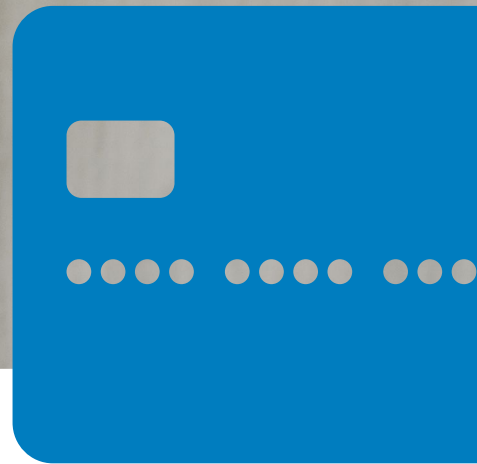# Embracing Transformation in Hospitality

Future Now Series

Insights on the post-Covid guest, and predictions for a fast-changing future

Elavon

Brought to you by Elavon, the hospitality payments specialist

Elavon is a payments partner with a deep knowledge of the hospitality sector. We're putting our expertise to good use helping hotels and tourist attractions give customers quick and easy payment options as part of an exceptional, end-to-end guest experience.

When you're welcoming guests from multiple countries, using multiple currencies, through a myriad of different technology platforms, we're the single, expert payments partner you need.

David Wheatcroft

Head of European Corporate Hospitality

A year like no other

The twelve months from March 2020 will go down in history as a year that changed the world in so many ways.

For some, of course, life was turned upside down, while the luckier ones will simply have been inconvenienced. But no-one was unaffected. For everyday people, everywhere in the world, it was the year of lockdowns: the year of staying home.

> "
> Even prior to COVID, the customer expectations were changing. Customers no longer wanted to wait in a long queue to check in or check out. With that in mind we started to innovate, to have online check in and check out, to make the customer journey as seamless as possible.
>
> **Angela Duffy,**
> **Head of Finance, Jurys Inn**

The hospitality sector, of course, has felt the effects of the pandemic acutely. But there is light ahead. The travel industry is moving people again, and hotels and resorts are opening their doors once more.

So now the sector is again extending a long-awaited welcome. But are they welcoming back a changed guest with different expectations?

Meet the post-pandemic guest

Contactless technology, e-tickets, and innovations such as electronic flight check-in are far from new – and even pre-pandemic they had started to influence our expectations from hospitality venues.

But while many of us have been stuck at home, we've got used to living and working in a totally new way. And although being home-based has had its frustrations, technology companies have stepped up to ensure that the frustrations aren't about the digital experience. As people have become familiar with new technologies and new ways of working, they've learnt new habits and formed new expectations.

As our world has become increasingly frictionless, we've adopted new ways of shopping, playing, and even of going out:

- With a click, shopping is ordered and delivered, dinner is booked, and reservations are made.

- Taxis come to us, like chauffeur services of old, whisking us away... all paid for with a swipe.

- With a tap, food and drinks are paid for.

The world has become simpler to navigate for consumers, and they're going to expect the same experiences as they start to travel again.
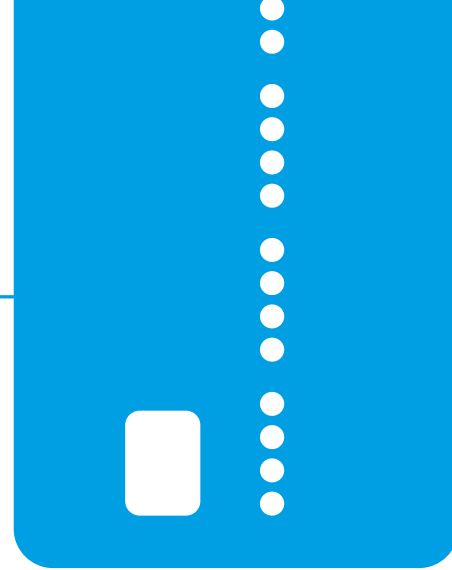
Watch out for a big wave of change

History makes it clear that recessions, downturns and crises are the precursors to tidal waves of innovation and change.

GM launched in 1908, when the US economy was in turmoil after "the Panic of 1907" financial crisis. Meanwhile, Burger King flipped its first patty in 1953, when the US was again in recession, and CNN began broadcasting in 1980, when US inflation hit almost 15%. Both Uber and Airbnb set up business during the global financial crisis of 2007-09.

We can easily expect that the double whammy of a lockdown leading to a downturn for the hospitality industry, plus the need to embrace new innovations in order to open up again, will kick start innovation in the sector.

Predicting tomorrow's guest experience

So what can we expect the guest of the future to demand from hospitality? For sure, they'll be looking for an experience that's seamless, unobtrusive and totally customer-centric.

All of this can, and soon will, enhance the guest experience – delivered in a seamless, joined up yet unobtrusive way. AI technologies will even be introduced to enable constant improvements and anticipate guests' needs.

A great guest experience is good for business, and businesses can benefit not only from positive reviews, recommendations and returning guests, but also from the fact that these services can be easily monetised – and with the right systems in place, provide a stream of actionable, valuable data.

But how to deliver all this, make it seamless for your guests, and ensure it's delivering for your business too?

A glimpse of the near-future

Jenna arrives at her hotel and parks in the space she reserved online, before completing a contact-free check-in and accessing her digital key, swiftly, easily and at a time that suits her.

Once she's checked in, Jenna uses smart in-room technology to order room service and arrange to have her laundry done. A bespoke mobile app lets her control lighting, room temperature, and even the tv.

Around the hotel, Jenna can pay her bar tab, spa treatments, gym workouts and more with contactless technology – even choosing to pay by facial recognition when she doesn't want to carry her cards or phone around.

A changing model for a changing world

The hospitality sector is no stranger to innovation.

Contactless check-in and digital keys have been around for some time. But more and more technologies have become not just novelties, but necessities for many guests.

The challenge for hotels today is that everything today needs to be managed through the Property Management System, where all data and transactions are centralised. The traditional model looks a little like this:

PMS integration landscape

Electronic lock

In-room entertainment

PBX system call accounting

FB & Retail POS

Back office

Property Management System

CRM loyalty

Revenue management

CRS for online distribution

Online reputation

Guest service app

Property management interface
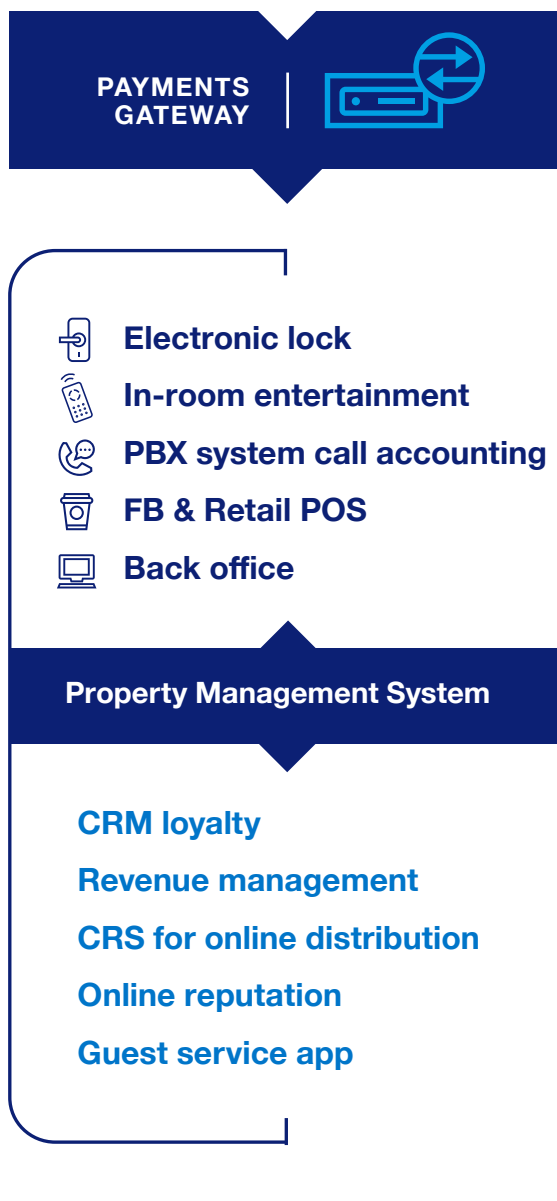
PAYMENTS GATEWAY

But in today's world, guests want to tap, pay and access services at their point of use.

As the world emerges from pandemic-induced lockdowns, now fully accustomed to technology-enabled lifestyles, today's guests not only want fast, frictionless services at their fingertips, but they want them on their terms. Increasingly that means staying in control of their spend by paying as they go, meaning that rather than add their bar bill and other hotel services to a room number, their preference is to pay – usually by contactless technology – for each transaction as it's made.

So today's guest-centric model looks a little different:

PMS integration landscape

PAYMENTS GATEWAY

- Electronic lock
- In-room entertainment
- PBX system call accounting
- FB & Retail POS
- Back office

Property Management System

- CRM loyalty
- Revenue management
- CRS for online distribution
- Online reputation
- Guest service app

But while this may be what today's customers prefer and expect, it can create quite a headache for hotels.

If every service is to be paid for separately, potentially through different payment systems from different suppliers, then costs and charges can escalate, the guest experience can become fragmented, and important data about their activities and spending habits is scattered across a range of touch points, or perhaps even lost.

And as innovation speeds up, it becomes harder and harder to keep up with what guests demand.

So, the challenge for hotel owners is to create a manageable infrastructure that delivers in three big ways:

1. It must deliver a seamless guest experience from check-in to check-out

2. It has to stay open to new innovations and payment technologies as they arise (and we predict a period of fast and far-reaching post-pandemic change in this sector)

3. It needs to work hard for the business, bringing all guest data together for rich reporting and analysis to focus effort and drive profitability

The answer is to connect every stage of the payment journey with a platform that integrates seamlessly with your existing technologies. Elavon's Gateway allows hotels to:
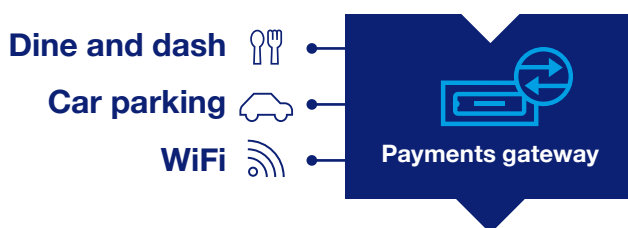
- provide new and innovative services outside of the PMS

- improve financial control and visibility

- boost agility and flexibility in the bookings process

- ensure the highest levels of safety and security

- gain greater insights into guest behaviours and spending

- deliver a better guest experience.
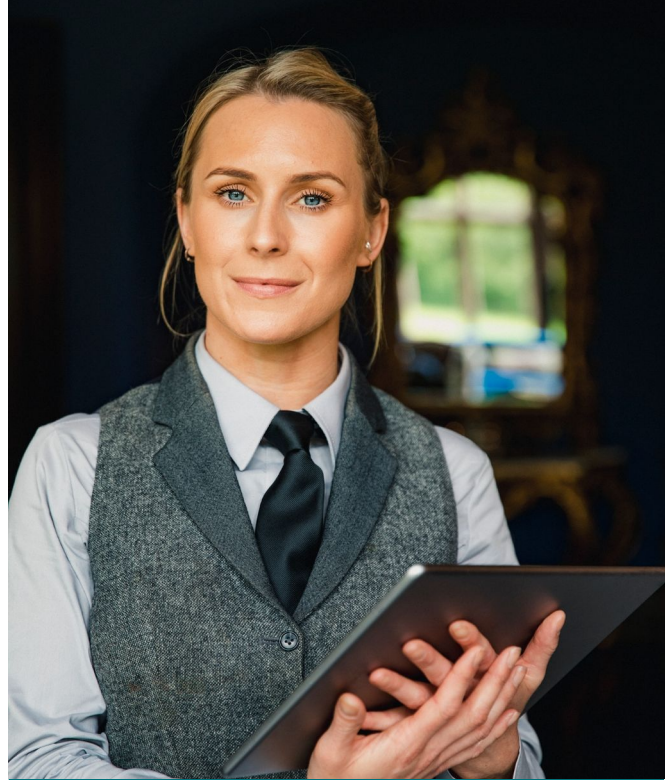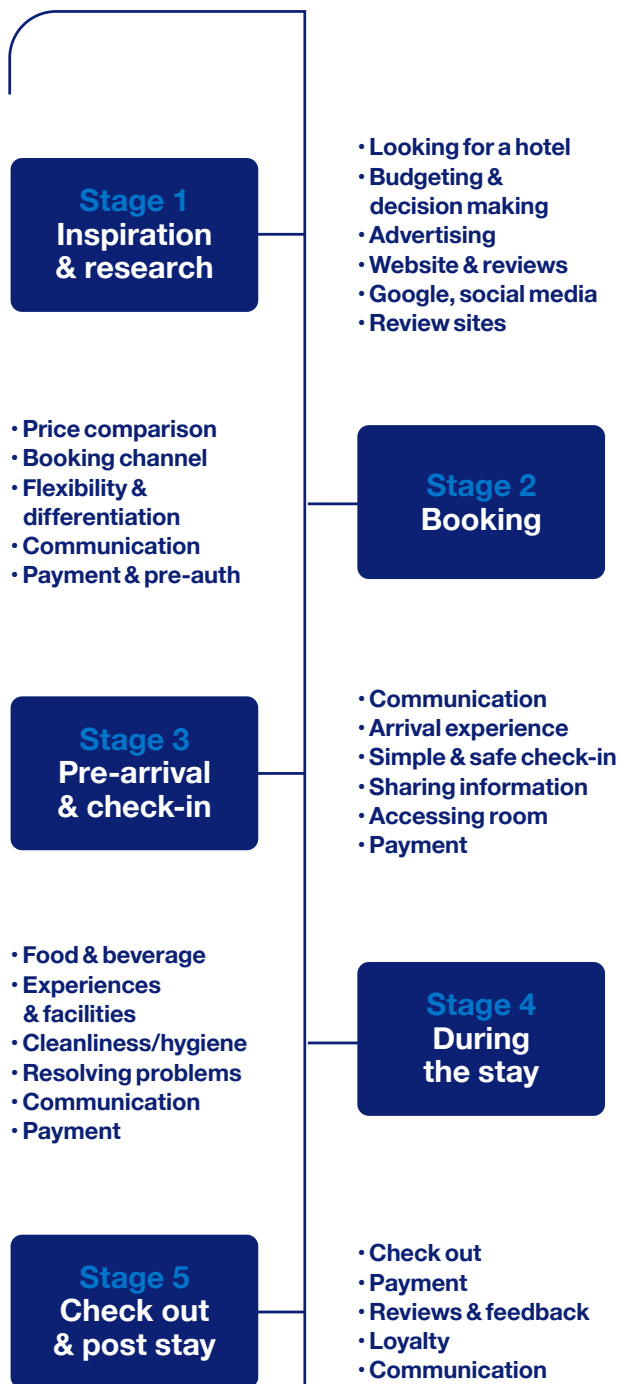
Here's how the model looks:

PMS integration landscape

Electronic lock

In-room entertainment

PBX system call accounting

FB & Retail POS

Back office

Property Management System

CRM loyalty

Revenue management

CRS for online distribution

Online reputation

Guest service app

Property management interface

Dine and dash

Car parking

WiFi

Payments gateway

Multichannel reporting

A single point of payments. All insight and reporting from one place

With Elavon's gateway, every guest touch point can become a payment point if necessary, giving you the single guest view that helps you understand your customers like never before.

Stage 1
Inspiration & research

- Looking for a hotel
- Budgeting & decision making
- Advertising
- Website & reviews
- Google, social media
- Review sites

- Price comparison
- Booking channel
- Flexibility & differentiation
- Communication
- Payment & pre-auth

Stage 2
Booking

Stage 3
Pre-arrival & check-in

- Communication
- Arrival experience
- Simple & safe check-in
- Sharing information
- Accessing room
- Payment

- Food & beverage
- Experiences & facilities
- Cleanliness/hygiene
- Resolving problems
- Communication
- Payment

Stage 4
During the stay

Stage 5
Check out & post stay

- Check out
- Payment
- Reviews & feedback
- Loyalty
- Communication

Keeping hospitality businesses in front

With the right platform in place, you can do so much more. Not only by meeting guest expectations today, but by staying ahead of the big changes that we predict will be coming over the horizon for tomorrow.

Discover more about how Elavon can help you ride the wave of change at **elavon.co.uk**

You'll learn more about your guests at every step of their customer journey: what inspires and resonates with them when they're researching their destination, what their priorities are when making booking decisions, their preferences on arrival, their habits and activities during their stay, and their behaviours at check-out and beyond.

Where do we go from here?

We've discovered endless ideas to explore, questions to answer and we're excited about working through some of these with our customers and partners.

Here are just a few areas which make great food for thought as we continue on our journey:
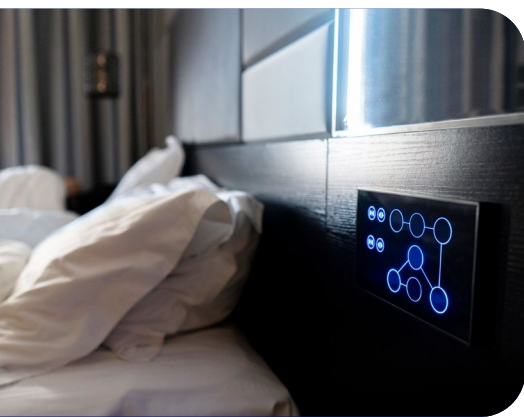
As we move to digital, how will new technology drive operational efficiency and capture valuable customer insights.

Customers want a more personalised experience, what role does technology play and what are the long term advantages for customer loyalty?

What are the technical challenges hoteliers face integrating new technology to existing systems and processes.

In an increasing 'touchless environment' it is important to take secure payments, whether in advance of a hotel stay or via a new app or kiosk solution.
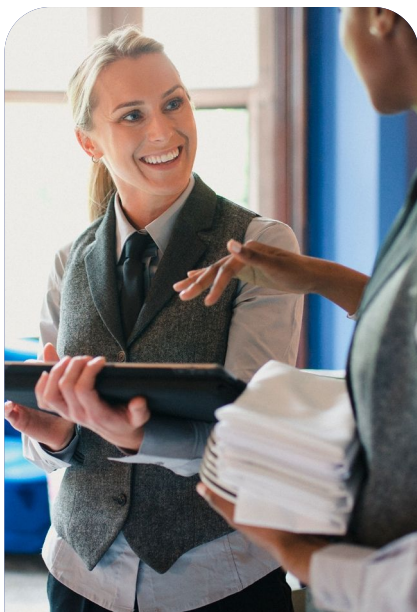
In a changing market forecasting can be challenging, are value adds and cross selling the key to driving up revenue?

How will customer profiles change post pandemic and how will this impact hotels; business v leisure guests and domestic v international guests.

Embracing Transformation in Hospitality

The Future is Now. The world is changing so quickly, only by talking and collaborating can we understand and address the opportunities and challenges facing the hospitality sector.

You could be a boutique hotel seeking a safer payments experience, a large franchise that wants to provide an integrated experience for your network of hotels.

Whatever your interest or need, the hospitality team at Elavon is ready to help you explore your options and shape your plans.

This paper is part of the Elavon 'Future Now' series of Thought

Leadership. We've created a suite of tools and support that will help you to explore and understand this fast-changing world, and you can view the latest by visiting: www.elavon.co.uk

You'll find case studies, insight and information about the Elavon team of hospitality payments experts, who will be happy to start a conversation.

Look out for more 'Future Now' content as we dive into other sectors, exploring how payments innovation and technology can help businesses to build and grow, through economic uncertainty and recovery into an exciting and prosperous future.