



COLLECTIVE *#vendors*

17th April 2020

JAMES BISHOP



SITEMINDER

JULIE GRIEVE



CRITON

MORITZ KLUSSMANN



CUSTOMER ALLIANCE

 COLLECTIVE #vendors

ULRICH PILLAU



APALEO

SASCHA HAUSMANN



BUSY ROOMS & HOWZAT PARTNERS

INITIAL FINDINGS

Sales

Immediately all cold calls and sales activities were stopped. No new sales opportunities expected for the remainder of the year.

Securing Liquidity

The major priority for all companies, preparing for conservative planning:

Cash has to last for the next 3-6 months at a minimum.

Teams

Crisis times show how good teams, entrepreneurs and companies really are. Transparent, timely and frequent communication is key.

Supporting Hoteliers

Helping them optimizing existing processes & procedures, as well as granting payment holidays and even offering services for free.

Hotel & Travel Industry

The hospitality & travel industry was the first one to lock down and will be most likely the last one to open up again.

Customer Relationships

Switch from reactive to proactive customer support.

Strong focus on existing customers.

Managing Today

“We are supporting customers, by allowing payment delays in return for longer contracts and we are helping them to use the downtime to optimize existing processes.”

*Moritz Klussmann,
Customer Alliance*

CUSTOMER RELATIONS

Existing customers are priority and companies are focusing on maintaining and deepening those relationships.

GOVERNMENTAL SUPPORT

Overall European governments have made it easier. In Germany for example, the measure of short-term labour shows to be very supportive and prevented companies from measures i.e. laying people off.

CUSTOMER SUPPORT

Vendors support hotels in financial terms by allowing payment delays, holidays or even offering the product for free, often asking for extended contracting periods in return.

Other than that, they support hotels in optimizing existing procedures and processes, as well as training their team to make even better use of the systems and helping in adjusting the value proposition to their guests in line with the changing demand.

Managing Today

“Due to the shortfall of travel times my management team has one additional day a week added to their availability schedule.”

*Sascha Hausmann,
Busy Rooms*

INCREASED TIME & COST EFFICIENCIES

Due to the decreased travel and commuting times, teams have more time overall, which is noticed as an upside. Additionally, customers are available remotely as well and meetings are conducted remotely successfully, which equals a significant cost efficiency.

INTERNAL AUDITS & OPTIMISATIONS

Many technology providers are overhauling their own internal processes and are optimizing them in preparation for the bounce back.

TEAMS

Challenging times put teams to a test and show how good they really are. Transparent and timely communication is a priority to keep everyone onboard. All companies embrace remote communication channels, such as video conferencing and messaging/chat tools.

Hotel Technology // Digitization

***AUTOMATIZATION** and **DIGITIZATION** will play an important role, as consumers are seeking to have as few touch points as possible when staying in a hotel, this involves cashless payments, digital check ins and so on, but also the hotels' drive towards leaner, less complex operations due to staff shortages will support this.*



***HOWEVER**, considering the investment for hardware required to do so, it is disputable if hotels will have sufficient cash-flow to be able to invest and it is questionable, if existing legacy systems at this point of time can be replaced by the online systems and start ups currently being active, when looking at the full range of system functionalities that need to be covered in travel. This again puts pressure for innovation on the tech side of our industry.*

Personal Guest Service

Hotels will reconsider what the best possible personal service for their guests looks like and how to provide it during times of social distancing. There will be a shift from delivering service from a personal, face to face setting to embracing digital and mobile solutions to do so.

PREPARING FOR TOMORROW

“As a vendor you need to be very conscious about the fact that your Ambassador in the hotel won't be there anymore. There is likely to be new staff who haven't used your system before.”

Julie Grieve, Criton

HOTEL & TRAVEL INDUSTRY LAST TO OPEN UP

The hotel and travel industry was the first one to lock down and will unfortunately and most likely be the last one to bounce back, when looking at legal and social regulations.

BUSINESS MODEL INNOVATION

Each and every business model needs to be re-thought and adjusted to the current situation and the times ahead.

LOSS OF AMBASSADORS

Some of the companies expect to and a few already have lost their ambassadors within the hotel teams and by that are running the risk of losing those customers. Counteracting this they are investing in training and onboarding programs, since they are expecting many staff members in the hotels to not know their systems (anymore).

GROWING IMPORTANCE OF ONLINE REVIEWS

The importance of guest reviews and online reputation will increase even more, so hotels will be facing an increase in workload in dealing with and managing guest reviews.

PREPARING FOR TOMORROW

“Companies with a sustainable business model will be able to get out of this crisis stronger than others.”

Ulrich Pillau, apaleo

HEAVY OPERATIONAL WORKLOAD FOR HOTELS

Once markets start opening up again and hotels start having business again, it will be like new openings to hotels operationally. Most likely teams need to be trained on existing and additional, new procedures and processes.

SURVIVAL OF THE MOST SUSTAINABLE

Companies with a sustainable business model - and that is especially true for travel and hospitality - and are efficient in the way they operate will be able to get out of the crisis stronger than others. The ones that only put focus on growth are believed to be struggling much more.

PRESSURE ON SMALLER TO MID SIZED TECH COMPANIES

Legacy systems at this point of time cannot be replaced by online players in all aspects of travel, considering the range of functionalities being required. There is pressure on the travel tech side: if smaller companies want to survive, they need to drive that innovation by allowing digitalization much quicker than they had originally planned. Some companies are looking at what else they need to develop right now, to further support this.

CONSUMERS BEHAVIOR

“Supply chains will be analyzed critically. It will be imperative for vendors to position themselves and proof that they are having stable and sustainable business models.”

*Moritz Klusmann,
Customer Alliance*

CORPORATE SUSTAINABILITY

Society is talking about economy (again) and people are looking at how companies are contributing to society. Environmental and corporate sustainability will become even more important and an essential criteria for consumers when choosing for a hotel, but also for hotels choosing their business partners.

SOCIAL DISTANCING - WILL IT LAST?

Some vendors expect social distancing to last for at least the coming 2-3 years and that it will have an impact on the industry and consumer expectations. Others do not expect much of a change in consumer behaviour, apart from a higher prioritization of hygiene and cleanliness in hotels.

SUPPORT YOUR LOCAL SUPPLIER

A trend that probably will last and even increase is ‘support your local suppliers and businesses’. Companies should keep investing in their local representatives in the various markets, to make sure to meet these expectations.

DRIVING LEAN OPERATIONS

Hotels will continue to not find sufficient trained staff for their properties. How to make operations leaner and less complex, also in terms of technology and automation and e-learning will become very important.

CONSUMERS BEHAVIOR

“We are closely monitoring the data that is going through our platforms to understand if there are any trends in certain markets and trying to measure that against the different announcements we get from each of those regions.”

*James Bishop,
SiteMinder*

NEGATIVE PICK UP

There will still be negative pick up over the next three months, since more cancellations than new reservations are coming in. Depending on how long the lock downs continue those future dates are subject to change, because no non-refundable rates are being booked right now. Consumers are on a ‘wait and see’ mode: either they book packages and waiting for their operator to cancel for them, or they wait for the last minute if that trip is actually going to happen or not.

WAITING FOR SPAIN AND FRANCE

Everyone is looking at France and Spain to start recovering to be able to learn from first data trends regarding consumer behavior.

INBOUND / DOMESTIC TRAVEL

Most likely domestic travel will be the first to recover. Since business travel is (in most European markets) the majority of all business, this is what everyone is hoping for as well.

CLEANLINESS AND SAFETY MEASURES

Guests expectation will be that hotels are communicating better and more frequently about not only their facilities, but also about the cleanliness of the hotel, and which processes hotels are putting in place to ensure guest safety.



Liquidity // Cash Flow

It is not that most companies currently do not have any money to spend, they are also holding it back. Companies will only start investing and spending money again, once there is a clear plan in place how long the lockdown will take and when it will be lifted.

From a cash perspective most companies are preparing towards a conservative planning by sustaining cash-flow for the coming 3-6 months.

Corporate Travel // Inbound/domestic travel

Some believe corporate travel will decrease due to companies embracing remote meeting options in order to increase efficiency and reduce time as well as costs related to business travel.

However, domestic travel will be the first one to bounce back and it will be driven by corporate travel, since not all businesses can operate remotely and once these businesses are opening up again this will reflect in transactions accordingly.

An aerial photograph of an airplane's wing and tail section, viewed from above and slightly to the side. The wing extends from the left towards the right, with the tail fin visible on the left. The background shows a vast landscape with a winding river or road, surrounded by fields and some buildings, all under a hazy, golden sky at sunset or sunrise. The overall color palette is warm, with shades of orange, yellow, and brown.

Thank You!
