Hotels 2020: Beyond Segmentation

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Beyond Segmentation

Strategies for growth in an era of
personalization and global change

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ITB Hospitality Day, March 10th 2011

Hotels 2020 – Objectives

- Identify key drivers of change for the globally branded hotel sector over the next decade
- Examine the implications for:
    - Hotel strategy
    - Brand portfolio
    - Business models
    - Customer targeting
    - Innovation

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Hotels 2020 – Research Methods

- Expert Interviews

- Desk Research

- Global Survey

- Workshops (Delhi, Dubai)

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Growth is no Longer a 'Given'…

http://www.piperreport.com/archives/Images/Medicare%20PFFS%20Plans.jpg
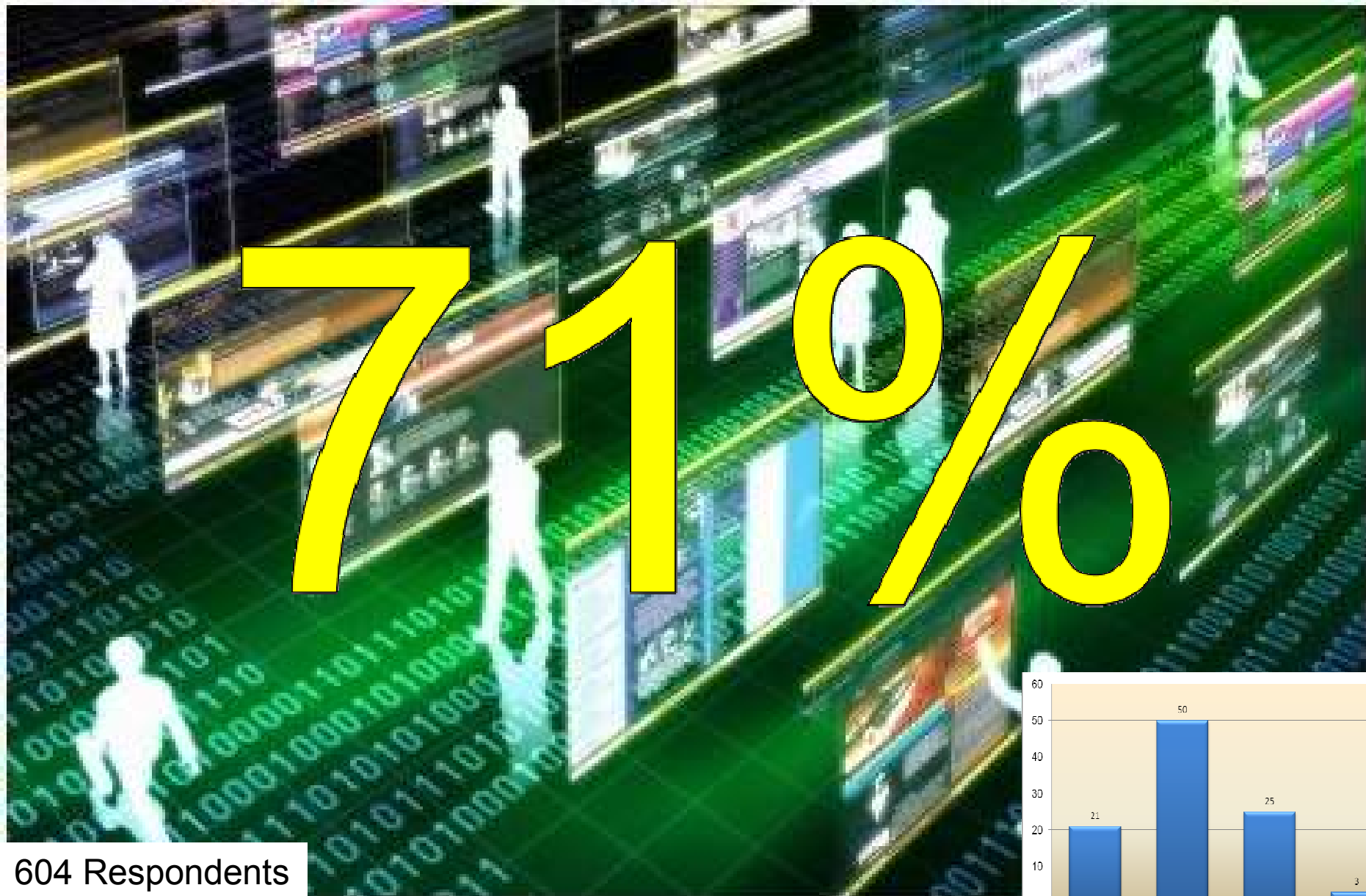
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Traveller Behaviours

- **Too Busy To Care**

- **Complex Lives, Pressurised Finances**
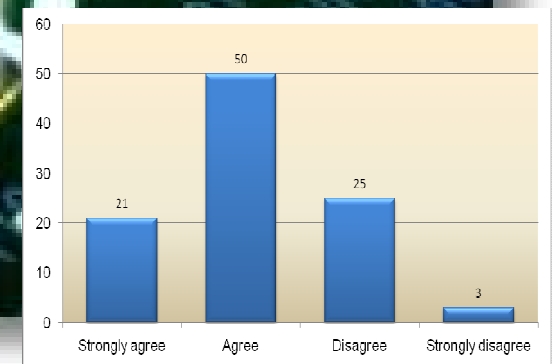
- **Craving Simplicity**

- **Wealthy and Hard to Please**

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http://www.maskworld.com/pix/costumes/large/91099-urlauber-fat-suit-tourist-fat-suit.jpg

Hotel Categorization may Need to Evolve to Focus More on Service Than Facilities

http://www.oxci.co.uk/blog/wp-content/uploads/2010/03/The-Beauty-of-Service.jpg

Traveler motivations will become increasingly fragmented and diverse and harder to segment into clearly definable customer groupings

71%

604 Respondents

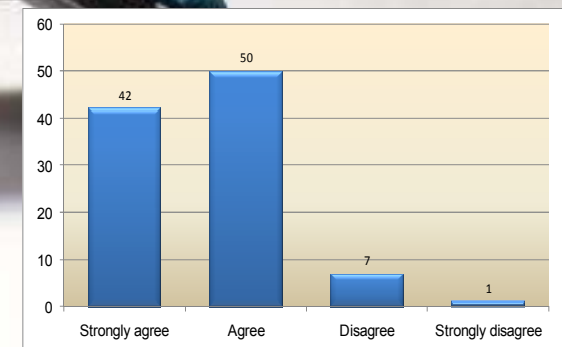http://the-investors-club.com/wp-content/uploads/2008/12/market-segmentation.jpg

Hotel guests will expect their stay to be personalized around a set of choices they make at the time of booking or prior to arrival

92%

602 Respondents

http://gadgetheat.com/wp-content/uploads/2008/05/surf-chair.jpg

	Strongly agree	Agree	Disagree	Strongly disagree
Value	42	50	7	1

The Emergence of Personalized Service Spectrums

86% agreed that by 2020, personalization will have been embraced wholeheartedly by the sector and that 'customers will have the ability to choose the size of room, type of bed, amenities, audio-visual facilities, business equipment, etc. on booking and pay accordingly'.

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http://cdn0.lostateminor.com/wp-content/uploads/2008/06/hotel-tomo.jpg

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Hotels will need to develop strong social media 'listening skills' to understand how customer needs and perceptions of brands and service quality are truly evolving and to develop service propositions, marketing messages, and pricing solutions that reflect the needs of an increasingly diverse customer base.

96%

597 Respondents

http://blog.navigationarts.com/wp-content/uploads/2010/08/Social-Chartlong.jpg

60			
54			
50	42		
40			
30			
20			
10		4	0
Strongly agree	Agree	Disagree	Strongly disagree

Technology and Connectivity Drivers

Hotels will increasingly look to new technologies to drastically increase efficiency, reduce costs, personalise the customer experience and improve service.
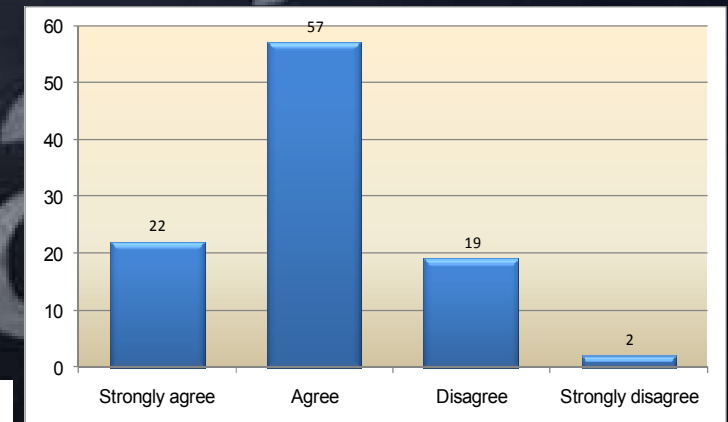
By 2020 a new category of co-branded and co-designed 'signature' properties will emerge within hotel chain portfolios, providing differentiation and opening up ancillary revenue stream options

79%

590 Respondents

|	Strongly agree	Agree	Disagree	Strongly disagree
Value	22	57	19	2

By 2020 we will see the emergence of a new breed of unbranded hotel group, offering 'white label solutions'- including sophisticated marketing, very high standards of service and advanced technology support while allowing owners to develop their own brands

77%

595 Respondents

http://www.dailydanny.com/?p=1563

	Strongly agree	Agree	Disagree	Strongly disagree
	21	56	21	2
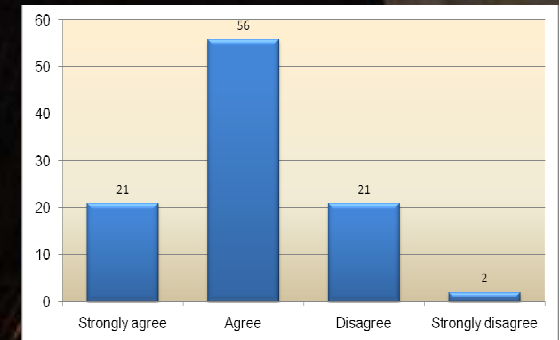
Hotels will use discount offers to capture a share of pre- and post-trip travel spend e.g. purchase of luggage, clothing, transportation, insurance, duty free etc.

80%

610 Respondents

http://www.placesfacts.com/images/dubai-duty-free1.jpg

Hotels 2020:
Five key characteristics of successful players in tomorrow's world

1. Deep understanding of an increasingly geographically, financially, generationally and attitudinally diverse and evolving customer base

- Growth from emerging markets

- Evolving demands of an aging population

- Rising disparity and continued uncertainty in developed economies

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2. Immersive, tactile and multi-dimensional technology interfaces

- Augmented reality creates digital overlay's on the 'real' world

- 3D projection and gesture interfaces will change how we view and interact with information

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3. Continuous search for ancillary revenues

▶ Potential to capture more of total trip spending

▶ Identification of new streams and merchandising opportunities

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4. Open, listening, collaborative and experimental approach to innovation

96% believe that in the face of intense global competition, the hotel industry will develop a strong focus on strategy and innovation – adopting approaches such as crowd sourcing and open innovation to generate new ideas.

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http://open-your-innovation.com/2009/12/29/open-innovation-in-france/

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5. An organization capable of surviving and thriving in turbulence and uncertainty

- ◗ Prepare for a range of possible scenarios

- ◗ Tolerance of uncertainty becomes a core competence

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Hotels 2020: conclusion

- The hotel of the future will be a living laboratory

  - Constant experimentation and innovation

  - Every interaction a potential source of insight and ideas

http://www.sybase.jp/detail?id=1056075

Personalisation
and
Hotel Technology

More demanding guests

- **Guest shopping power**
  - Searching, comparing, networking

- **Guest loyalty**
  - Guest expect more personalised service from hoteliers
  - It's all about me
  - Should I stay or should I go?

Expansion, globalisation, brand value

◗ **Expansion and globalisation**

  ◗ New ways of working and new constraints

  ◗ Western brands expansion

  ◗ Globalisation

◗ **Brand value**

  ◗ Cost effective operational efficiency in every process, at all times

  ◗ Guest will stay with the brands that deliver the right balance between their price and service expectations

  ◗ Influence on hotel owners

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Guest are driving
business transformation

and **technology**
plays a crucial role to succeed

Technology plays a crucial role to meet guest expectations

▶ **Enhance your guest shopping experience**

1. Be prepared to sustain high volume requests on a continuous basis

2. Offer advanced search options and a wide range of multi-criteria requests with high performance

3. Provide graphical and interactive map searches

4. Enhance your marketing and merchandising with results structured in calendar views for single or multiple property availability around the desired check-in and check-out dates

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Technology plays a crucial role to meet guest expectations

◗ **Implement guest centric technology**

1. Place the guest at the center of your technology platform

2. Better service your guests with a single view of their profile and preferences from all touch points in your organisation

3. Track customer spend and value from one single source for one to one marketing

Technology plays a crucial role to meet guest expectations

▶ **Create new revenue opportunities with enhanced marketing, merchandising and distribution reach**

1. Maximize revenue strategy through advanced rate planning and control

2. Easily manage global multichannel distribution strategy and tactics beyond just hotel resources

3. Develop ancillary revenue opportunity by easily adding and packaging travel services with your hotel products

Thank you

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Fast Future – Tourism and Meetings Industry Services

- Briefings and workshops for executive management and boards of hotels, airlines, venues, CVB's and associations

- Customised research on trends, technologies and new markets

- Development of strategies and business plans

- 'Deep dives' on key trends and technology developments

- Consultancy and workshop facilitation on innovation and new business models

Convention 2020

- Global strategic foresight study to help the meetings industry prepare for the decade ahead - Industry-wide Sponsors

- Multiple outputs Nov 2009 – December 2011

- Initial survey designed to stimulate thinking about the next 10 years

- Latest survey on issues / strategies / business models for 2011 & 2015

Future Convention Cities Initiative

- Cities that want to be at the leading edge of delivering business events

- Focus on maximising long term economic benefit of events

- Research, sharing of expertise and best practices

- Meet four time a year

Designing Your Future
Key Trends, Challenges and Choices Facing Association and Nonprofit Leaders

- **50 key trends**
- **100 emerging trends**
- **10 major patterns of change**
- **Key challenges and choices for leaders**
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- **Scenarios for 2012**
- **Key futures tools and techniques**
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Designing Your Future

Key Trends, Challenges, and Choices
Facing Association and Nonprofit Leaders

BY FAST FUTURE

An Association of the Future
Call to Action

PUBLISHED BY ASAE & THE CENTER FOR ASSOCIATION LEADERSHIP

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- Led futures research, scenario planning and strategic consultancy projects for clients in telecommunications, technology, pharmaceuticals, banking, travel and tourism, environment, food and government sectors

- Clients include 3M, BBC, BT, BAe, Bayer, Chloride, DTC De Beers, DHL, EADS, Electrolux, E&Y, GE, Hoover, Hyundai, IBM, ING, Intel, KPMG, M&S, Nakheel, Nokia, Nomura, Novartis, OECD, Orange, Panasonic, Pfizer, PwC, Samsung, Shell, Siemens, Symbian, Yell , numerous international associations and governments agencies in the US, UK, Finland, Dubai, Nigeria, Saudi Arabia and Singapore.

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