

The Fast-Forward Tech Stack for 2024

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A New Cast of Characters at the Hotel Show: Service Robots

Innovation

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Synopsis

Amid labor shortages and public health challenges, hotels are increasingly turning to robots to support their operations. These Al-powered service providers fill crucial roles, especially in housekeeping and customer service, where human resources are limited. They provide round-the-clock service, maintain high cleanliness standards, and help enhance the overall guest experience. Robots have not only become an essential workforce but also a novel attraction that adds a futuristic luxury touch to the hospitality industry, delivering a unique and memorable guest experience.

A hotel is like a theater, where each guest is the star of their own show and the hotel staff is the supporting cast, working tirelessly behind the scenes to ensure that every moment is a memorable one. However, making sure that everything goes off without a hitch is increasingly difficult for hotels in the face of lingering labor shortages and public health and safety concerns. To make sure the show goes on, hotels are writing robots into the script to fill talent gaps, rev up revenue, inspire rave reviews, and enhance operations.

ROBOTS ENSURE "THE SHOW GOES ON" AT HOTELS.

Hotels deploy service robots for different reasons, sometimes novelty and sometimes necessity. For luxury hotels, robots provide high-end guests with an elite experience. But, for limited- and select-service hotels where convenience must remain king, robots have become mission critical.

According to McKinsey & Company, a recent survey of 200 hotels conducted by the American Hotel & Lodging Association (AHLA) found that 87 percent of hotels in the United States lack sufficient staff, and 36 percent of the respondents claimed severe staff shortages. Specifically, sourcing housekeeping talent is the industry's most vexing challenge.

Often only one employee is available to staff the front desk at hotels. If a guest needs something, the front desk must be left unattended to make the delivery. Robert Rauch, CEO of RAR Hospitality, said, "If you have a 11:00 p.m.-7:00 a.m. shift where you have one employee in the hotel because it's a limited-service hotel, you have better security because the delivery is made by the robot."

If it wasn't for service robots, some hotels might have had to lower their curtains during the height of the COVID-19 pandemic. Instead of closing their doors when guests were demanding hospital-like conditions, <u>Hilton deployed sanitation robots</u> "to ensure guest-and-team-member health and safety remains the top priority." And hotels, like the Marriott <u>Westin Houston Medical Center</u> hotel in Texas, use disinfection robots to blast bacteria and viruses with broad-spectrum UV light.

In addition to deploying sanitation robots, during the pandemic, hotels also scaled back automatic daily room cleanings to quell guests' safety concerns, which they have maintained today, largely due to the shortage of housekeeping talent. But to take the stress off strained housekeepers, hotels are arming housekeepers with Roomba-like robots to vacuum the floors.

Dialing down housekeeping services has also increased the industry's reliance on service robots in a different way. In lieu of daily room cleanings, more and more hotel guests are requesting more and more towels and toiletries. And more and more hotels are relying on robots to make these deliveries.

ROBOTS DELIVER RAZZLE DAZZLE TO SURPRISE AND DELIGHT GUESTS.

Like ChatGPT that has transfixed the world with its capacity to create content like a human, service delivery robots employ artificial intelligence (AI) to "learn" the layout of each hotel. Not only can service delivery robots bob and weave to avoid people, but they also operate the elevators, open automated doors, and call your hotel room phone, making them the first ever autonomous amenity.

To lighten the load on strained staff and to surprise and delight guests, hotels use these robots to deliver everything from traditional room service and marketplace pantry items to linens, towels, and toiletries to food deliveries from DoorDash and Uber Eats.

Jason Ransom, General Manager, of the Aloft Silicon Valley, said about their robot "Botlr," "When I started in Housekeeping in 2000, I learned that you have 15 minutes to get a food order, a toothbrush, or toilet paper to a guest's room. Botlr helps us compress that delivery window down from 21 to 2 minutes, giving us more time for guests. Botlr is not just a novelty. He cuts room service time by 80%, makes it easy to do our jobs, and he doesn't accept tips."

Ransom is correct that service delivery robots don't accept tips, but they do receive rave reviews. Search <u>Hotel EMC2</u> in Chicago on TripAdvisor and you'll find dozens of positive reviews that mention the hotel's robots. At this Marriott Autograph Collection property, guests can even use Alexa to have robots "Cleo" or "Leo" deliver directly to their rooms from the hotel's "BOT 24.7 All Day" menu. As evidenced by many social media posts, guests delight at the sight of these robots. In fact, management reports that guests make repeat orders from the menu just as an excuse to experience the robot again.

ROBOTS KEEP THE DRINKS FLOWING.

Besides delivering drinks, service robots are being used to make them. Royal Caribbean uses bionic bartenders to serve up a truly unique drinking experience. Engineered in Italy, drink-slinging robots can muddle, stir, shake and strain to make countless cocktails from a wide selection of 30 spirits and 21 mixers, according to the company's blog.

And spirits aren't the only drinks to be had by robots at hotels. At the Henn Na Hotel in Japan, also known as the "Robot Hotel," the hotel's robot barista keeps the lattes, espressos, and teas flowing. Another example of a hotel employing robots to impress guests is M Social Singapore's AUSCA. The "robotic egg chef" whips up egg dishes during the hotel's breakfast service, much to the delight of guests and the increased efficiency of staff.

THE BOTTOM LINE: ROBOTS ARE THE STAR OF THE HOTEL SHOW.

At more and more hotels, service robots are helping to ensure the show goes on, saving strained staff from menial tasks, generating 5-star reviews that help increase RevPAR, and improving operations to help guests feel safer. Sometimes robots grab the spotlight with a showstopping dance to delight children, and other times robots play a more supporting role. Regardless of where they appear in the script, robots have become a reoccurring character in the daily hotel show and their ultimate job is to make guests feel like they are getting the red-carpet treatment.

Michael O'Donnell — Chairman & CEO, Relay Robotics

Michael joined award-winning robotics company, Relay Robotics, Inc., in May 2022 as Chairman & CEO to rapidly grow Relay's presence in Hospitality and Healthcare and address the worldwide labor shortage with technology. Michael is an experienced C-Level global executive with a proven record of growing startups, mid-tier and larger, publicly-traded companies in Internet-based businesses (Al/robotics, healthcare, media, entertainment, video games, software). He successfully completed a NASDAQ IPO and sold four VC-backed companies to Cisco Systems, Inc. (CSCO), Citrix Systems, Inc. (CTXS), Gamefly, Inc., and GoodRx (GDRX), respectively. He also designed one of the Internet's first subscription business models, sold digital advertising to major Pharma, Financial Services, Automotive and CPG customers. His success has been buoyed by a global network of professional relationships at leading digital transformation companies such as Google, Amazon, Facebook, LinkedIn, ZOOM, Salesforce.com, Cisco, Adobe, Nvidia, Oracle, Comcast, and others. He also boasts extensive international experience operating companies and/or establishing commercial relationships in Israel, Europe, AsiaPac and Australia. He currently serves as Board Member of the Silicon Valley Executive Network (SVEN) and was the founding board member of the Online Publisher's Association (OPA). A highly sought-after thought leader, Michael speaks at major industry events such as Digital Pharma East and SXSW.

Relay Robotics, Inc. — relayrobotics.com

Relay Robotics, Inc. is a leading supplier of simple, sophisticated, autonomous service robots that work with humans safely, securely, reliably, and contact-free. Relay Robotics and its affiliates have been technology leaders in robotics since 2013 and hold 10 U.S. patents. Relay's robots supplement staff across hospitality, healthcare, and commercial real estate settings. They have completed more than 1.000.000 deliveries worldwide.

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