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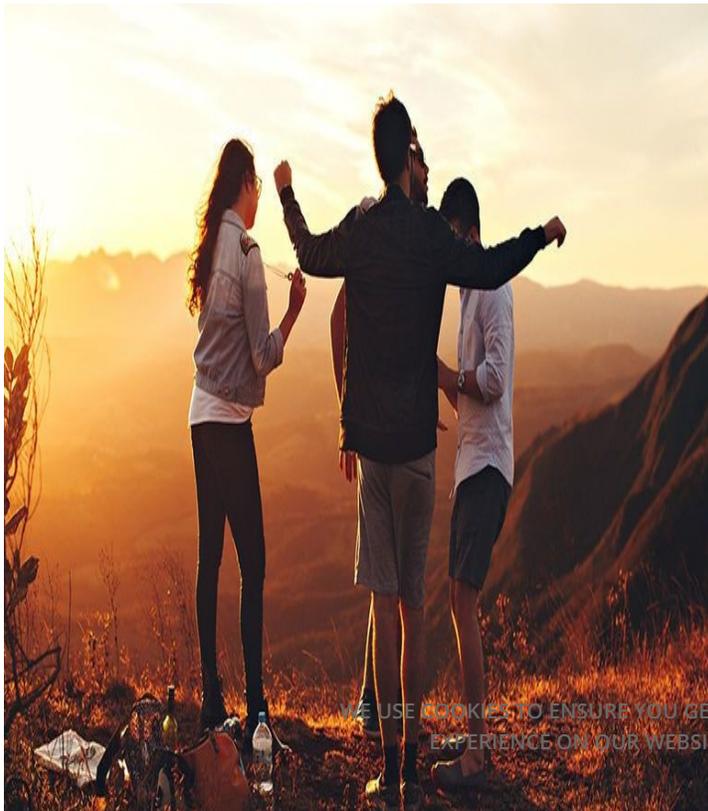
OPINION ARTICLE

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The Top 7 Hospitality Trends Every Hotelier Should Watch in 2019

By **Tammy Farley**, President & Co-Founder, The Rainmaker Group

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Last year proved to be a strong one for the U.S. hotel industry, with occupancy, average daily rate (ADR), and revenue per available room (RevPAR) all trending positively. For



2019, STR and Tourism Economics¹ optimistically project another year of growth. Changes in supply, however, will impact local market occupancy levels and hoteliers' pricing power, with many hotels experiencing more intense competition among key guest segments. To maintain profit margins, and stay ahead of the curve, consider your business in light of these top seven hospitality trends.

Appealing to Next-Gen Travelers

In 2019, we'll see increasing focus on Millennial (Generation Y) travel trends, as Millennials overtake Boomers² in population this year. Historically, the travel industry has treated business and leisure travelers as two distinct entities. But Millennials - who are expected to account for nearly half of all business travel spending by 2020³ - are more likely to extend a business trip into a leisure vacation (bleisure). And adventure-seeking Millennials have championed the burgeoning "experience economy," valuing unique, cultural experiences over material possessions.⁴

Generation Z (those born between 1995 and 2000 depending on which source you use) are coming up hot on the Millennial's heels when it comes to desire





hospitalitynet™ 3 generations share
 1. Difference between Gen

Zers and Millennials is their desire for security. Having grown up during the Great Recession, Generation Z tends to be more pragmatic and fiscally responsible when it comes to travel.

Hotels can attract more Generation Y and Z customers in 2019 by offering off-the-beaten-path activities and opportunities to interact with locals, all the while incorporating incentives and discounts that appeal to their budgets. When it comes to F&B,⁵ both generations favor communal dining tables and organic, locally sourced dishes over fancy fare. And they're connected 24/7, with technology influencing how they shop and pay for travel. So, conveniences like mobile check-in and chatbots that provide instant answers to questions are increasingly important.

Personalization 2.0

In a move that mirrors the European General Data Protection Regulation (GDPR), last summer the California legislature passed the California Consumer Privacy Act (CCPA)⁸ which goes into effect at the start of 2020. The new law will affect the state's privacy landscape in terms of personal data collection. And is likely to create an impact that will spread across the entire country.

Despite this however, the demand for greater personalization, or hyper-personalization, is increasing. With the vast majority of travelers willing to share personal information and preferences in

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hospitalitynet™ and personal touches.
mium¹⁰ for those

personalized services. A survey by IBM Global Business Services⁹ revealed that more than 70 percent of hotel guests report positive experiences with personalization.

To achieve hyper-personalization, hotels must devote resources to harnessing the power of data, collecting and analyzing information at every customer touchpoint from your proprietary website to social media. Cloud-based solutions unify that information across technology platforms, giving you actionable insights into ways you can tailor individual guest experiences that will drive repeat business and increase revenues. As an example, perhaps a repeat business traveler routinely declines your parking option. Advanced systems can detect this behavior pattern and replace it with a more relevant offer, such as round-trip shuttle service or a drink voucher in the hotel lounge.

Reinvented Loyalty Programs

Loyalty programs are popular with Millennial⁶ and non-Millennial travelers alike, with about half of all U.S. leisure travelers⁷ now belonging to one. Today's travelers are demanding more flexibility in their loyalty program experience. Not everyone wants a discount or complimentary night's stay as a reward. A change we'll see in 2019 is a move away from the points-only reward system.





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anywhere within your brand experience. This may include guests using points for a spa treatment, restaurant meal, or in the gift shop. Reimagined programs are also offering experiential rewards, such as tickets to live events, wine tastings, or exclusive activities. A deep understanding of your customers will help you determine which rewards speak most effectively to them, allowing you to forge deeper connections and adding greater value to their stays.

Integration over Isolation

In the past, revenue strategy, sales, and marketing have functioned in isolation. Each with their own goals, technology solutions, and customer databases. Their efforts were rarely aligned, with each using different data sets to develop marketing strategies and make key pricing decisions. The result was missed revenue opportunities, less effective direct marketing, and lower profitability.

Throughout 2019, we'll see a convergence of revenue strategy, sales, and marketing into one cohesive revenue-generation team, working in coordination to acquire, engage, and retain guests. Integrated technology solutions, particularly those utilizing artificial intelligence (AI) to analyze Big Data, will help increase hotel profitability by enabling cross-functional alignment and generating a single customer profile. One that takes into account detailed information like past preferences, reason for travel, length of stay, and booking behavior.

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Another trend that's emerging is total revenue optimization that takes the full lifetime value of guests into account. Hotels are applying revenue optimization strategies to all hotel profit centers, going beyond a pure rooms focus to include F&B outlets, ancillary revenue sources, and conferencing spaces. In addition, hotels are becoming more strategic with group bookings. New tools have emerged that allow sales to quickly and accurately evaluate group business. Systems instantly generate optimized pricing, allowing hotels to close more deals while maximizing groups and meetings total revenue.

Social Media Matters

In the evolving world of digital marketing, hoteliers cannot afford to ignore the tweets, Instagram pictures, and Facebook posts that now define the social media domain. Millennials in particular are extremely active on social media, with 91 percent trusting online reviews¹¹ as much as they would a personal recommendation.

Reputation management and having an active social media presence are crucial for your business success in 2019, with 49 percent of leisure guests, and 43 percent of business guests,¹² regularly sharing views about their most recent travel experiences on social media. Hotels can engage with guests on social media, obtaining a gold mine of guest preference information and post-trip feedback. In addition, effective and free advertising in the form of user



hospitalitynet™:inue to grow. Hotels
thy" scenes on

property to encourage photographs.

Sharing Economy Impact

Disruption caused by the rise of the "sharing economy," has reshaped the behavior of travelers.

Guests appreciate platforms like Airbnb for their personalized approach, authenticity, and uniqueness.

And with 68 percent of travelers¹³ seeing no noticeable difference between hotel chains, hoteliers have their work cut out for them.

Brands seeking to compete effectively with alternative accommodation sites are updating room décor with distinctive, local touches. And transforming lobbies into relaxing coffee shop-style settings that speak to the desires of today's travelers for combination co-working/socializing spaces. Furthermore, on the revenue strategy side, hotel managers are capturing more market share by accessing granular data and leveraging analytics in order to understand market penetration, pricing, and the dynamics around elasticity associated with these platforms.

This year is poised to be an action-packed one for the hotel industry, filled with new challenges and changes. By understanding and embracing these trends that are steadily transforming the industry - and putting the right tools and systems in place - you'll improve guest experiences, enhance your reputation, and optimize your revenue in 2019 and beyond.

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About Rainmaker

Rainmaker is the hotel revenue management and profit optimization cloud. The company partners with hotels, resorts, and casinos to help them outperform their revenue and profit objectives.

Rainmaker's cloud-based solutions for transient and group pricing optimization, demand forecasting, business intelligence and market analysis are designed to help hoteliers streamline operations and revenue optimization processes, improve lead performance and drive guest bookings. Recognized as one of the top privately held companies in the United States, Rainmaker has been named to Inc. 5000's 'Fastest Growing Privately Held Companies' for the last seven years and to the *Atlanta Business Chronicle's* list of '100

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