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Guest Apps in the Hospitality Industry

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Are Guest Apps Here To Stay?

In the last few years, digital transformation and the use of mobile apps to deliver on-demand guest services have been widely discussed in the hospitality industry - in fact I've been on more panels talking about the impact that mobile is having than I can remember - but adoption has generally been slow.

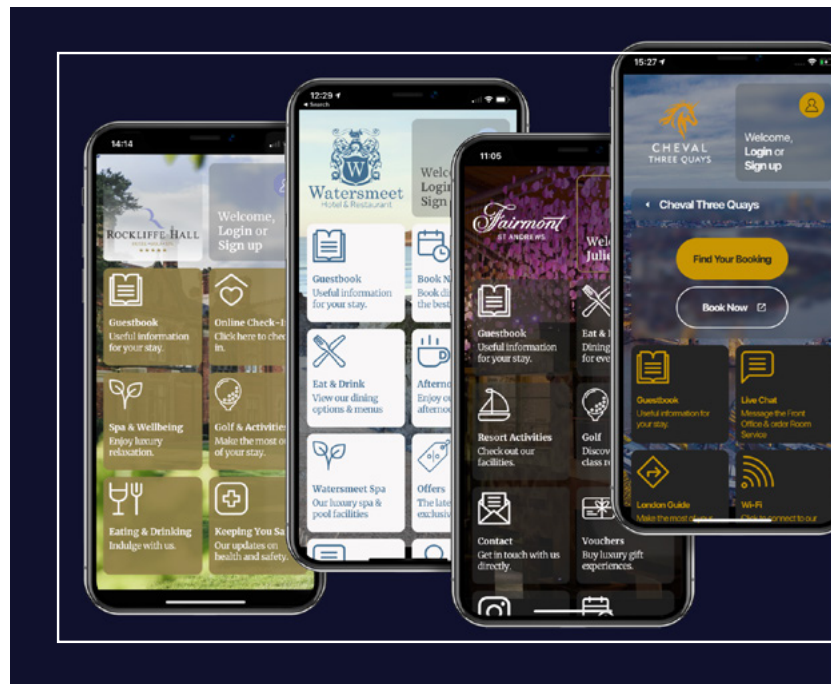
While it has been clear that we now live in a mobile-first world, where we all use our mobile devices to do whatever we need whenever we need it, hoteliers were concerned that offering mobile services would negatively impact on how their guests experience their hospitality. This concern wasn't assuaged even when [research](#) into hotel guest expectations showed that travellers would welcome mobile solutions that would ultimately give them more choice and control over their experience.

We all might wonder why, but at the heart of it is a fragmented technology stack which makes deploying an end to end solution complex if you want to use multiple vendor solutions.

There was also much talk within the travel industry about the airline industry forcing technology on their customers and how that was more easily achievable as technology isn't as fragmented in the airline industry as it is in the hotel sector.

In the meantime, hotel chains and some of the larger groups invested heavily in technology, making great strides forward and integrating all of their different systems to ensure their guests could use their phone from the start to the end of the journey. Independent hoteliers scoffed, I can't tell you how many times a hotelier has said to me *"we don't want to be like a chain"* or *"that's all about cost, chains are faceless we want our staff to provide hospitality"*.

Of course, the first iterations of the apps weren't ideal, but over the past 3-5 years they have really picked up their game with messaging, check-in and last year Hilton and Marriott mandated that all hotels in their brand would have mobile check-in and digital keys by the end of 2020 because they understood that guest demand is changing. In May, Hilton CEO Chris Nassetta said that *"comeback depends on how quickly contactless tech features roll out"*.



In June, CitizenM - which over the years has gained a reputation for being very tech-friendly, offering kiosks at check-in and in-room tablets to control TV, curtains and lighting - launched its own brand new mobile app, clearly prioritising a contactless guest experience.

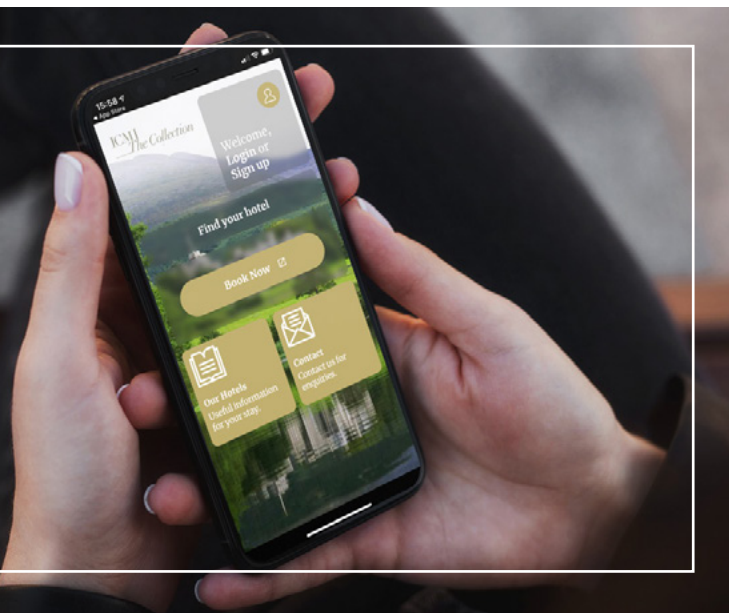
Yes, mobile can be used to reduce the cost to serve and any technology which is implemented should drive efficiency, however, in my opinion, the independent sector missed that the main driver of this was guest demand. Just because guests didn't arrive asking to use their phone to open the door doesn't mean they didn't want it.



And with the roll-out I mentioned above, the independent sector was already going to have to catch up. Then Covid-19 arrived and for independent hotels, the perception of the interaction between mobile phones and hospitality started to change. We are seeing an acceptance that, if it can help a guest feel safe and come to the hotel, then it's a good thing. This is a good sign, but for adoption to really stick, the industry needs to understand this isn't a fad related to Covid-19, it's a fundamental shift in consumer and therefore guest behaviour.

To welcome back guests, hoteliers have put a lot of work and effort in implementing new social distancing and safety measures. Mobile apps have played a key role in helping hoteliers reduce touchpoints and giving guests a safe tool to request services and easily access all the information they need in one single place.

The integration of ticketing systems with guest apps means that not only do guests use their phone to order but that order goes into a back of house system and is tracked from assignment to completion, giving hoteliers huge insights into efficiencies that can be gained and that is a game-changer. How often have you wondered how you could improve efficiency within your team to drive guest satisfaction and to improve profitability? Now, if you use one of these systems, you will have data to drive your decisions and as I will come to, that data, in my opinion, is going to be the saviour of our industry.



So when I'm asked *"why guest and service apps are becoming more important in our industry?"*, the answer is simple really: guests want them and that was true well before the pandemic. Their phone is their most trusted source of information and an app allows hoteliers to curate the information they put into their guests' phone and to therefore provide a better and more relevant experience whilst selling guests more. Current guests have been locked down for months and are desperate for a bit of normality, so their app gives them access to the various options, choices and booking engines (menus, drinks list, ordering, spa, etc) at the palm of their hands and a trusted way to engage and book from wherever they are.

However for our industry to successfully embed technology we must also be able to show the benefits to the hotels' bottom line. Hotel technology should either allow you to do more with the same staff or do the same with less staff. Reduced costs are an obvious benefit, no

more printing of single use menus and in room collateral but the other benefits of increased F&B revenue due to mobile ordering are currently quantified at an average uplift of 18%. Imagine increasing your F&B revenue by 18% just because your guest can now order from their phone.

Data is the key to making decisions, however for years hoteliers did not have tangible data when it came to understanding what their guests did during their stay. CRMs are key in pulling all the data together but it relied on requests being put into the various systems. The advent of apps means guests are no longer using the telephone to book in stay activities and the great news about that is that hoteliers can track how guests interact or book services and gain meaningful insights into their guests' preferences.

Now that's not "track it" in a creepy non-GDPR compliant way, but actually track it in the sense of understanding what your guests want, how long it takes to deliver and how you can improve that service or reduce the amount of time it takes to deliver it and therefore drive satisfaction and profitability.



You may have heard about data lakes and their use in our industry, unfortunately these are required because the fragmented nature of our technology means that the analysis of our data is a huge job, to get the insight we require. Guests can now book anything at any time and therefore you need to understand that to (a) staff it appropriately and (b) amend your product as necessary to ensure it is a profitable offering.

So what's the downside for hoteliers?

Well, as I have said, integration can be tricky when you have an on-premise system, you may have to upgrade your door locks and your PMS. And yes it is likely to require budget allocation to implement new technology and to really embed it into your operations because that requires training and change management. However, the ROI should be obvious. Giving your guests what they want delivers brilliant hospitality, whilst reducing your cost to serve results in a great business.

Frustratingly, as an industry we keep talking ourselves out of embracing the technology that is here already and really doubling down on it to drive cost efficiencies because we are concerned that the next thing will arrive and we will be left behind. I've heard so much talk about facial recognition since the pandemic, but in my opinion we are many years off facial recognition becoming mainstream, if ever.



For the foreseeable future, apps are here to stay and as an industry we should all have the goal, whether a vendor or an operator, that we will have the technology we deserve to underpin our businesses and to achieve that, we will all need to give it the time and focus it deserves.

After months of lockdown, it has never been more important. I am not blasé about the effort or the cost, but I do know that change has to happen to ensure the future success of our industry and that is not just because of this pandemic.

ABOUT THE AUTHOR



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Julie Grieve is Founder and CEO of Criton, an award-winning technology provider based in Edinburgh. Criton is a guest engagement and integrations platform. It enables hotels to deliver the perfect digital guest journey, maximise in-stay revenue and wrap all guest-facing technology into a sophisticated mobile app. Criton's mission is to give independent hotels access to the same technology that large hotel chains already adopt.

Prior to starting her own business, Julie was the CEO of Lateral City, a luxury serviced apartment operator in the heart of Edinburgh. Her early career was spent in serviced offices where she became MD of Abbey Business Centres, a UK wide serviced office operator, which she successfully sold in 2011.