

HOTEL OF THE FUTURE

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Abstract

We live in a world of change, and the pace of change has never been faster. The consequences are very far-reaching, and adaptability has become the most important success factor for people, for different industries, for countries, and indeed for everyone. The impact is enormous and comes from so many sources that the hospitality sector, of course, cannot be excluded. There are changes in the way we live, in the way we interact, changes in demographics or politics, new resources appear in our lives and others simply disappear, and climate change and sustainability are now hot topics for everyone. This paper aims to explore how these changes will affect the future of the hotel industry and how a hotel may look in the near future considering the influences and pressures of so many changes.

Keywords: hotel business, changes, evolution, tourism, digitization and sustainability

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1. Introduction

In the context of the countless upheavals that all sectors of the economy are facing, with the many influences that bring changes to the usual way of working in almost all sectors of the economy, the question that naturally arises in our tourism sector is where the hotel industry is heading, how much of the current way of working will remain, and what will change in the near future? It is clear to anyone working in the sector that the classic way of doing business will not last much longer. And it is equally clear that only those who embrace change at the right time will be the winners.

But this is not the first time that our sector has been under pressure to change radically. We recall that in the past the abolition of the post of baggage handler in certain hotels was seen as a major change that was difficult to understand by some conservatives but very well received by the market. Not to mention the advent of Internet booking systems (now OTA - online travel agencies) and the revolution that booking.com brought to the hotel industry, or the still hard-to-digest impact of the advent of STR (short-term rentals) like Air BNB. I have only mentioned three changes that have radically impacted the industry to highlight a truth we are proud of, that we represent one of the most adaptable industries, an extremely resilient industry, as we proved especially during the pandemic period, perhaps the most complicated time we have had to go through as an industry together with all our customers and employees. The pandemic dramatically changed the way (and why) we travel.

All of these experiences of change, this adaptability and resilience that the hospitality industry has demonstrated, make us even more aware of the elements that will impact our future and the influences that change factors will bring. This is the purpose of this article, to highlight the trends that the hospitality industry will experience in the coming years and how we can best prepare for that future.

2. Context

In 2017, an article by the most prestigious educational institution in tourism, EHL, tried to predict what the hospitality industry will look like in 2030. This is just one of the tones of the article, which tries to foresee the evolution of an amazing sector that, fortunately, is part of (almost) everyone's life, since we all love to travel. In this article, EHL identified 6 important factors for change:

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- Shift of market power;
- Vulnerability in the rise;
- In search of sense of belonging;
- The emotional experience;
- Smart hotels depend on smart destinations;
- The scope of knowledge.

Note that the study was conducted after interviewing 40 hospitality industry leaders at the time, and no mention was made of the study's findings on the impact of technology or the influence of climate change, workforce changes, or consumer behavior. In the 7 years since then, predictions about the future of the hospitality industry have changed completely. Today, when we think of the hotel of 2030, we have to consider some aspects: Technology impact, sustainability, personalisation, and consumer behavior.

James Carton, from the leading think tank The Institute for Global Futures, says: "Trends in technology, science, energy, and entertainment will vastly change the hotel experience for travelers".

Let me take one at a time and elaborate on each of these 4 aspects I mentioned above.

a. Technology Advancements and Adaption

Technology permeates our lives, and hotels must adapt to ongoing developments. Artificial intelligence, automation, robotics, and augmented reality will continue to impact the industry. Payment will also change, as credit cards may be insufficient for hotels. Solutions must be found to simplify the process and make it more suitable for e-commerce. The flexibility to cancel reservations may remain, but with alternatives such as insurance or deposits.

b. Growing Importance of Sustainability

Sustainability is no longer just a concept, it is a driving force behind concrete business models. Certification schemes, green labels, but most of all consumer pressure will push hotels to adopt sustainable practices.

c. Increased Demand for Hyper Personalisation

Guests today expect customised services based on their preferences, whether it is a specific location, room type, or unique experiences. McKinsey reports that 71% of consumers want personalised communications, and 76% are frustrated when such offerings are lacking. Hotels need to provide relevant information and streamline the booking process by eliminating irrelevant clutter.

d. Consumer Behavior

Due to various changes such as demographics or migration, social situation, or education, consumers behave differently, and their behavior has changed significantly. The new generations, especially Generation Z, have a much shorter attention span and need concise information to support their decision-making process. Time-saving solutions are the future for everyone working in the hospitality industry in the future.

3. Discussion

Considering the longevity of the population and medical progress, health tourism will include new aspects. So, forget about a spa with services such as simple massages and think of services based on DNA analysis. You will get genetic tests tailored to each client, with preventive treatments and anticipatory programs to improve health. It is very important to note that regardless of the studies I reviewed, the conclusion that consumer services make people irreplaceable is still valid.

One of the best descriptions of where the hotel is headed in the near future, in my opinion, comes from Deloitte's study (2016) based on the Dublin approach (founded in 1981), a methodology that considers multiple approaches to look at the challenge from different perspectives. They integrate all

these influences, put them together, and come to a conclusion that looks at the changes from a different angle, the way companies understand where and how they should disproportionately invest today to take into account how hotel guests' needs and expectations are likely to evolve in the next 5-10 years.

After analysing the disruptive factors that will change the industry, they predict that the hospitality industry will change in the near future based on the following facts.

TODAY				
<i>Hotels offer a one-size-fits-all hospitality that serves no one.</i>	<i>Hotels chase instead of incorporate guests.</i>	<i>Hotels are separated from the surrounding communities.</i>	<i>Hotels focus on one space with one purpose.</i>	<i>Hotels think of themselves as mostly physical things.</i>
TOMORROW				
<i>The hotel of the future will be an integrator of partnerships to offer new and varied experiences that can evolve with guests.</i>	<i>The hotel of the future will be an integrator of networks and people to build more personal connections with and between guests.</i>	<i>The hotel of the future will be an integrator of cultures, merging global brands with local roles in communities.</i>	<i>The hotel of the future will be an integrator of multi-purpose spaces to provide a platform of resources that can serve new customers.</i>	<i>The hotel of the future will be an integrator of services and businesses to play as the nexus of the travel industry.</i>

Fig. no. 1. Proposed research model

Source: Deloitte (2016)

Starting from these 5 differences identified by the Deloitte's researchers (2016), we can see new function arise for a hotelier, new skills are needed to comply with the social and economic role of a hotel. I must underline the social role that seems to be underrated by many analysts who consider the unique scope of a hotel to be to perform and to make profit.

As the study reveals, the new hotelier has to be (alongside with the classical requirements) an INTEGRATOR (Deloitte, 2016):

3.1 Harmoniser of Experiences – CURATOR

The Curator plays a pivotal role in cultivating external partnerships to ensure that hospitality remains dynamic and guest experiences remain pertinent. In their capacity as a Curator, hotels have the unique ability to offer a diverse range of environments that cater to guests' mindsets, providing them with the freedom to choose and the chance to immerse themselves in novel encounters, thereby fostering a sense of delight and fulfillment.

3.2 Harmoniser of People – MATCHMAKER

The Matchmaker envisions guests as active participants in the effort to forge meaningful connections both with the brand and with fellow guests. It amplifies and enriches the relationship with guests by fostering a cultural environment centered around the brand, where the brand's identity is shaped by this interconnected community of guests. Leveraging the inherent advantages of hotels, such as their physical space and unwavering hospitality, the Matchmaker constructs an enticing network of guests that serves as a magnet for further business opportunities.

3.3 Harmoniser of Cultures – NEIGHBOUR

The Neighbour extends the reach of the hotel beyond its physical boundaries and actively involves the local residents. It serves as a gathering spot for both guests and locals, but it goes beyond merely connecting visitors to the local culture; it actively contributes to the community as a considerate neighbour, seamlessly blending into its surrounding context. The Neighbour achieves this by skillfully intertwining global brands with local cultures, possessing adaptable qualities that harmoniously align with the specific context while upholding a consistent branded experience and exceptional service.

3.4 Harmoniser of Spaces – ARCHITECT

The Architect harnesses the potential of existing spaces and assets by repurposing them in inventive ways. Instead of envisioning a single building confined to a solitary location and serving a singular purpose, the space innovator expands the horizons and liberates thinking from those constraints, quite literally. By integrating versatile spaces both within and beyond the confines of a single hotel, the Architect pioneers a new paradigm of flexibility for guests, while simultaneously attracting and accommodating a broader range of clientele. This visionary approach reimagines hotels as more than mere accommodations, transcending the traditional notion of catering solely to occupancy and embracing a boundless realm of possibilities.

3.5 Harmoniser of Processes – COREOGRAPHER

The Choreographer directs its attention away from physical space and tangible assets, instead prioritising the virtual realm as a concierge of the digital age and a master of logistical finesse. Acting as the central hub of the travel industry, the Choreographer seamlessly weaves together various services and businesses to orchestrate a flawless and effortless experience specifically tailored for the discerning business traveler. By diligently coordinating every element, this visionary entity ensures a harmonious symphony of convenience and efficiency throughout the journey.

4. Conclusions

That being said, thanks to the study done by Doblin Approach, we have to acknowledge that the personality of a hotelier should be very complex, with a lot of skills necessary for a real professional in this domain. To summarise a few of them, I imagine a hotelier having capabilities to be fresh, experimental, exploratory and delightful as curator. Then as a matchmaker, should be connected, interactive, social intimate, and networker. To be a real Neighbour, a hotelier should be local active, adaptable, participatory, and responsive. For an Architect Hoteliers we expect to see a person with flexibility, diverse and resourceful, distributed and spatial. Last but not least, for a Choreographer, attribute should be convenient, seamless, automated and virtual.

In summary, it remains evident that the hotel of the future must revolve around individuals. The essence of hospitality will always reside in creating meaningful experiences and fostering genuine connections with people. Despite the emergence of advanced technology, shifting customer preferences, and growing competitive challenges, the human element will remain indispensable in the realm of hospitality. Embracing a personalised and proactive approach will enable hotels to align themselves with both the needs of their guests and the goals of their stakeholders.

References

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