

BEST PRACTICE GUIDE

8 ways hotels, resorts, and casinos are achieving resilience in the 2020s

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A new era is unfolding

Our current era is proving to be singularly challenging for the hospitality industry. After a stronger December to close out 2021 than since the pandemic began, the beginning of 2022 saw the hotel and gaming industry return to its falling occupancy rate, dropping to a rate of 45.4%, which is 14.9% lower year over year compared to the **first week of January 2019**.[1] The industry will likely never be the same again. This isn't necessarily bad news, though. Right now, industry leaders are thinking about how to evolve their businesses—embracing innovation and planning ways to ensure stability and long-term success. Hotels, resorts, and casinos are laying the groundwork for how they will do business in a new decade and beyond, in an effort to stay competitive, profitable, and ready to meet new challenges. Industry leaders are examining the workflows and mechanics of technology-driven processes like data infrastructure, reservations, event planning, inventory control, competitive price setting, and revenue forecasting—and seeking out ways to tie them all together to better serve operations, revenue management, and brand strategy.

Even prior to today's disruptive economic and social shifts, emerging technologies and digitalization were already upending traditional practices, from check-ins to payments. As a global crisis continues, those same technologies are invaluable tools for meeting urgent new guest experiences and expectations. The best part: Not only are they flexible enough to respond to the situation at hand, but they can also help to prepare hospitality organizations for what's to come in the future.

Here are eight ways hospitality organizations can harness technology to adapt to the "new normal" and achieve resilience throughout the 2020s and beyond.

1. Embrace changing guest expectations

As properties move toward contactless processes, an emphasis on convenience and control has quickly pivoted to meet the need for social distancing and guest peace of mind. Mobile-friendly and web-based check-ins and check-outs, in addition to mobile payments via personal devices have already become the norm, with guests expecting the same self-driven, contactless, and cashless experiences across all locations during their stay. It also means they are able to closely follow cleaning and sanitation standards, all while documenting their hotel stay experiences in real time. Organizations need to create visibility and processes to ensure they are carefully meeting and exceeding guest expectations, while also remaining flexible enough to respond to guest needs as they arise.

Preparation for cultural and technological change has applications far beyond the immediate present. Over a narrow window of time, on-the-fly adaptations have already taught industry leaders a number of lessons—in particular, that the ability to adjust to changes in the status quo is a crucial element of resilience in this new era of the hospitality industry. Hotels, resorts, and casinos must lean into this flexible mindset to make guests feel comfortable, safe, and relaxed. From there, they need to constantly redefine what a great guest and player experience really means, creating systems and processes that can continue to deliver those experiences consistently as conditions change.

2. Keep it personal

With the rapidly expanding functionality afforded by personal devices, today's guests rely on mobile technology to manage their hotel and gaming experiences—with many of them saying they prefer[2] to place service requests, receive communications, and manage the mechanics of their stay themselves. Some of this is driven by our current environment, which demands fewer face-to-face connections[3] with hotel staff. These trends are not temporary; in fact, they'll shape the future of the industry by instilling the expectation that guests experiences are theirs to manage. That expectation drives another essential aspect of next-generation hospitality technology: personalization.[4]



Personalized guest experiences encompass more than mobile apps. To provide a truly personalized experience, hotels, resorts, and casinos also need to manage their data and integrate disparate systems that affect the guest journey. They need to turn data collection and analysis into services that appeal to individual guests—encouraging repeat visits and generating the potential for greater lifetime value. They need to leverage intelligence to create rewards and incentives that strengthen the relationship between brand and guest.[5] There are many tools that can help accomplish this, and organizations should integrate their casino and **hotel property management systems** with gaming systems, CRM, third-party loyalty programs, and all applications that provide visibility into guest histories, preferences, and activities.

3. Maximize the value of properties

Even under the best conditions, casinos and hotels are not content to leave rooms empty and let revenues quickly dwindle. Luckily, every property is teeming with untapped potential, and another key aspect of being resilient during turbulent times is to realize that potential. In some contexts, this means rethinking how spaces are divided, adapting them to serve new needs, and using them to create and nurture new revenue streams.

Hotel organizations are capitalizing on the use of their event spaces and guest rooms, offering companies and organizations both indoor and outdoor collaborative spaces that accommodate social distancing. Flexibility and maneuverability are key when it comes to leveraging spaces to serve a wider spectrum of uses. By tracking the usage of spaces, guest rooms, and event spaces alike, organizations can unlock the revenue and profitability potential of every square foot of a property.



Once again, the importance of data visibility and management has never been clearer, and each of those require careful integration between event management software, property management systems, revenue management, and forecasting solutions.

4. Keep staff connected

One of today's toughest challenges for hospitality leaders is figuring out how to keep team members engaged, productive, and centered on their mission of creating a superior guest experience. This is particularly pertinent for service staff and the guests they serve, where technology can help keep personal health and safety at top-of-mind. The best way to do this is by adopting a technology platform that improves communications[6] between teams within and across all locations to standardize services—including cleaning and sanitation, incident management, maintenance, food services, and other key operational areas.

In addition to mobile-based housekeeping processes that allow for greater visibility and efficiency to make sure locations continue to meet strict standards,[7] businesses are investing in push messaging, leveraging SMS and social media to better respond to and communicate with guests and each other in more proactive ways. These investments in technology keep staff connected while also making sure that they remain safe, healthy, motivated, and productive. Again, this isn't just about the needs of the present. It's about how present conditions are likely to shape the future. Creating a scalable framework for staff to do their jobs will continue to be paramount to success.

5. Let data drive decisions

At the beginning of this decade, the number of bytes in the digital universe was 40 times more than the number of stars in the observable universe.[8] While the enormity of that number may seem overwhelming for any business looking to use data for their own needs, it helps to emphasize the importance of tapping into business data to create viable strategies. With the right platform and tools to collect, unpack, and then strategize around key data that's aligned with KPIs, hotels and casinos can reveal new ways to remain competitive as the industry landscape shifts.



By using industry-specific analytics that are inclusive of all brand and sub-brand locations, hotels and casinos can answer essential questions that can help ensure operational sustainability. Some of those questions include:

- Who is visiting our website?
- Who is selecting us as their destination?
- Who is our ideal guest and player and how do we serve them better?
- What markets are we competing in locally, nationally, and globally?
- What guest trends are we seeing within those markets?
- How are we performing in relation to our competition?

Integrated systems that inform organizations about guest needs are vital to helping to answer these questions. By building up a base of data knowledge that can be interpreted by multiple departments, it becomes easier to connect operations, revenue management, marketing, finance, and other parts of the organization. This is the level of precision that will determine resilience in a fast-moving industry.

6. **Keep data secure**

With the increasing emphasis on data-driven decision-making, the issue of data security must be addressed in kind. Cybercriminals are keen to turn stolen data into money-making enterprises. According to a 2021 IBM annual report, data breach costs rose from $3.86 million to $4.24 million, the highest average total cost in the 17-year history of that report.[9] Although the finance industry and the public sector are still the biggest targets of cybercrime, the hospitality industry is also a contender, in large part because of its rich databases[10] that have become a key lever for the way industry leaders do business. The increasing value of the data has made it a prime target.

To safeguard the data and to preserve good relationships with guests, hotels and casinos need to create a more secure environment and transaction process. Encryption, anti-virus software, firewalls, and constant security monitoring can help businesses stay ahead of the relentless threat of hackers and malware. Ensuring guest data privacy includes investing in solutions that comply with the PCI Security Standards Council, which safeguards consumers against credit card fraud by maintaining global payment industry standards. Any scrutiny of systems should include regular review of connected systems, including airlines, suppliers, and third-party technology partners, to ensure they are equally committed to data privacy and practices. As an extension of this, partnerships with new technology providers need to be pursued carefully in the quest for resilience.

7. Integrate machine learning to revenue forecasts and pricing

In volatile and unpredictable markets, the need for adaptive revenue management and dynamic pricing capabilities has never been more important to decision-makers. The more data that becomes available, the faster markets will move to adjust. If data is the rocket fuel of revenue management and pricing, then machine learning and automation are the vehicles that can help bring organizations into the future. Over the years, industry leaders have come to see that algorithm-based automation is not mutually exclusive with the insight of revenue management experts. In fact, machine learning and automation empower revenue management teams with greater flexibility and insight—all of which helps initiate faster strategy and action in markets that are shifting multiple times a day, often by the hour.

With the right technology, revenue management leaders can use data to create a viable offering in comparison to their competition in local, national, and global markets.



They can run scenarios and experiments to get better clarity on pricing strategies before they go live, easily identifying rates that will attract guests and optimize profitability.[11] With machine learning algorithms, businesses can automate the process of correlating market segments with client data—creating deep insights into competitive pricing. This empowers teams, creates more informed decisions, and allows organizations to move as fast as their markets move to stay resilient.

8. Unify systems across locations in the cloud

With all the other areas discussed here in mind, a clear path to hotel and gaming industry resilience centers around the need to unify a business on a single, reliable technology platform. Clear, data-driven, and timely decision making is crucial to creating and maintaining business momentum throughout this decade. Looking at data across functions, sources, and brand locations helps create a seamless data bridge across operations, IT, revenue management, finance, and beyond. With access to insight from each area of the business, organizations can build a global view of how well the business is performing, and how ready it will be for the future.

The key to building a connected ecosystem is a cloud-based software as a service (SaaS) approach that enables data-driven insights and action to keep pace with—and exceed—guest expectations and competitive pressure. Cloud deployment assures the flexibility of systems and helps to enable:

- Rapid mobile deployment
- Access to real-time data reporting and analytics
- Automatic deployment of upgrades across all locations
- IT expertise and maintenance with no additional hardware or staff investment
- Ease of integration with hotel PMS, RMS, gaming systems, events management, and other systems
- Advanced and vigilant data security support
- Minimal system downtimes

Many hotel and casino organizations are transitioning out of the legacy on-premises model to stay agile, support a wider range of solutions, stay connected to changing market conditions, and to ensure resilience.

The game has changed

To play the long game to thrive in the next decade and beyond, businesses need to adopt a nimble approach built on operational unity. Organizations that are best able to meet constant unpredictability will emerge as the next decade's market winners. To remain resilient in the 2020s, industry leaders should focus on:

- Embracing change and the evolving guest experience
- Maximizing the value and revenue potential of every property
- Efficient data collection and analysis to drive strategy
- Machine learning and automated processes to supplement expertise
- Personalization informed by data and integrated systems
- Empowering staff with the tools they need to succeed
- Data security and transaction integrity
- Creating an integrated, unified technology platform in the cloud

Adaptable technology platforms are the foundation for hotel and gaming organizations to meet the challenges of constant change. Achieving and maintaining resilience means leaning into that change and being maneuverable enough to change with it. The next steps are identifying KPIs, investing in the right technology, and forming relationships with the right technology partners to be proactive as a new era unfolds.

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