, or allowing personal devices to directly cast video or apps to the TV. As of 2020, 86.4 percent of respondents were in favor of wirelessly casting apps from personal devices, up 5 percent year-over-year and dwarfing the 13.6 percent who would prefer to use the TV as-is.

Without the fear of their information being compromised, travelers will be more willing to use on-property technology, allowing hotels to create a more complete profile of their guests while providing the highest level of service at all times.

Virtual Assistance Provides Unparalleled Connectivity

The underlying goal of any hotel offering a "smart guestroom" experience should be interconnectivity between every aspect of the property. Guests will want to control their stay through touchpoints found in the guestroom, and the best way to achieve that is through virtual assistants equipped with voice technology.

These devices do more than allow guests to request room service, report maintenance issues, schedule wake-up calls, and more. They can automatically make suggestions for your guests based on their past preferences or existing data, allowing your hotel to offer the next level of service travelers have been looking for. The benefit to hoteliers in this situation is extensive, with McKinsey estimating that the use of AI in hospitality and travel to better personalize guest stays has a potential annual value of up to $600 billion across the industry[8]. All of this is predicated by the power of predictive analytics, customer behavior modeling, and personalized recommendation systems, backed by machine learning and capable of improving both business and the customer experience.

Many hotel companies are already aware of the potential this technology presents. Hilton was at the forefront of this trend when it launched Connie, a robotic concierge powered by IBM Watson AI and travel database WayBlazer[9]. Marriott International has had Amazon Echo devices installed in a number of properties since 2018 as part of a broader program to improve hotel amenities and offer greater tools to improve the guest experience. Using these devices, Marriott International guests will be able to book spa appointments, request room amenities, and order room service.

Furthermore, virtual assistants are likely to become the norm should social distancing continue to be a trend into 2021 and beyond. As the coronavirus remains top of mind for travelers, hotels could see investments into guestroom automation as a way to provide comfort and service in a travel environment characterized by distrust and hesitation[10]. This technology could be hotels' way to

8.   https://www.adacta-group.com/news-center/how-ai-is-transforming-the-hospitality-sector
9.   https://www.eventmanagerblog.com/ai-concierge-hotel-guest-experience
10.   https://econsultancy.com/will-coronavirus-accelerate-the-adoption-of-automation-in-the-hotel-industry/

recover consumer confidence that was lost by no fault of their own, by creating some semblance of normalcy during the stay experience and allowing guests to feel comforted despite the presence of COVID.

Getting out of the Way of Guests

Guests know what they want, and hotels earn higher satisfaction scores when they cater to these needs. The industry saw this during the Bed Wars at the turn of the century as hotel companies competed back and forth to provide the most comfortable stay experience, elevating the status of the entire hotel industry in the process. Now the battlefield has moved from the bed to your guest's personal devices, and the hoteliers who stand to benefit are those who are once again willing to make their guests feel at home.

This is all easier said than done. After all, there is a reason why hotels are not exactly like a guest's home. The process of providing true interconnectivity on a consistent basis across an entire hotel, let alone a full portfolio, is daunting. For this reason, a comprehensive solution that allows for a full suite of guest connectivity features is often the easiest way to allow guests to access and personalize in-room services. Such a platform can instantly provide app streaming, casting, voice TV controls, and digital access to hotel amenities all within one system, providing everything a hotel needs to interact with guests on their terms.

In 2019, more U.S. households subscribed to a streaming service (69 percent) than to a traditional satellite or cable TV provider (65 percent) for the first time in history[11]. With family budgets strained by the coronavirus this number is likely to shift even further, especially as the popularity of smartphones continues to grow each year. Travelers will expect to take this technology with them on the road. Hotels must be ready to match their needs in this area.

Conclusion

Guest needs are ever changing, but many hotels have already begun to increase technology spend in order to provide the best possible guest experience. Travelers have willingly provided their personal information to hoteliers over the past decade, and now they want to see that investment put to use. The technology to do so exists. By utilizing tools capable of building a profile of your most valuable guests, hotels will be able interact with guests in the way they desire, creating a positive feedback loop and resulting in more engagement and bookings when business matters most.

The last time the hotel industry chose to forego technology investments, online travel agencies took hold of the marketplace. Hoteliers cannot afford to be behind the curve when guests have already been vocal about how much control they want over the stay experience. True interconnectivity means more than uniting hotel technologies in a harmonious way, it is about connecting hoteliers with their guests to create the best possible experience.

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11.   https://www2.deloitte.com/us/en/insights/industry/technology/digital-media-trends-consumption-habits-survey/summary.html

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