

The Hotel Yearbook 2023
The Uncertainty New Normal



HY8



**Digital
Transformation in
Guest Behaviour:
The Ultimate Driver
of True Innovation
in Hotel
Technology**

Kevin King

Chief Operating Officer, Shiji Group

Synopsis

The hospitality industry is facing the challenge of maintaining its customer service excellence in the face of guests' growing expectations for faster service and digital solutions. The pre-arrival experience in travel and hospitality has evolved rapidly with most customers now booking their travel and hotel through digital channels. However, the in-house experience hasn't kept up due to outdated hotel core technology, which makes it difficult to implement new and better workflows. A decade-long search for a future-proof hotel PMS solution revealed that the needs are much more complex than just being cloud-based or API-first. The author claims the primary system, the PMS, must be updated to truly transform guest experiences using all the digital solutions on the market today.

Our industry is rooted in creating a memorable experience for the guests. For centuries hotels have pioneered service in ways that most other industries could only dream of. So much so that when today's most successful retailers per square foot had to design the experience in their stores – they went to hotels to discover what made excellent customer experiences.

But in the last two decades, hotels have met a new challenge to maintain their service excellence with their customers, namely guest expectations for faster service and digital solutions to provide that faster service.

Most industries today have implemented technology in ways that were not imaginable just two decades ago. Industries such as retail, transportation, travel, food, and even utilities, have all implemented applications, payments, customer accounts and more which means the customer no longer needs to wait for service.

The digital transformation of customer experience has been moving fast globally. Our industry, the hospitality industry, has pioneered online selling. The pre-arrival experience in travel and hospitality has evolved so quickly that today very few would consider booking their travel and hotel anywhere else than through digital channels. But the in-house experience hasn't been updated as fast.

A lot of this is due to the hotel's core technology, which has not been updated in many decades. Legacy, on-premise PMS systems, and POS solutions make building new and better workflows difficult. And when innovative solutions are brought in on top of the old, they require the hotel staff to maintain multiple databases and dashboards to operate. Which ends up taking more time away from the guest.

A decade ago, together with a few other Shiji pioneers, I embarked on a journey to find the best hotel PMS solution, one that would be truly future-proof and which could be the backbone for a hotel operating platform. We travelled the world, visiting all the big and small providers on the market. Speaking to the CIOs of the most luxurious hotels, the global chains, and the local hotels as well. We were sure we could find a partner to help us bring modern technology to hotels worldwide.

After over an entire year of research, looking at what was on the marketing and listening to customer requirements, we learned that no system could genuinely deal with today's requirements.

The problems we encountered were beyond the usual marketing headlines of cloud-based or API-first etc. Yes, these are critical attributes of a modern system. But today's needs are much more complex than that.

For example, one of the companies we acquired had built a state-of-the-art task management system that would turn guest feedback into action items for the teams within the hotel, but the information didn't live in the hotel PMS. So, hotel staff now had to monitor a separate dashboard to manage those tasks. The same exists today with better housekeeping solutions; the maintenance tasks are better viewed within the housekeeping solution than the PMS. So, the front desk staff must monitor multiple dashboards to ensure the guest is taken care of.

Much progress has been made in APIs and integrations. Still, because the primary system, the PMS, the "source of truth", cannot cope with modern solutions, the modern solutions don't get adequately implemented and their full potential is never achieved.

Transforming guest experiences with technology is a particularly challenging task for a hotel. When I started my career at the front desk of a large hotel in Sydney, I got a first-hand experience with how much human touch means everything in hospitality. One can solve almost any issue with excellent human skills and genuine care for the guest.

But technology has accelerated behavioural changes with guests and how our customers expect service. Immediate replies are now expected and managing transactional steps to purchase is meant to happen in the background. Guests know that if they request fresh towels for their room, technology exists to ensure this task is channelled to the right person and not forgotten. Guests know that on Amazon, they do not need to verify their credit card at every purchase. They know that if they need the bill from their utility provider, they do not need to call or wait in line; they log-in to their account and download it.

The technology for this exists, and your guests know it, they expect it.

To bring digital experience to the level of the in-hotel experience we need to address the PMS first, not last. Once the old technology has been replaced in hotels and in hotel chains, we will be able to truly transform guest experiences using all the digital solutions on the market today.



Source: Depositphotos

Currently there is a small handful of providers who are building POS and PMS platforms around the guest and improving the guest experience, which is a lot better than it was a decade ago.

It is going to be a long process to change this internationally, those hotels, groups and chains who take the step first will gain a competitive advantage for many years until the rest of the industry switches, but the digital transformation of guest experiences is inevitable.



Kevin King — Chief Operating Officer, Shiji Group

Mr. Kevin King serves as Chief Operating Officer of the Shiji Group. Prior to joining Shiji, Mr. King worked with a leading Hospitality technology solution provider for over 17 years in various operational and business management roles, including the business and technical development of global payment solutions.

Shiji Group — shijigroup.com

Shiji is a multi-national technology company that provides software solutions and services for enterprise companies in the hospitality, food service, retail and entertainment industries, ranging from hospitality technology platform, hotel management solutions, food and beverage and retail systems, payment gateways, data management, online distribution and more. Founded in 1998 as a network solutions provider for hotels, Shiji Group today comprises over 5,000 employees in 80+ subsidiaries and brands in over 23 countries, serving more than 91,000 hotels internationally, 200,000 restaurants and 600,000 retail outlets.



BirchStreet Pay Solution

Tired of writing checks? Worried about rampant check or credit card fraud? Want someone else to handle all of your supplier payments for you?

BirchStreet Pay is the smarter way to pay.

**Built to simplify
and centralize**

**Elevate compliance
to new heights**

80%+
reduction in
payment costs

\$5,000+
overall savings
from compliance
improvements

40%
reduction in
paper checks

100%
of your payments
handled by
BirchStreet Pay

Email sales@birchstreet.net or visit birchstreetsystems.com