



Personalization, Tight Budgets Dictate Hotel Tech in 2021

Lack of Funds Hamper Tech Improvements



Signs display instructions for mobile, contactless check-in as well as COVID-19 safety information at an entrance at MGM Resort International's Excalibur Hotel & Casino in Las Vegas. (Ethan Miller/Getty)

By [Sean McCracken](#)



Greater personalization for guests and more control over their stays through mobile devices are expected to be the defining technology trends for hotels in 2021, but any improvements in that regard must be done in an environment of historically tight resources.

“The focus will be on mobile everything and personalization of everything,” said Patrick Dunphy, chief information officer for industry group Hospitality Technology Next Generation.

While personalizing stays and messaging to guests isn’t a new goal for hoteliers, he said the push will grow more universal and pressing this year in large part due to the ongoing COVID-19 pandemic.

“For larger brands with consolidated and effective loyalty systems, they’ve been thinking about this for years, but there’s much more urgency to act on it,” he said. “It’s more important to respond on a case-by-case or personal basis with urgency from COVID-19.”

Dunphy said he expects this mentality will seep into various aspects of hotel operations “from merchandising to check-in and check-out to guest and staff messaging to payment processes and rethinking of how hotel products and packages are sold.”

This poses a significant challenge, particularly among smaller operators and independent hotels, he said.

“It takes a lot of systems to make it work,” he said. “But because habits are changing with the pandemic, hotel brands are thinking about more effective personalization strategies, and the rate of change for this was already high prior to the pandemic. Now it’s even faster.”

Suzie Hall, president and founder of hotel development firm The Cornerstone Collective, said hoteliers are focusing on more touchless options and “expanding smartphone apps” to give guests greater personal control over their stays. She said that desire for greater autonomy and control will be a “lasting psychological effect” for travelers coming out of the pandemic.

“These are being added to alternates for bidding for both renovations and new construction,” she said.

In a few years, tech features such as mobile check-in and keyless entry to guestrooms will be ubiquitous in the industry, along with smartphone-based solutions that replace or supplement the requirement for human interaction during aspects of a hotel stay, Hall said.

Julia Vander Ploeg, senior vice president and global head of digital for Hyatt Hotels, said her company’s focus is on adding “enhanced digital amenities” through its World of Hyatt app, which reflects the broader trends Dunphy and Hall outlined.

“Digital Key capabilities are available at more than 500 Hyatt properties worldwide, giving our World of Hyatt members the opportunity to bypass the front desk and access their guestroom and other public spaces directly from their smartphone,” Vander Ploeg said in an email interview. “Hyatt properties are also finding great success with on-property digital mobile ordering experiences. Our digital team has worked quickly to ensure our hotels

can seamlessly adopt QR code technology, making it easy for [food-and-beverage] teams to support mobile menus and payment for restaurant order pick-up or knock-and-go room service.”

Sloan Dean, president and CEO of third-party management group Remington Hotels, felt similarly about these priorities in how his company is investing in tech in 2021. He ranked his properties’ priorities as: mobile keys; mobile ordering and payments; automating the front desk, retail and food-and-beverage outlets; and improving in-room air quality.

He said his company is looking at “saving money plus improving contactless experience.”

A lot of these changes are focused on guestrooms and the primary public spaces, such as lobbies, Hall said, with large group meetings spaces lagging for the time being.

“There are some different things being tested out, like putting in new screens so furniture can be divided and to help control group sizes, but that’s more of a test, if you will,” she said. “Right now, the focus in those spaces is indoor air quality and ventilation.”

Vander Ploeg said, however, that her company is focusing on technologies to enable “flexible and hybrid meeting solutions during the pandemic and beyond.”

“These hybrid meetings use multiple locations — either spread out through one hotel or across several properties — to accommodate distancing and use technology to combine virtual and in-person experiences,” she said. “For

instance, hotels are rolling out technology like 360-degree panoramic cameras so virtual attendees can see the entire room and automatically focus on the active speaker.”

Vander Ploeg said the goal of those meetings will be to make them as similar as possible for in-person and remote attendees.

“For a recent hybrid meeting at Hyatt Regency O’Hare [in Chicago], the property team went so far as to replicate the on-site meals for the remote attendee,” she said. “The same breakfast, lunch and snack arrived via contactless delivery right at the doorstep of the virtual attendee’s house.”

Hyatt has also adopted technology for virtual tours and “digital room diagramming” to sell and ultimately plan these hybrid events, Vander Ploeg said.

“Our Hyatt event planners can use [the diagramming technology] to illustrate various meeting room set-up options with social distancing, which in turn allows for optimal in-person and virtual attending experiences,” she said.

Hall also expects to see a greater push for voice-activated technology in guestrooms and possibly in public spaces moving forward.

Neither Hall nor Dunphy expect a big rollback of technologies adopted during the pandemic to mitigate the risk of virus spread. Dunphy noted that many of the changes to emphasize a touchless experience provide ongoing operational benefits to hotels.

“You can look at something like Wyndham adopting mobile check-in and check-out at all 6,000 of their hotels. There’s a significant operational benefit from staff and other things related to the check-in/check-out process not being at the front desk, for example,” he said.

Dunphy said the pandemic-related changes that are likely to fall by the wayside are mostly things that were discussed a lot in the early days of COVID-19’s spread but never really took hold, such as temperature screenings for guests at arrival. At the same time, he believes hotels could face blowback if they haphazardly roll back pandemic-induced operational changes.

“Things like cleaning protocols should stay for some time,” he said. “Many hotels recognize how fragile consumer confidence is.”

Sanjay Rama, principal and president of Everwood Hospitality Partners, said sanitation and the technology that enables it are still at the top of his company’s priority list.

“The obvious is a focus on sanitation, electrostatic guns, robot vacuums, contactless solutions,” he said.

Rama said he doesn’t foresee these changes going away, particularly related to contactless technology.

“The pandemic is a great justification and catalyst for the contactless trend to gain a greater foothold,” he said. “It won’t roll back.”

Short on Cash and Personnel

As pressing and important as all of those changes are across the hotel industry, they'll have to be made in an environment with exceptionally tight budgets due to historically low demand and revenue for hotels, along with most hotel companies relying on skeleton crews in their IT departments.

Dunphy said hoteliers are adapting to this challenge in part by “buying more off-the-shelf solutions” for technology, as opposed to trying to develop them in-house, requiring more labor. At the same time, anything that absolutely doesn't need to happen in the tech space simply isn't happening at the moment.

“The regular refresh programs won't happen because of a lack of capital and personnel,” he said. “The trickle down from that will impact a lot of players. It's not just a problem for hotels but the vendor community that supports them.”

Hall said tech initiatives are being built into projects as alternate bids in part to gauge their overall costs, and she is cautioning clients to only work with well-established vendors and partners in the tech space for the time being to reduce risk.

“There are a lot of people [and new companies] jumping in now without that experience, so you need to work with trusted partners,” she said.

The areas that specifically are likely to lag until there's an overall rebound in the industry are upgrades to “infrastructure like Wi-Fi and common hotel systems,” Dunphy said.

At the same time, Hall said, hotels that invest in things like expanding Wi-Fi to outdoor spaces will be poised for greater success as the year goes on.

“People are now on their devices more than ever because they’re physically distanced, so [hotels should provide] that platform with great signal and connectivity,” she said, noting food-and-beverage outlets should also have things like happy hour menus pop up on personal devices.

Dean said his team has had to be thoughtful about when it deploys improvements.

“Obviously, the balance sheets of our various owners have been hammered,” he said. “We are implementing the [improvements] where CapEx investment is minimal, such as retrofitting door handles instead of replacing them.”

Ultimately, Dunphy said the hotel industry will need some level of governmental intervention to help support its long-term prospects and its ability to make necessary tech improvements.

“There needs to be additional regulatory stimulus in the U.S. and abroad,” he said. “We’ve seen some progress in recent bills in the U.S., but there needs to be a lot more done in relationship to the downturn for this industry.”

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