

FIVE CONTACTLESS HOTEL TECHNOLOGY TRENDS FOR 2021

Presented by

Skift + Medallia Zingle



EXECUTIVE SUMMARY

Every technology disruption provides an opportunity for hotels to reevaluate the way they run their businesses and communicate with guests. This is when innovative experiences are often born. It happened with the computerized property management system, it happened with email and online booking, and it happened with smartphone adoption, to name a few examples.

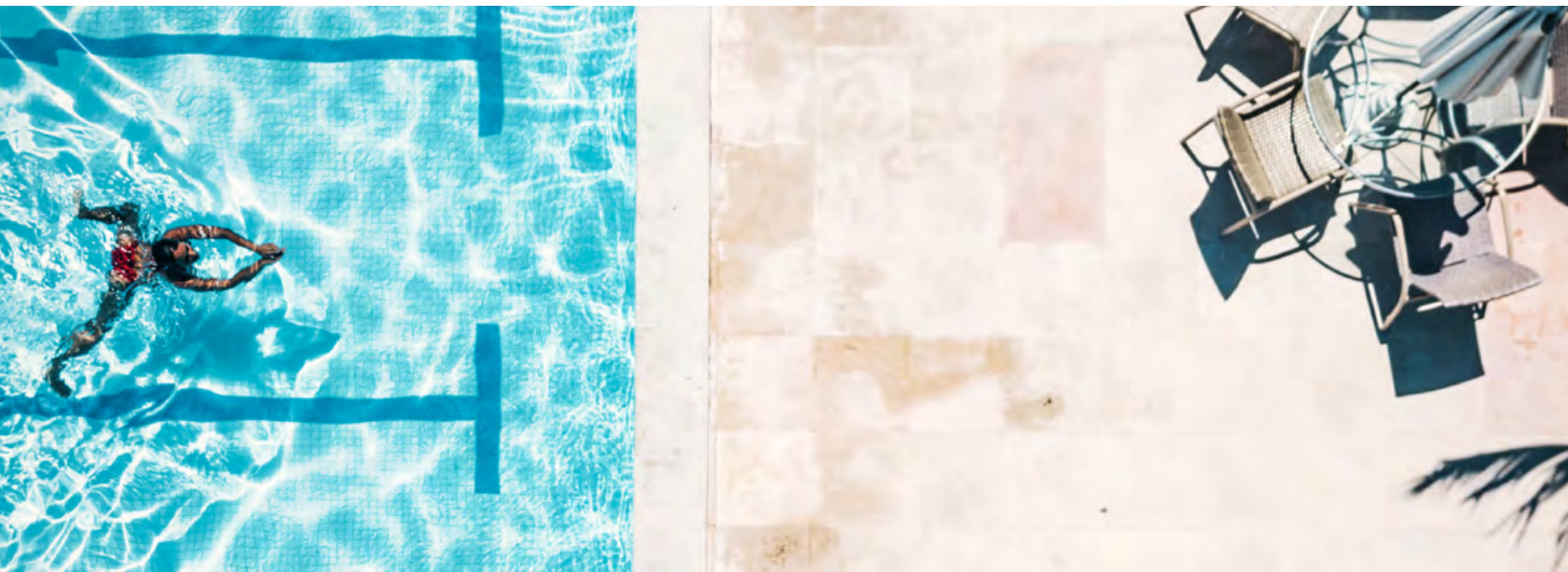
Today, it's happening once again with contactless technology — ranging from check-in kiosks to keyless entry and guest messaging platforms. The concept of “contactless” may feel a little strange, and even uncomfortable, for some in the hotel business. After all, the hospitality industry is built upon the importance of personal interactions.

But as the industry is challenged by a pandemic and an economic downturn, hotels need to rise to the occasion. To do this, they must prioritize ways to create meaningful moments, despite having to deal with the reconfiguration of operations and unfamiliar circumstances, two obstacles that prevent them from engaging in the face-to-face service so critical to the industry's identity.

How is contactless technology helping today's hospitality industry meet the moment? The data and insights shared in this report show that hotels are increasingly turning to contactless tech not only to reduce friction for guests and meet customers on devices and channels where they spend most of their time, but also to create new, unlikely ways to communicate with and serve their guests during the Covid-19 era and beyond.

Skift and Medallia Zingle partnered on this analysis of five trends proving 2021 will be the time to invest in the adoption of contactless technology. No one knows how Covid-19 will affect the hotel industry in the near future. But we do know that people will want to travel, and they will need safe, reliable, and personalized hospitality services.

In the face of a challenging economic environment and consumer uncertainty, 2021 will be a time to be bold. It will be a time for hotels to harness unmissable opportunities to elevate the travel experience and improve customer service models that will set them apart. These trends will shape not only how hotels interact with their guests in 2021, but also how contactless technologies will boost operational efficiency and enable human-focused hospitality far into the future.



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EXECUTIVE LETTER

The power of modern tech lies in its ability to reduce friction in our daily lives. The moment this friction is eliminated, we forget we ever did it any other way and new standards are set. At a time where the adoption of new technology and processes is critical to health and safety, these standards have never been higher.

As hotels and the broader travel industry moves forward, success will be tied to the ability to stay connected in the moments that matter. Only then will organizations be able to remove friction at key touch points and provide personalization at scale. After all, while the past year has brought with it many shifts in consumer behavior and attitude, personalization will always remain a non-negotiable of modern business.

Medallia Zingle has a clear vision for the guest journey of the future — one that leverages easy to deploy technologies to provide high-touch, yet contactless experiences that delight guests and reduce stress for staff. Hospitality has long been a beacon that provides a shining example of what customer experience should look like.

The industry has always put the customer at the center of everything it does and empowered employees to safeguard the guest journey. This hasn't changed for hundreds of years. What has evolved are the tools that teams have access to continuously allow them to elevate the experiences they provide. Tools that have become critical stepping stones paving the path towards recovery.

The story of hospitality's recovery will be written by the leaders who harness innovation in a way that allows them to continue to put service at the forefront of everything they do. I have no doubt the future we create will become the new standard of excellence in customer experience, and one that other industries measure themselves against.

We have our work cut out for us, but as the countless stories of resilience and adaptation displayed by hotels over the last several months have shown us, no challenge is too big for an industry that puts the customer first.



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TABLE OF CONTENTS

Introduction – Contactless Becomes a Mandate for Hospitality	6
Trend #1: Harnessing Contactless for Real-Time Customer Insights	10
Trend #2: Guest Messaging Will Stitch Together an Omnichannel Customer Journey	13
Trend #3: Artificial Intelligence and Personalization Will Take Guest Experience to the Next Level	17
Trend #4: Contactless Operations Will Guide Hotels Through the Recovery	21
Trend #5: Contactless Will Deliver a Human-Focused Future for Hospitality	25
Conclusion	28

ABOUT SKIFT

Skift is the largest industry intelligence platform providing media, insights, and marketing to key sectors of travel. Skift deciphers and defines trends for global CEOs and CMOs across the travel industry through a combination of news, research, conferences, and marketing services.

ABOUT SKIFTX

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INTRODUCTION – CONTACTLESS BECOMES A MANDATE FOR HOSPITALITY



Accelerated by the rapid consumer adoption of mobile devices and chat applications, the ability to research, purchase, and even manage a trip with minimal face-to-face interaction has become a widely accepted convenience for consumers. As travelers get more comfortable with these automated, self-serve experiences in other sectors, they now expect similar experiences from hotels and hospitality providers as well. This was already happening independently, and then Covid-19 hit, upending long-held assumptions about the importance of contactless technology.

For consumers, the onset of the pandemic has forced a reconsideration of the business interactions that are considered “essential” versus “non-essential.” The result is that 2020 is transforming what was already considered a convenient service into a mandatory interaction method, helping to minimize infection risk while also simplifying and improving interactions with hospitality businesses of all shapes and sizes.

“Undoubtedly due to Covid-19 there has been a significant change in how guests are looking to interact with the hotel,” Julie Grieve, founder and CEO of Criton, told [Hotel Management](#). But as Grieve

notes, the shift is simply an acceleration of trends that began before Covid-19. "In reality the demand for digital was there before the global pandemic."

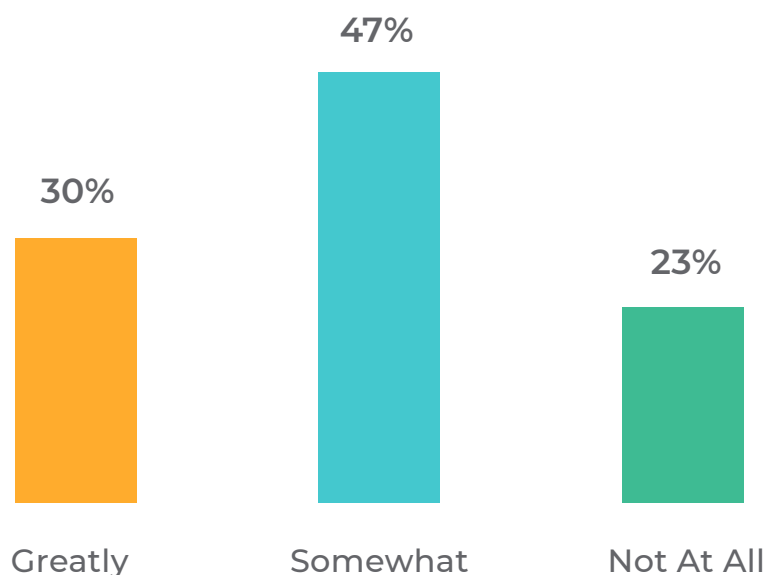
The growing consumer demand for contactless hospitality solutions is backed up by research. According to a recent Medallia Zingle report, "COVID-19 and the Future of Commerce," based on a survey conducted in May 2020, 87 percent of U.S. consumers said that they would like to see companies continue to offer options that limit in-person services, and 77 percent of consumers said the level of in-person interaction would dictate what businesses they patronize going forward, with 30 percent of those saying it would "greatly" do so.

Furthermore, a separate 2020 survey highlighted in "A Data-Driven Look at Hospitality's Recovery" from Skift and Oracle Hospitality, supports this assertion, finding that 71 percent of travelers agreed that they'd be more likely to stay at a hotel with self-service technology in the future.

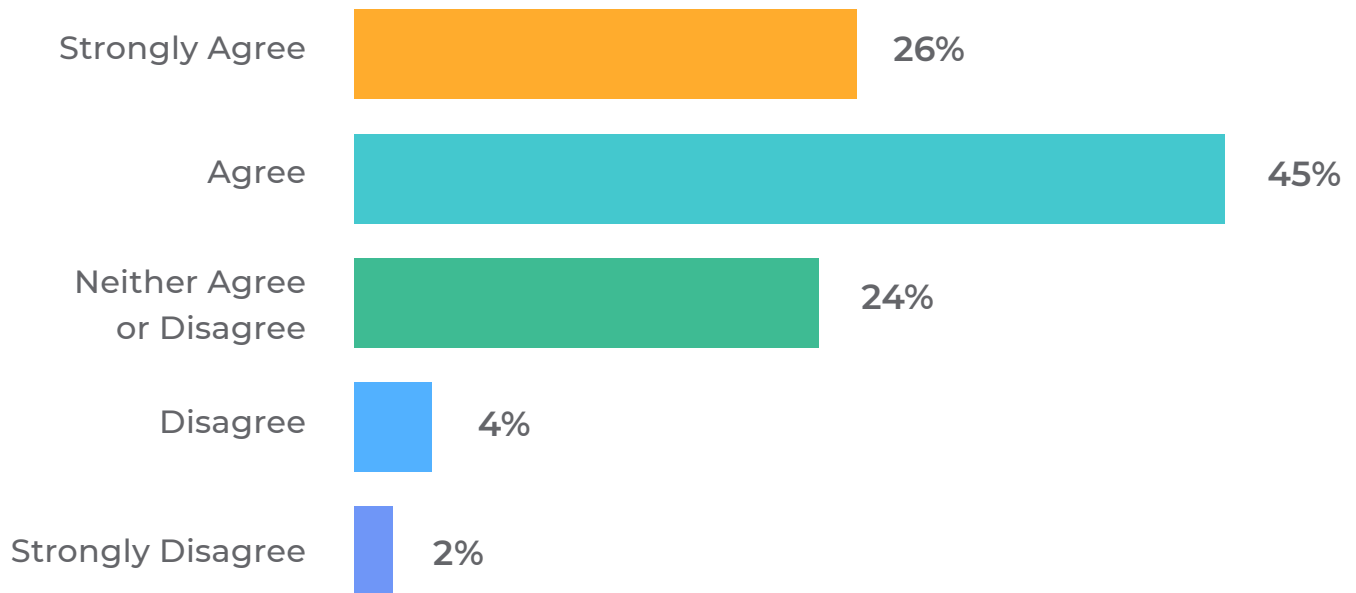
Yet another recent study from Deloitte Digital (pre-dating the pandemic) highlights the strong consumer interest in contactless hotel options in hotels. The research found that 60 percent of travelers preferred a hotel that offers contactless check-in and keyless room entry, while 57 percent wanted the ability to communicate with staff via their smartphones or a voice assistant.

Meanwhile for hotel owners, Covid-19 is creating a far more existential dilemma. After all, at exactly the moment when guest demand is down, operating and marketing budgets have been cut, and staffing is reduced, Covid-19 is placing new limits on face-to-face, human-focused service, testing the industry in ways that are distinctly unfamiliar. Why invest in new technology solutions at such a perilous moment? And how can industry leaders act quickly, but thoughtfully, to continue to provide high levels of service, safety, and cleanliness while also elevating the hospitality experience?

Going forward, will the amount of in-person interaction required at a business influence your decision to visit it?



Agree or disagree: “When I return to a hotel in the future, I would be more likely to stay at a hotel offering self-service technology that minimizes physical contact with the staff.”



Source: Skift and Oracle Hospitality, *A Data-Driven Look at Hospitality's Recovery, 2020*

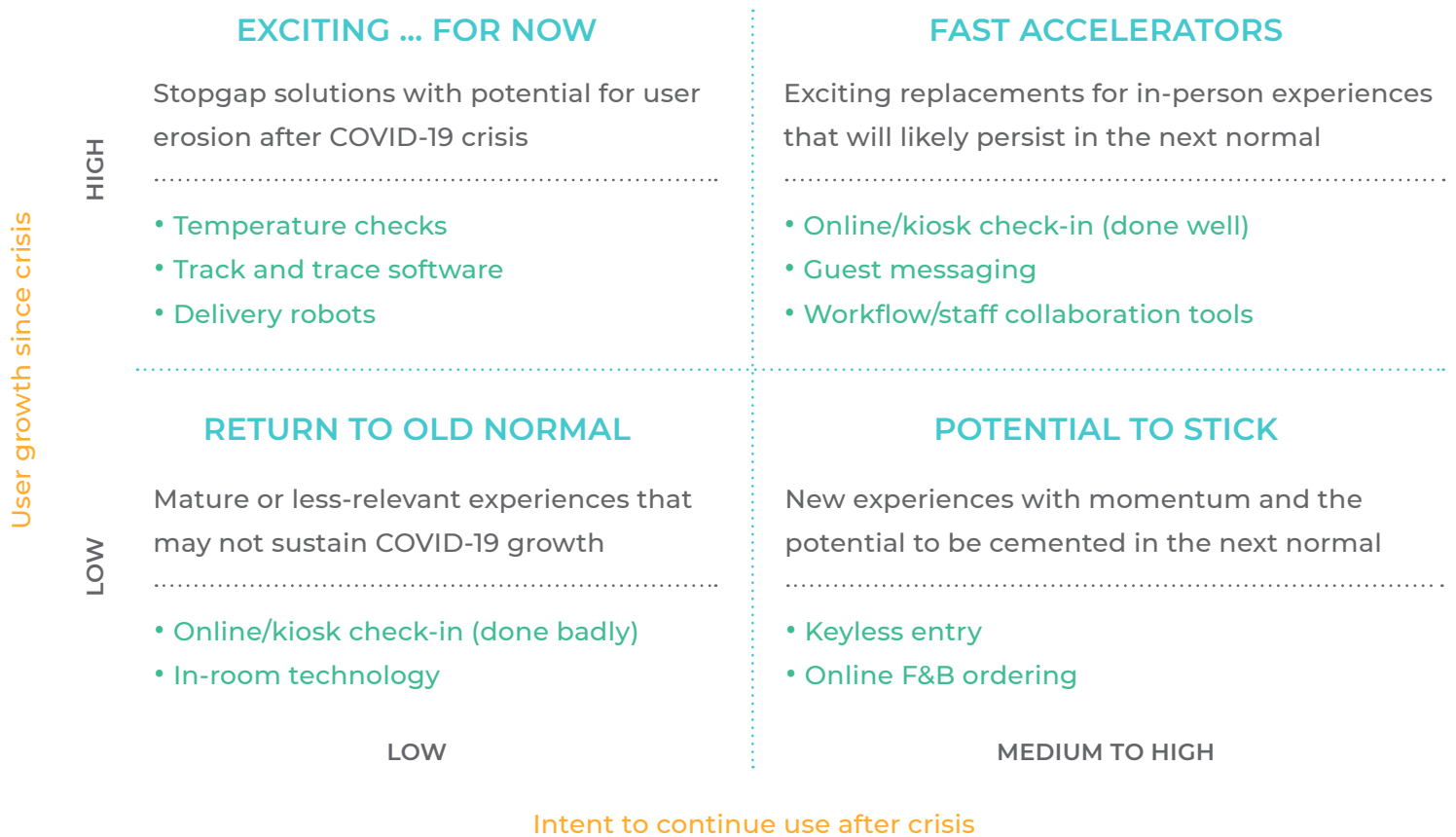
All of this places new urgency around the decision about why and how they might use contactless technology solutions at their properties. To succeed, hotel executives and operators need to be strategic. This means thinking about not only the urgent needs of consumers during a pandemic, but also how technology might help them deliver better hospitality experiences well after the pandemic is over.

After all, in the rush to implement contactless solutions, hotels are eager to avoid buying technology simply to have the latest “shiny object.” There’s also concern that a guest experience system based around “automated” and “contactless” experiences would minimize opportunities to provide the human-focused, personalized, attention that is the hallmark of good hospitality.

The following chart from McKinsey (next page, top), which evaluates the future potential of contactless technologies along the axes of current user growth during the Covid-19 crisis versus the potential intent to use, underscores the dilemma. Hotel executives are well aware of the growing interest in contactless services like online check-in, in-room technology, guest messaging, and staff collaboration tools. But in the midst of all the challenges created by 2020, many are rightly wary of investing in technology that will not stand the test of time, or remain popular beyond the pandemic.

Consumer behavior throughout the pandemic has shown that travel businesses will succeed in the short term by implementing contactless. But in the long-term, like many other digital trends (mass remote work, for example), Covid-19 will also serve as an

Evaluating the future potential of contactless technologies



Source: Skift Research, adopted from McKinsey & Company

accelerator of innovation. How can hotel executives strike the right balance between the urgent needs created by a crisis and delivering the human-focused hospitality experience travelers crave? The reality is that they will need to deliver both: a streamlined, efficient, experience, but also one that is distinctly human and personalized to their in-the-moment needs.

“The future is going to be about building trust, and customers are going to do business with businesses that they trust,” Matthew Woodruff, executive vice president of guest excellence and chief brand partner officer at Hospitality Venture Management

Group, told [Hotel News Now](#). He added that guests will stop doing business with places that “don’t have the necessary standards, technology, and protocol.”

How can the hospitality industry strategically use contactless in their own properties in the months ahead? And why is contactless a more effective way to satisfy guests’ changing needs during this period of dramatic change? In the five trends below, Skift and Medallia Zingle investigate why it’s time for hotels to take a close look at contactless technologies as an extension and enhancement to human-focused hospitality in 2021 and beyond.

TREND #1: HARNESSING CONTACTLESS FOR REAL-TIME CUSTOMER INSIGHTS



Covid-19 is accelerating the shift to ubiquitous contactless experiences across a wide variety of service industries. But for hotels, contactless isn't just a way to deliver services: It's also a powerful tool to gather real-time customer feedback, leading to more satisfied guests and better service in the future.

The hospitality industry is already no stranger to feedback: After all, hotels have long relied on guest surveys, comment cards, and more recently, online reviews, to gauge satisfaction with their service. But with Covid-19 exacerbating the challenge of guest interaction, feedback is at a greater premium than

ever before. In fact, today's contactless tools allow for far more instantaneous feedback, allowing hoteliers to make up for shortcomings while the guest is still in the hotel.

Gathering actionable information about guest needs has always been challenging, even prior to Covid-19. The reality is that most guests don't reach out to hotel staff unless there's a serious problem.

According to [Medallia Zingle's "2019 Guest Service Report"](#), only 25 percent of guests report any issue that impacts their guest experience, and

nearly 50 percent of guests don't report problems because there's no easy way to do so, or they don't like confrontation.

On top of this, the report also found that 42 percent of respondents would be willing to return to a hotel if a poor experience was addressed quickly and transformed into a positive one.

This gap creates an opportunity for contactless. Two-way messaging makes it easy for hotel executives to prompt guests for feedback early in the customer stay, revealing opportunities for service recovery and improving post-stay satisfaction. As an added bonus, automatic replies can streamline responses to repetitive requests, freeing up staff to focus on interacting with guests in person and learning more about their needs.

One example of how contactless can facilitate better listening is via a streamlined check-in process. Check-in traditionally offered hotel staff the opportunity to chat with guests one-on-one, helping them gather in-the-moment information

to ensure a perfect stay. But the reality of check-in, especially in 2020, is less ideal. At the official check-in time, employees are often swamped with guests, giving them little time to inquire about preferences, address property or service questions, or even just engage in casual conversation.

"Normally on a Saturday in peak summer, we'll have maybe 400 people arrive at 4:00 PM, and it used to be a very manual procedure," said Jack Hurley, commercial director with Luxury Lodges, a hotel company that now uses contactless to help share relevant room and property details in advance of guests' arrival. "No one enjoys that check-in experience — we don't enjoy it, they don't enjoy it."

But as Hurley notes, contactless helped his hotel to automate the more repetitive aspects of the check-in process like assigning rooms and providing directions. This frees the staff to focus instead on higher-level interactions. "[With contactless], they can go to their room when they want, and it means we can give a better guest experience."



Lori Connors, telephone manager at The Broadmoor, said that contactless communications have unexpectedly given the staff more opportunities to interact with guests during the hotel's busiest moments.

"It's just added more opportunities — our concierge desk is still busy with in-person guests, and we still have a lot of phone calls," she said. "But people that might not have ever asked for something or only told us in a review afterwards can now think, 'I can just text them and tell them that this is wrong.' And we can take care of it right then and there."

Yet another way contactless generates better insights is by making it easy to request mid-stay feedback.

"The mid-stay survey is there to capture guests that may not be having the type of experience we want them to have," said Marcus Story, [GuestPath business partner, Delaware North](#). "The ability to message a guest [during] their stay... and say [guest satisfaction is] a two, there's a window of opportunity to be able to address the issue in real time."

Alyssa Rodriguez, lead guest services agent at Carmel Valley Ranch, offered another example of the value of this approach when a guest otherwise might have stayed silent.

"There are small issues that might not be big enough for them to call or come to the front desk, like the

alarm clock being broken, but they can send us a quick text," [she noted](#). "It's a really quick, easy way for them to let us know if there's anything we can improve upon."

If those issues aren't discovered or addressed, they may not ruin a guest's entire experience. But they may show up in a negative review once it's too late to fix the issue.

"Previously, we couldn't get a chance to recover a guest or follow through with a guest until they were off property," said Hannah Whitmer, assistant front office manager, Tenaya Lodge at Yosemite. "A real-time system allows you [to] talk to them right this moment. That makes all the difference for us here."

Best of all, more hotels are also discovering that insights collected with contactless also have an impact long past the end of any single guest's stay. For example, contactless also allows hotels to gather polls of guest preferences, test out different room or promotional offers, or gauge interest in new products and services. This aggregate information can then be shared with staff and managers, which can also aid with training and coaching.

Over time, the feedback becomes not just something to react to; it also becomes a competitive advantage to hotels, helping them better educate staff and adapt their offerings to the changing needs of customers.



TREND #2: GUEST MESSAGING WILL STITCH TOGETHER AN OMNICHANNEL CUSTOMER JOURNEY



If there is a silver lining from the Covid-19 crisis, it's that businesses adopted contactless services out of necessity, which in turn has brought them up to speed with changing consumer preferences. But contactless is also helping hotels elevate the service experience as well, opening the door to interact with customers in a more seamless, consistent, and personalized fashion over the course of their hotel stay.

Due to social distancing requirements, understaffed hotels, and automated check-in procedures, it's possible for guests to occasionally feel like they're

“on their own” during Covid-19. This has created a situation where the hotel experience can sometimes feel disconnected: one off requests might be lost or forgotten, important property details might not be easily accessible when they're needed, or preferences of past guests may not be remembered when they return.

Thankfully, contactless services offer hotels a lifeline, enabling staff to seamlessly link together many of the disparate details of the hotel experience—whether that's check-in, concierge services, housekeeping, or room service—using guest messaging. These

messaging platforms help deliver consistent, customized, interactions that blend together the offline and online hotel experience in a user friendly way.

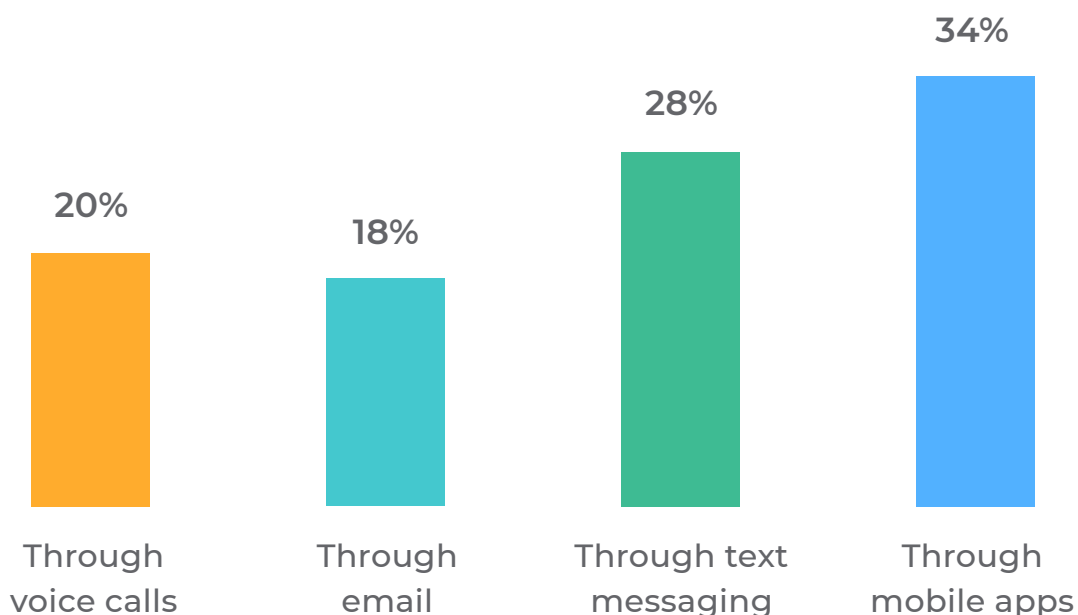
The reality of today's customer experience is that it happens across a variety of channels. According to Medallia Zingle's "COVID-19 and the Future of Commerce" report in May 2020, consumers interacted with businesses using a variety of channels, with significant uptake across mobile apps, text, voice, and email. Just over one-third used mobile apps (34 percent of all consumers) vs. 28 percent using text messaging. Another 20 percent coordinated contactless services via phone and 18 percent did so through email.

But even as this proliferation of interaction options creates more choice for hotel guests, it also makes it harder for hotels to deliver consistent service. If

a customer was to make a request using a mobile app, for example, a customer service agent that emailed with the customer might not be aware of the guest's previous communications. That's why there needs to be a single point of contact: it helps connect together isolated interactions into a consistent experience, and allows them to feel "seamless." This increasingly popular concept is often referred to as "omnichannel."

"A true omnichannel experience is interconnected and seamless throughout the entire customer journey," said Cheryl Pamplin, director of marketing at Medallia Zingle. "This idea of stitching together the guest journey is so powerful because that's exactly what's happening. Conversations go on pause and then pick back up again. It's literally stitched together, rather than broken up into isolated moments with no context."

During any experiences with curbside pickup, what have been the most common ways businesses have communicated with you to coordinate the timing and process?



Increasingly, customers and hotel executives are relying on messaging to deliver the seamless customer experience that today's guest wants. After all, messaging is already widely popular with consumers. According to Medallia Zingle, 80 percent of customers think it's easier to communicate via text or mobile app for contactless service, and 62 percent of consumers said they'd communicate with businesses more if they could text message with them. And from the businesses' standpoint, this is a huge advantage as well. As [Gartner](#) reports, texting has an open rate of 98 percent, ensuring key communications are seen. Furthermore, a [Flowroute](#) study found that consumers read 82 percent of texts from businesses in the first five minutes after receiving them.

In 2020, many hotel owners are turning to messaging to streamline the hotel experience for guests, starting before they arrive on site and continuing until after they leave the property.

"The guest messaging platform allows guests to start communicating with us earlier than they would have normally done so," noted Daniel Hutchinson, director of hotel operations for L'Auberge Hotels in Baton Rouge. "We found even prior to Covid, a lot of times it was hard to manage requests that would come in through our own lodging management system. Now we're able to set a message up a couple of days before arrival to let them know something about what's going on around the property, or the same day of arrival and try to get that request down."

Seven steps to a safe and contactless guest experience



And once travelers arrive at the property, other executives note that contactless messaging helps them further streamline and simplify the process of sending and receiving requests.

“Once they’re in the hotel, guests appreciate the speed and the ease of a text platform, as opposed to them dialing the phone, going through the menu on our ground control, choosing a number, waiting for somebody to pick up, and then communicating that message,” said Eddie Pico, a hotel manager with Hard Rock Hotels in San Diego. “This is more direct. We know who the guest is, we know what room they are in, and they can just go ahead and tell us what they need. And it’s a simple text back, like, ‘Sure, no problem. We’ll go ahead and take care of that.’”

Meanwhile at The Broadmoor, the property sends a welcome message they call “at your service” to all the guests within 10 minutes of being checked in. The message informs guests that if they need any assistance during their stay, they’re welcome to just reply to that message.

“It’s allowed us to get more personal in that aspect because people are asking questions that they might not have,” said Connors. “They’re just thinking

about something and then they’ll ask through the texts. A lot of them use it just to ask for everything under the sun. They use it for everything.”

Customers also benefit greatly from contactless when it centralizes information and ordering for amenities like room service. In the past, a guest might need to search their room for a physical menu (or maybe call the front desk, or wait for someone to physically bring it to them). Then the guest would have to call in their order. Depending on demand, the line might be busy. Once they finally get through and make the order, then they need to wait for their food, with little sense of when it might arrive.

Regardless of the nature of the request, whether it’s room service, a question, or a request for assistance, contactless guest messaging makes it the perfect opportunity to reduce friction from the entire hotel experience, from start to finish.

“By staying connected and available for two-way conversation, in the moments that matter, hotels can inform, support and engage staff and guests at scale and create safe and contactless guest experiences,” said Ford Blakely, founder, senior vice president, and general manager, Medallia Zingle.



TREND #3: ARTIFICIAL INTELLIGENCE AND PERSONALIZATION WILL TAKE GUEST EXPERIENCE TO THE NEXT LEVEL



Contactless solutions are increasingly considered table stakes in today's consumer world, especially as the specter of Covid-19 continues to impact travel and buying decisions. This fact seems likely to grow in importance for hotels in a future where technology is seamlessly incorporated into the travel experience.

But as contactless becomes a more ubiquitous (and necessary) part of the travel experience, hotels will need to find ways to elevate themselves and deliver a truly special guest offering. One possibility is leveraging automated features. A strategic and thoughtful use of automation can reduce friction

at points throughout the guest journey. And by introducing artificial intelligence to further personalize those interactions, hotels can also do it in a way that feels human, helping to take customer experience to the next level.

At hotels, as in any other human-focused service industry, the mention of "artificial" intelligence will immediately set off alarm bells. Will it take away human jobs? Will it depersonalize the warmth and friendliness that's made great hospitality the industry's gold standard? While each of these questions is worth asking, none of them are grounded in reality.

Instead, hotel executives are discovering that AI empowers their staff to more intuitively manage and automate specific interactions with guests. This frees them up to spend time where they will be most impactful, elevating the most important guest interactions so they get the proper human touch they deserve. And best of all, this automation is a tool they can calibrate to suit their unique business and property needs, turning the level of AI assistance and automation up or down as circumstances require.

As various hotel executives now recognize, automation is all about context.

“When we first started using Zingle, I was really impressed at the ability to balance how to use that AI benefit,” said Hutchinson of L’Auberge. “There’s a certain number of actions that make sense to automate and use AI, and then there are others that it still feels good to have a personalized response come back. The main concern is are you really giving the guest what they need, or what they want, or what they’re asking for?”

Hutchinson likened any initial hesitation to the feeling we’ve all had when we’ve asked Siri or Alexa for something, and the response is completely different from what we asked.

“That was concerning for me,” he said. “I think the difference is, when we look at texts, Zingle is able to recognize what somebody’s typing, and it’s really been able to encompass a lot of what the guest is requesting based on keywords.”

These benefits are increasingly backed up by research showing that AI-powered contactless services can benefit hotel employees and guests alike. In a 2019 report from [Starfleet Research and Oracle Hospitality](#), 86 percent of hoteliers agreed that AI improves employee satisfaction. The same report noted that when hotels implement AI-enabled technology, on average 70 percent of guest requests are handled automatically. Both, in turn, improve guest satisfaction.



“Machine learning can be used to sift through enormous volumes of data and make strategic decisions based on guest characteristics and behaviors that automate ‘best next actions’ much faster and more accurately than any human or team of humans,” the report noted. “It is not hard to imagine all the ways that hotels can tailor the experience they offer guests. The important point is that hotels now have the capacity to automatically match guest preferences and tastes to related opportunities, and even automatically alert hotel staff, who can then act upon those opportunities with high-touch customer services.”

Indeed, machine learning algorithms are only as good as the information they’re given. Used thoughtfully, however AI will significantly augment and enhance hotels’ ability to learn about their guests’ preferences at scale and offer them better, more personalized service. With greater knowledge of guests’ needs at any given time, hotels will be able to prioritize and focus on what needs the most attention in real time.

“To me, artificial intelligence means that machines start learning certain behaviors or certain ways of doing things, and then consistently improves

the interaction or whatever it is because of that learning,” said Heny Gabay, corporate vice president of marketing for Club Quarters. “[AI] enables us to learn more about our guests because all of a sudden we know what they’re looking for, and we know what kinds of things they’re asking about, and we understand them a little bit better through a different lens.”

“Adding that to our CRM is a way for us to connect more with our guests,” she added. “So if Sally asked for two towels every day, maybe next time Sally comes, we’ll have extra towels in her room already. I don’t think that’s necessarily artificial intelligence. I think that is intelligence that we obtain that then allows us to serve them better.”

If contactless technologies and guest messaging help provide insight into any one guest’s experience, giving hotels a better understanding of how to enhance service in that moment, AI tools are searching for patterns among “regular” guest experiences to see the unseen. Automated messaging is a critical tool that opens the door to more personalized interactions, but a uniform approach without capturing insights may do more



harm than good. Ultimately a human is still going to be involved in the decision making and response process to help ensure the best possible experience.

“We do have automated messages in place, but every text does get reviewed by a person,” noted Pico of Hard Rock Hotels. “So, a towel request may be replied to with an automated message saying, ‘Absolutely, we’ll have the towels right up for you,’ but for some more serious texts that come through, there is a little bit more follow through, a little bit more personalization. If there’s ever a question, it always gets brought to a manager on duty and gets resolved correctly.”

Thinking longer term, the impact of AI for hotels will go beyond what’s happening in the hotel at any given time, helping create a better service model over time. For example, hotels can use insights gathered via artificial intelligence to build segmented customer personas as different customer interaction patterns emerge.

Gabay of Club Quarters provided an example of how these unexpected insights can streamline future service interactions.

“During the pandemic, people have been texting to simply ask for their garbage to be removed. This led to the realization that, first of all, the garbage cans in the guest rooms are not really big enough, especially not considering these times where everyone’s ordering food in and not necessarily having their room cleaned overnight. And so the need for larger garbage cans was important. In addition, they now leave an extra garbage bag in the guest rooms that people can just leave outside their door.

“We’re able to give them more information before they ask for it,” she said.



TREND #4: CONTACTLESS OPERATIONS WILL GUIDE HOTELS THROUGH THE RECOVERY



2021 is shaping up to be a year that will be different and unpredictable for hotels. According to a forecast from STR and Tourism Economics from August 2020, occupancy is expected to rise significantly — from an estimated 41 percent in 2020 to 52 percent in 2021 — but will remain far below 2019 levels of 66 percent. And with RevPAR dropping by over half (\$41.31 in 2020 vs. \$86.64 in 2019), it's understandable that hotels may be wary of changing up their operations and guest experience playbook too drastically.

After all, with dire economic circumstances ahead, and many properties operating with reduced staff, it may not feel like the right moment to invest in new tools, or change operating procedures. But the truth is exactly the opposite: There's never been a better time. In fact, the hotels that choose to invest in a contactless platform are finding it creates a new sense of stability, continuity, and efficiency that will position them to succeed well beyond the current crisis.

Deciding to implement new technology in a hotel is always a tough decision, even when a crisis is not present. An annual survey by [Hospitality Technology](#) showed that in 2017, only 15 percent of hoteliers saw themselves as leaders in the guest-facing technology space. This increased to 50 percent by 2019, highlighting the focus hoteliers have put on technology that impacts the customer experience in recent years. Barriers to faster adoption, however, included a lack of budget (45 percent), concerns around security and privacy (33 percent), and the inability to integrate with existing systems (31 percent).

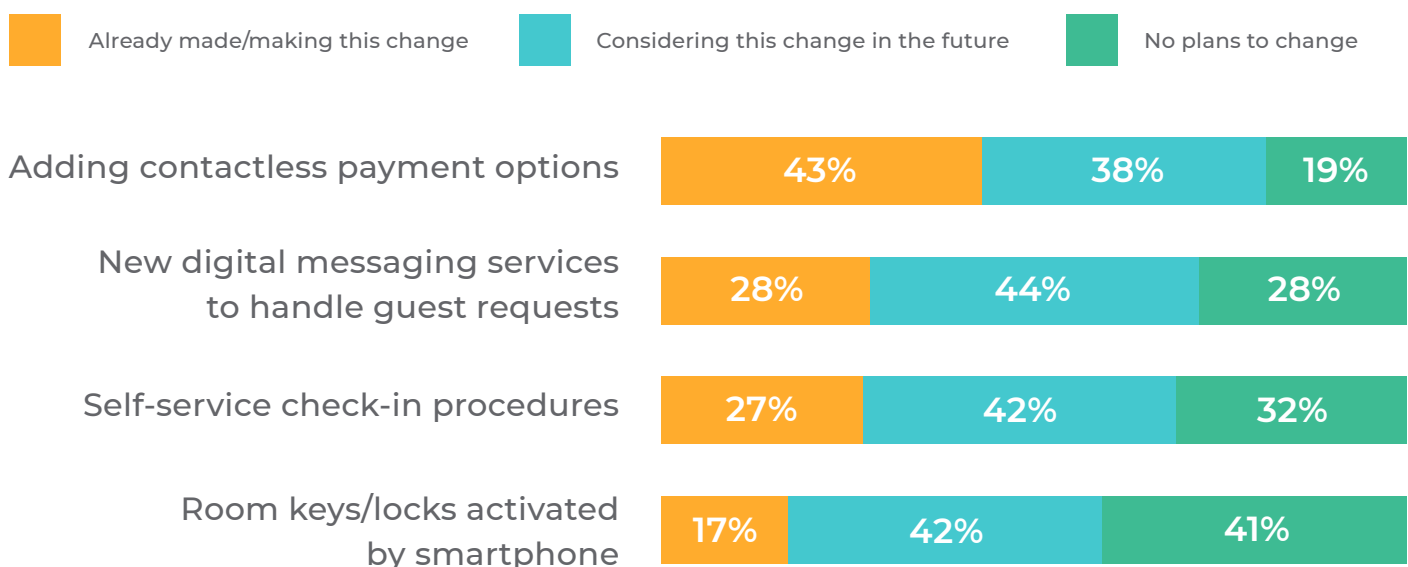
But Covid-19 is now turning these limitations upside down when it comes to considering technology like contactless. It's true that contactless payments, digital messaging, self-service check-in, and smartphone-activated room keys have been around for years. Consumer interest was there, and guests were open to trying what was made available. However, consumer demand to provide them was lacking until it abruptly skyrocketed in 2020 thanks to the pandemic.

And more hotels seem to be taking this message to heart. The growing consensus around technology like contactless was summed up in an [August 2020 essay](#) on the state of the hotel sector. "Software is key to how you anticipate, react and recover from a recession. It makes you better at acquiring guests, running an efficient operation and maximizing every dollar ... Never again will you have this much time to try different technologies."

And indeed, according to research by Skift and Oracle Hospitality, hotels said they are now much more likely to adopt these types of services than before the pandemic started. For example, 44 percent of hotels said that they would now consider digital messaging in the future, in contrast to 28 percent who had already made this change. The survey found that 42 percent of hotels are considering an offer of self-service check-in, compared to 27 percent that had already adopted it.

This data illustrates how Covid-19 is providing the motivation to embrace contactless. But many hotel executives are discovering on their own that

Adoption rates of various contactless technologies according to hotel executives



the technology exceeds expectations, helping them streamline and improve their business in unanticipated ways.

“Out of all the negatives Covid has caused, [one positive is that] it has made us as a business, much more technology friendly,” said Hurley of Luxury Lodges. “We were very much spreadsheet-led. It was all manual. So we put in a whole new HR system, and we’ve tried to make our whole experience a lot more digital, from operations to customer-facing. When you get to reception now, I think it gives our staff [a real-time sense of] how our guest stays are going. You can make any notes, so anybody else picking up the next shift can see how that guest is, what their current view is on the situation, which you wouldn’t have had before — it was literally a paper note.”

Other hotel operators agree that implementing contactless right now, however difficult they imagined, is already providing efficiency improvements and insights that will last well beyond the pandemic.

Consider another example from Medallia Zingle’s “The Hotelier’s Guide to a Contactless Guest Experience,” which details the story of a luxury hotel in New York City that reopened in the heart of the first Covid-19 outbreak in April 2020. The city was under siege from coronavirus spread, and the hotel was able to restart operations to exclusively serve front-line healthcare workers. The hotel’s GM knew she had to minimize the need for face-to-face contact to keep guests and employees safe, so she relied on text messaging to engage both staff and guests in real time.

The report noted, “While this was a defining moment for the New York City hotel, the stress test also allowed the hotel to evolve its operations in a way that has prepared it for reopening to the general public. Despite having a much smaller team, the luxury hotel was still able to provide a high level of service to its very important guests by efficiently using text messaging and workflow automations to minimize manual processes.”



The proof point is that the hotel accomplished these operational disruptions with only half of its usual front-line staff. This shows that real-time communication can inform, support and engage staff and guests at scale through contactless interactions even in unimaginable scenarios.

Some skeptical hotel executives have also come around to the benefits, especially when it comes to areas like staff efficiency, continuity of guest service, and most importantly, saving money on operations.

“Some properties might see [contactless] more as a luxury than something that they need to provide, but I can speak for our property at least, we’ve streamlined a few different services that we subscribe to into one platform in Zingle,” said Pico of Hard Rock Hotels. “I’d be surprised if four-star hotels weren’t using some or multiple methods of guest communication already, and maybe you could realize savings in just streamlining it into one service.”

For others, contactless has forced them to redesign an awkward guest request system.

“In the past, the whole [request] process was clunky to me — I don’t have a towel, I pick up the phone, I’m getting put in a queue and it’s frustrating if I can’t get through to anybody,” said Hutchinson of L’Auberge Hotels. “Then the hotel staff would go into another system and type out a work order.”

He noted that guest messaging platforms like Zingle remove a lot of friction, centralizing coordination efforts and making life better for the guests and staff. “So I said, ‘Hey, where’s there a system that can receive this message and then just generate the work order?’,” he added. “We’ve definitely found those efficiencies, and we talk about this all the time. My front desk staff would tell you they couldn’t see a normal life without Zingle or go back without it.”

“I think when you look at the cost per solution, the benefit that I get from operational efficiency of putting technology like this in place made sense right away,” said Hutchinson. “The ROI would have been there even before Covid, and it’s definitely there now.”



TREND #5: CONTACTLESS WILL DELIVER A HUMAN-FOCUSED FUTURE FOR HOSPITALITY



Contactless technology has proven to be a lifeline during the Covid-19 pandemic. It has allowed hotels to stay open, and in many cases, helped surprise and delight travelers in unexpected ways. But of all the benefits of contactless, one of the most important is also the most counterintuitive: it allows hotels to continue delivering human-focused hospitality.

Thanks to its unique blend of automation and personalization, contactless helps hotels to streamline operations, allowing them to focus where it matters most: serving guests.

Certain functions at hotels that have always been time intensive (check-in, answering common questions about amenities, making reservations) benefit from this automation, freeing up staff to focus on the tasks that really earn guests' trust and appreciation, such as front desk, concierge, and other personal interactions. An additional benefit of this human-focused approach is providing communication and assistance for hotel staff, allowing them to complete their jobs safely during a moment of increased uncertainty.

According to the Skift Research Travel Tracker June 2020, 46 percent of travelers chose branded hotels for accommodations during the pandemic because they felt comfortable being able to control their environment. These results shine a light on the calculus many travelers are making today. By using contactless to proactively offer information about protocols and procedures to attract guests, and communicating with them directly and personally when they are on property and post stay, these preferences can more easily be addressed. That's true whether a hotel property has 10 rooms or 1,000.

Ultimately what the data also suggests is that travelers want more control over their trip: They want help and information when they urgently need it, and they're fine relying on automated self-service and online information when they don't. But distinguishing between these two needs has historically been challenging for hotel staff.

That's why contactless is helping empower hotels to prioritize what's truly urgent and important in a more nuanced, and more importantly, human way. Augmented by insights into guest behavior, smart contactless tools help filter and prioritize response decision making, noting that "this type of phrase from a guest means this," while "that type of phrase means that." These types of insights identify when to automate and when to act with genuine warmth and care.

Consider an example from L'Auberge's Hutchinson, who recalled a situation where guests told them via contactless text system that they were going to be celebrating a 75th birthday. From that point on, they were able to roll out the red carpet.

"We waited for them in valet, gave them expedited service, came in and really had a personalized interaction. And that came because we understood



it from a text message and it gave us lead time to respond instead of having that conversation up at the desk and then scrambling,” he said.

And as the infection risk created by Covid-19 starts to diminish in the future, the role for contactless will also continue to evolve, becoming not just useful but also increasingly personal.

“The human connection is critical, post-Covid, as people start becoming less concerned about safety,” said Club Quarters’ Gabay. “There are definitely things that we can do to maintain that connection, ensuring that the responses are warm human responses rather than automatic responses, making sure that once there’s a resolution, that the resolution is a warm resolution of an issue. The human connection comes through that communication, and then also at the resolution of that communication. So I think that it’s definitely going to evolve.”

It’s also important to remember the role of hotel staff in this human-focused future. After all, the industry employs hundreds of thousands of people that are living through this challenging economic environment, whether they have endured shutdowns, furloughs, or layoffs. And at some properties, contactless is playing an important role to provide information, resources, and support for employees.

“The hotel was closed from March 21st until June 28th, and we used Zingle to correspond with our employees during that time,” said Connors of the Broadmoor. “We had food drives, and were letting employees sign up to come and get food. We also gave them updates on what was going on with the hotel because we didn’t know for quite a while when it would reopen and how. So it was very helpful then.” “I can tell you, that’s probably one of the big pushes for our executives at the hotel to really see the important and useful things we can do with Zingle,” she added.

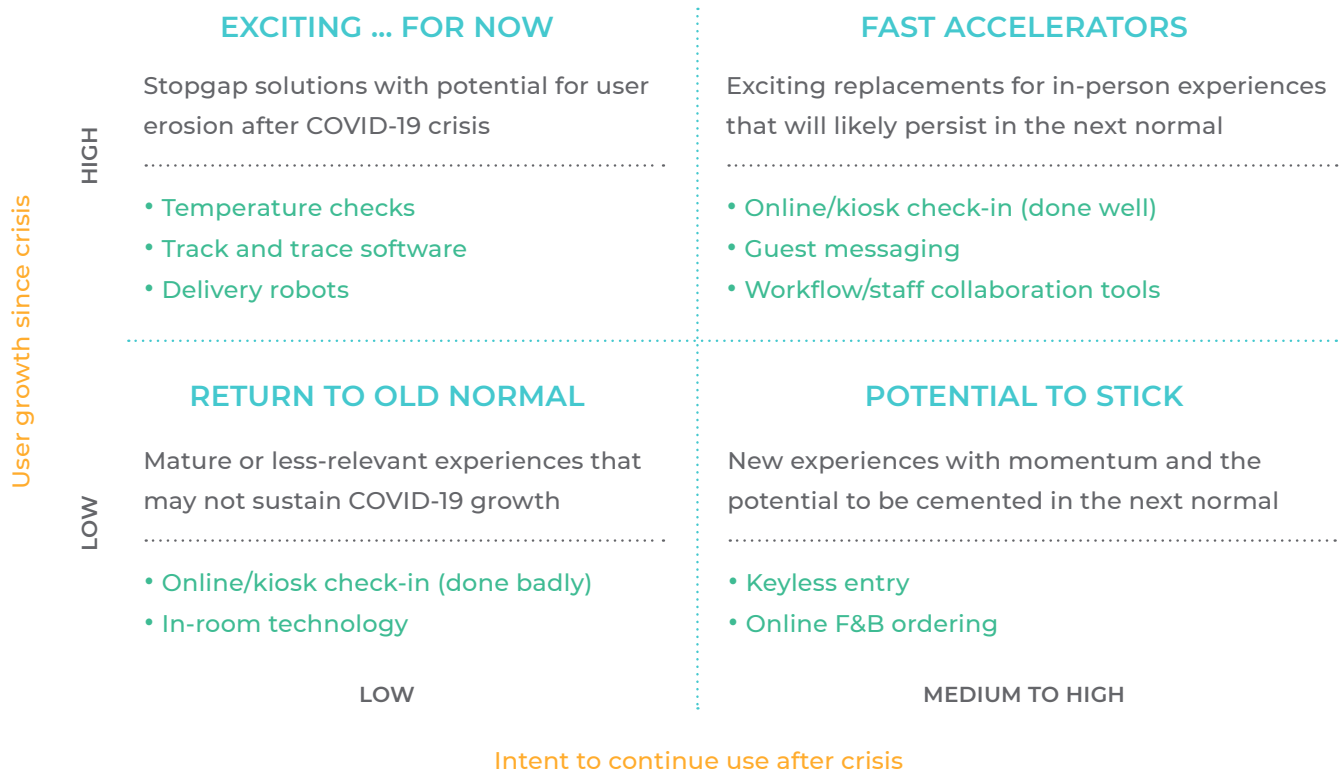
Contactless technology will be a crucial talking point in the humans versus automation debate. In some ways, that’s misguided, because the larger debate is centered on which has greater overall value or potential. Some tech enthusiasts may feel that travelers are now so used to seamless, frictionless technology in their daily lives that they will expect the same at a hotel. Others hold tight to a romantic vision of resisting the encroachment of anything that stands between hotel staff and a face-to-face interaction with the guest. Or they worry about unexpected costs of implementation, or how guests will perceive it.

“I have never even considered looking at this as a savings point and saying, ‘OK, let’s take it off the books,’” said Pico of Hard Rock Hotels. “Because it gives us so many different ways to stay connected with the guests, and we’ve had nothing but great reviews as well.”

The reality is that each guest arrives on a spectrum of preferences somewhere between these two extremes of automated self service and one on one interaction. Optimal customer service relies on doing everything possible to provide access to those preferences wherever possible. These trends show that contactless communication is bridging the gap between people and technology, enabling a human-focused future for hospitality across that spectrum.

“The heart of hospitality will always be human,” said Medallia Zingle’s Blakely.

CONCLUSION



Source: Skift Research, adopted from McKinsey & Company

Contactless technology is not a replacement for human interaction. It’s an enhancement to our humanity. Regardless of technological developments or disruptions, hospitality will remain a people-driven industry centered around personal interaction and connections.

However, as every industry must, hospitality has to evolve. 2021 is going to be a pivotal year for the hospitality industry, but it will be an opportunity to take a step forward into an unknown and exciting future. It will be a year full of challenges, but also filled with hope, and hopefully joy, as the world begins to thaw from its Covid hibernation.

As the recent Skift Research report, “Contactless Tech in Hospitality 2020,” aptly noted, the contactless tech receiving so much buzz in the hotel industry today pre-dates the current crisis. The report included the McKinsey matrix, discussed at the start of this report,

warning against hype but also offering hope that the measures put in place today will have a significant positive impact on hotel operations and guest experience in the future, especially if done right.

That’s why these trends matter. Guests want the latest technology, and they’re more than willing to say so in surveys. Meanwhile, contactless tech also will help hotels realize much greater efficiencies from streamlined operations. But ultimately, what matters the most is how hotel staff puts that technology to use to provide exceptional services and create meaningful memories with travelers.

Guests will always remember the service they received above all else. Contactless technology is not a threat to personalized service, it’s an ally and an enhancement allowing hotels to free up resources and focus on the things that truly matter.

ABOUT SKIFT

Skift is the largest intelligence platform in travel, providing media, insights, marketing to key sectors of the industry. Through daily news, research, podcasts, and Skift Global Forum conferences, Skift deciphers and defines the trends that matter to the marketers, strategists, and technologists shaping the industry.

SkiftX is Skift's in-house content marketing studio, working collaboratively with partners like Adobe, Airbnb, Hyatt, Lyft, Mastercard, and many more on custom projects to engage the world's largest audience of travel influencers and decision makers.

Visit skiftx.com to learn more or email skiftx@skift.com.

The Skift logo is rendered in a large, bold, black sans-serif font. The letter 'i' in 'Skift' has a dot, and the period at the end of the word is a solid black dot.

ABOUT ZINGLE

Medallia Zingle empowers businesses to engage, support and respond to customers in more meaningful and impactful ways. Zingle's customer engagement platform combines artificial intelligence and machine learning with workflow automation and mobile messaging, allowing brands to easily deliver exceptional customer experiences in real time.

Leading brands across different verticals, including hospitality, food & beverage, retail, and more, use Zingle to increase efficiency, improve operations and delight their customers.

Zingle is a division of Medallia, the pioneer and market leader in experience management.

Find out more at zingle.com.

The Medallia Zingle logo features the word 'Medallia' in a bold, black sans-serif font, followed by 'Zingle' in a blue sans-serif font. A small blue diamond is positioned above the letter 'i' in 'Zingle'.