The Shrinking Hotel Front Desk:

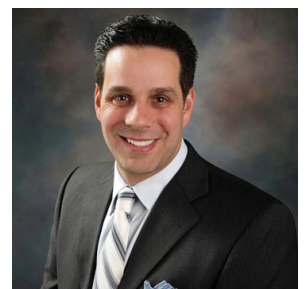## How Mobile, Millennials and More are Changing the Guest Experience

INTELITY

Mobile technology is an incredible business resource. It has the potential to impact nearly every way that hotels have traditionally operated, the way they market, and most importantly, the way they provide service. The question right now is how can hotels use this tool, and what will be the short and long-term effects of incorporating mobile? Most importantly, how will guests react? We see a variety of brands making announcements that will provide answers to these questions and are leading to a new chapter for the industry.

Intelity is the creator of the most widely used guest services platform for the hospitality industry on the planet, and our goal with this series of reports is to provide hoteliers with the knowledge they need about the ever-changing digital landscape in order to select the best options for their staff and guests. Through our partnerships with several of the leading hospitality technology providers, we're able to integrate new, cutting-edge features, such as keyless room entry and mobile-to-TV streaming, into our products that keep our clients on the forefront of the mobile revolution. And we've witnessed the impact this has on their relationship with guests. There truly is a direct correlation between staff efficiency, guest satisfaction and digital innovation.

We look forward to continuing to serve hotels as they look to embrace mobile technologies and the new needs of global travelers.

David Adelson
Founder/CEO
Intelity

Redefining Tradition

For the hospitality industry at large, a key point early on in the guest experience is the interaction at the front desk. A smiling front desk attendant greets all guests entering the property and proceeds to manually check them in and provide them with items and information needed for their stay.

> *Hotels want to minimize the need for guests to stop at the front desk*

Modern times have seen this change, though. Hotels are increasingly looking for ways to minimize the need for guests to stop at a front desk or dramatically reduce the time they are required to linger there. The development of new technology has provided viable means for meeting this goal.

The Mobile Revolution

The rising popularity of mobile technology has been one of the driving factors behind the shift away from the front desk. While Millennials are most likely to make reservations using a hotel's mobile app and bring a tablet when traveling,[3] global travelers of all ages are embracing mobile as a preferred means of not only communication with those back home but also as a means of planning and enhancing their travels. A full 70% of travelers of all ages say they are impacted by a hotel's digital offerings when selecting accommodations.[4]

Travelers are now looking for a hotel experience that is more flexible and customizable. They want to be able to tailor their stay to their own individual preferences, rather than having it predetermined for them. Technology has provided a new method for guests to communicate and set these preferences in ways that were previously not possible without a tremendous expenditure of resources.

Mobile provides increased operational efficiency and connectivity to all current and potential guests around the clock, regardless of geographic factors such as language and time zone. It also creates a new channel for generating revenue. IHG saw revenue from mobile bookings increase from $1 million to $10 million in only one year after introducing a mobile app.[5] Recent research shows that 40% of global travelers of all ages say their smartphone is the most important item to bring on their travels, and 67% say they will use it every day.[6]

3: TripAdvisor
4: Magnani Caruso Dutton
5: Hospitality Technology
6: InterContinental Hotels Group Rewards Club
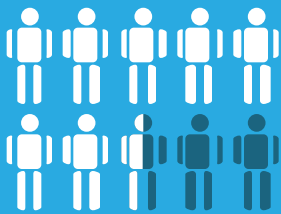
Meet the Millennials

Another reason for this is the influence of a new group of consumers, Millennials, who are coming of age and becoming a growing percentage of total global business and leisure travelers. Their unique desires and views have forced long held conventions within the hospitality industry to be reevaluated and updated as the industry competes to secure their loyalty.

"The average Millennial grew up with access to the Internet and many modern technologies"

Born in the approximate time period between 1980 and 1994, Millennials are often referred to as digital natives. This means that the average Millennial grew up with access to the Internet and many modern technologies, and they are more likely than any other age group to embrace technology due to a general mindset that it makes life easier for them.[1]
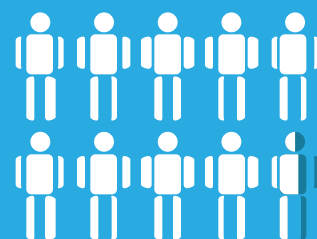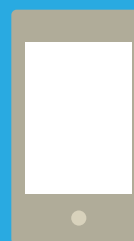
1: Pew Research Center

Millennials value connection through digital channels, evidenced by the fact that 75% of them belong to a social networking site as opposed to 30% of Baby Boomers. [2]
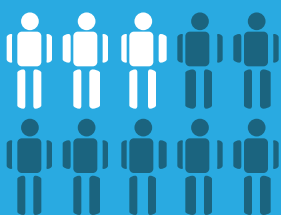
Nearly all Millennials, 96%, own mobile phones, and 83% of them sleep with their phone next to their bed. [2]

Skipping the Lines

Avoiding the necessity to stop at a front desk and wait on staff to check in has been an expressed interest among travelers. In fact, a survey of U.S. travelers found that 73% said they would like to check in from a mobile phone and 64% said they would use their mobile phone as a room key in order to bypass the front desk entirely.[6]

73% of all travelers say they want to check in with a smartphone

After waiting in traffic or to get through airport security, most guests are reluctant to stand in yet another line before they're able to settle in and focus on the purpose of their trip. Automated check-in provides a convenient alternative to convention.

The key to the concept is that it provides guests with an option to personalize their experience and the way that they interact with the hotel right from the start.


6: Magnani Caruso Dutton

A New Digital Race

Until recently, the majority of hoteliers have been limited in their investments in and awareness of emerging technologies. In 2013, 76% of hoteliers had a mobile website and 40% had a mobile app. Those figures are expected to rise to 93% and 80% respectively by 2015.[8]

The primary focus of these tools in the past has been providing general information or offering a new means of booking reservations. While these are useful functions, hotels have now begun to see the enormous potential benefits of using these channels for engagement and enhancement of the guest experience. It's a case of the industry catching up to demand and expectations of the customers.

Hotels & Mobile Apps

Last year
40%
of hotels had a mobile app

RISING TO

In 2015
80%
of hotels will have a mobile app
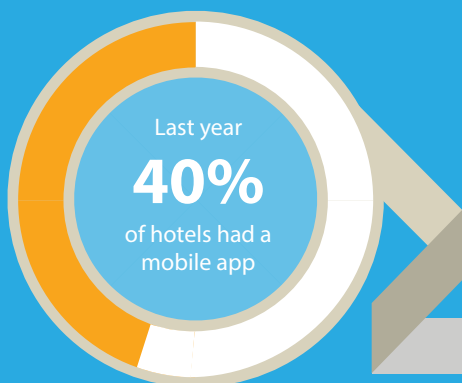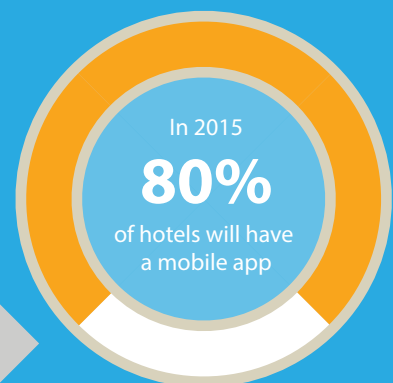
"By 2015, more than half of all hotels are expected to offer mobile check-in"

Many hotels are starting at the front desk. By 2015, more than half of all hotels are expected to offer mobile check-in. The largest growth area for the adoption of consumer engagement technology in the industry will be the use of tablets for check-in and check-out, which will rise from 15% to 64% over the next year. [9]

The airline industry has already begun to quickly embrace the current trends. Airlines around the world, such as JetBlue, American Airlines, Singapore Airlines, Air Canada, British Airways, have already adopted mobile check-in and are even investing in advancements such as mobile passport scanning to further reduce check-in times. United Airlines has reported that its check-in app has been downloaded more than 13 million times in the United States.

A number of the leading brands have already announced plans for a complete overhaul of their check-in process, including Hilton Worldwide, Marriott International and Starwood Hotels & Resorts. And there's an interest in features that automate the front desk outside of the hospitality industry, too, with digital companies such as HotelTonight announcing expansions to their mobile offerings that include features such as check-in and keyless room entry via smartphone.

The Benefits and Cost

By embracing automated check-in, hotels increase the efficiency of the overall process. They are able to better manage the time of their staff by assigning them to things other than the simple, tedious check-in procedure. Some hotels station staff throughout the lobby to simply provide a cheery greeting to guests and direct them to their room, which provides the option for human interaction if a guest is looking for that, without requiring them to stop.

Hotels are replacing the front desk in various ways. For most, the solution usually involves one of several forms of technology.

Mobile Websites

The ability to check-in can be featured directly through the hotel website, with guests using the online portal to submit registration information. Follow-up materials can be sent to the guest via email, such as room assignment, key codes and more. A skillful web developer will be required to create a secure webpage that is able to perform this task.

Mobile Apps

Hotels can allow guests to download an app with various service functionalities, including check-in. A sophisticated app will be able to automatically communicate guest information to the hotel's staff for processing. The app will have to be developed, either by an internal or external team. Timeline and cost are both determined by the developer's level of expertise and skill. With a recent study showing that consumers spend up to six times longer using apps than mobile web,[10] this option provides hotels with the ability to maintain a long-term connection to the guest through their mobile device.
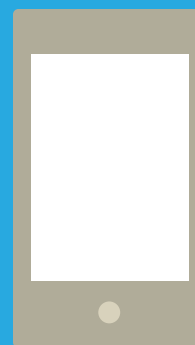
Lobby Touchscreens and Self-Service Kiosks
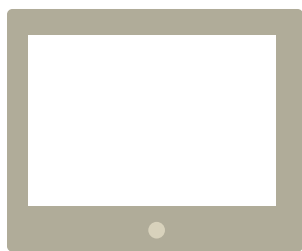
A number of hotels are looking to the placement of self-service kiosks or desks in various central locations in place of a front desk as an alternative or supplement to the standard front desk setup. Usually this requires installation of one touchscreen or tablet device and a stand of the hotel's choosing, determined by both aesthetic and pragmatic value. The benefits of this is its ease of accessibility to a broad number as well as the fact that it can impress upon guests the hotel's modernized status from the moment they enter the property. However, unlike the other two options on the list, it does not account for the growing number of guests who bring their own devices to the hotel and prefer to use those for engagement.

10: Flurry Analytics

INTELITY

The Disappearing Hotel Front Desk

Technology is allowing hotels to eliminate the need for guests to stop at the front desk

2013

40% of hotels had a mobile app. **76%** had a mobile website

2015

These numbers will rise to **80%** and **93%** respectively

Guests prefer digital engagement with hotels

Increased Guest Satisfaction

73% of guests say they would like to check-in using a smart-phone

Increased Efficiency

By 2015 more than 50% of all hotels will offer mobile check-in

Pre-arrival requests & check-in check-out accounted for

15%

of total hotel app usage

Study of 25 different global hotel apps

Global hotels are embracing new technology
Here are the top 5 most used guest services for hotel apps

Check-in/Out & Pre-Arrival Requests

Concierge

Dining

Housekeeping

Hotel Info

LOOKING AHEAD

Technology is growing ever smaller and has even begun to become part of our person, with devices being worn for various purposes such as fashion, fitness or for medical use. The hospitality industry could one day be able to check a guest in using items such as Google Glass or smartwatches.

Aloft Hotels recently revealed that a robot butler is being tested at the brand's Cupertino location, and it could be that in the future, artificial intelligence will be used to greet guests in lobbies.

As digital innovation continues to expand, hotels will see the options available to them expand.

About Intelity

Intelity is the creator of the world's first and most widely used integrated guest services platform, ICE (Interactive Customer Experience). With certified integrations to nearly all hotel back-end management systems (POS, PMS, Ticketing, Spa and Room Controls), Intelity's ICE is a centralized property-automation system that delivers concierge-level services, guest request tracking and fulfillment, business intelligence analytics, marketing/messaging capabilities, and a full content management system. Intelity has gained a reputation as a leader in hospitality technology with the installation of ICE in hotels across six continents, including nearly all major brands and many celebrated independent properties.