Developing the service spectrum

Attracting and serving the market for business guests

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Introduction

There has rarely been a time that offers hotels and business venues better opportunities to differentiate themselves from their competitors. Contrary to expectations, the current economic climate and the continued advance of technology combine to create the conditions in which progressive properties can establish a clear and profitable brand identity.

Although the recession shows no sign of easing in the near future, there is positive news for UK hotels catering for business travellers. Research by Key Note[1], for example, reported that inbound business travel rose between 2006 and 2010, contrasting starkly with outbound travel which fell by over 27%.

This White Paper will investigate ways in which UK hotels and business venues can generate extra revenue by exploiting technology to improve business services to guests. By expanding the portfolio of available services, properties can:

- Attract more business guests

- Increase RevPAR

- Maintain a competitive headline room rate

- Enhance guest loyalty

- Deliver competitive advantage

- Reduce IT infrastructure costs

Although a variety of technologies will be covered in this White Paper, it will specifically not cover:

- Technologies used to market hotels/venues to guests (i.e. interactive web sites, social media, etc.)

- Technologies used to enhance the comfort of a visit (i.e. interactive TV, sports facilities, etc.)

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[1] Business Travel Market Assessment 2011: http://www.keynote.co.uk/market-intelligence/reports/category/travel-%26-tourism

The changing nature of business guests

The needs and expectations of hotel guests are constantly evolving. Until recently, the favoured strategy was to create a segmented programme offering portfolios of different services designed to attract particular kinds of guest.

While a segmented approach can still be effective in many circumstances, recent research by organisations such as Amadeus indicate that modern guests prefer a totally personalised service. Amadeus's 2010 research[2] revealed that 71% of respondents agreed that by 2020 "traveller motivations will become increasingly fragmented and diverse and harder to segment into clearly definable customer groupings".

The rising importance of and demand for personal choice has created a breed of guest who wants to see a broad spectrum of facilities from which they can pick and choose the services they require.

Younger travellers are especially hard to satisfy, yet they offer the greatest commercial potential. As Market Metrix reports[3], "Generation Y represents the least loyal, most emotional and least satisfied guests compared to other generations. Hotels will be serving these guests for many years to come, so winning over these young people will pay dividends for years."

The price of choice

At the same time as the demand for choice is rising there is an equivalent pressure for prices to fall. Although this is partly due to the global recession experienced since 2008, it is also clear that in many situations guests want to pay less because they only want to pay for the services they are likely to use.

This, in particular, is one of the factors contributing to the decline in importance of segmented programmes. Under such programmes, a package of services would be created to satisfy the typical guest in a market segment. It is becoming clear that guests are less happy to pay for such packages when they might only use half of the included services. Hotels will find more success by offering a low headline room rate combined with a broad spectrum of optional services which guests can use on an on-demand basis.

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[2] "Hotels 2020: Beyond Segmentation": http://www.amadeus.com/hotelit/beyond-segmentation.html
[3] Market Metrix: Hospitality Trends and Opportunities 2011: http://www.marketmetrix.com/en/default.aspx?s=research&p=HospitalityTrendOpportunities

Business guests are different

Successfully serving business guests depends on understanding the critical differences between a guest visiting on business and a tourist on holiday.

- The business traveller has a commercial reason for being at a hotel; his primary satisfaction will come from achieving the commercial goals of his trip. While personal comfort and leisure facilities can never be overlooked, emphasising comfort over business loses sight of the reason for the visit.

- While tourists like to have the option of working on holiday, Deloitte's 2011 survey[4] shows that 67% of business travellers say they *often* work in their hotel rooms. For business travellers, working on the move is essential, not optional.

- A commonly-appreciated advantage of the business market is its lack of seasonality. Whereas the tourist market peaks in the summer and during common public holidays the business market is a 12-month entity. What variations it does display actually complement the tourist market: when business activity is at its lowest, tourist activity is at its peak.

Differentiation through business facilities

Placing focus on business facilities can also act as an excellent differentiator for any property. Enormous emphasis is already placed on the provision of leisure facilities and the use of technology to increase the comfort of a stay; providing business features attracts far less emphasis.

Providing better business facilities for overnight guests or daytime visitors is especially important for provincial properties. Key Note research[5] into the 2011 hotel market revealed that occupancy was far higher in key tourist destinations such as central London than it was outside the capital.

Business guests can dramatically improve weekday occupancy for provincial properties.

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[4] Deloitte: Taking Off in 2012: http://www.deloitte.com/view/en_US/us/Industries/travel-hospitality-leisure/174d66b8fe6c3310VgnVCM3000001c56f00aRCRD.htm

[5] Business Travel Market Assessment 2011: http://www.keynote.co.uk/market-intelligence/reports/category/travel-%26-tourism

The business facilities spectrum

Hotels can make themselves attractive and valuable to business guests and daytime visitors by offering a range of services that turn them into business hubs with the calibre of facilities individual companies cannot justify.

This is a concept already embraced by Premier Inn which has launched its Touchbase centres[6] to offer a variety of meeting facilities: hot desks, business lounges, working areas and offices. All are offered with internet access, printing facilities and a simple pricing model.

Typical business services

The services hotels can offer include:

High-quality printing

High-quality printing is the 'cash cow' that can support all of the hotel's other business facilities. As a business service, there are several factors that make it commercially attractive for a hotel:

- It is a simply understood service of use to the majority of business customers. Unlike telepresence and conferencing, it is a familiar and necessary function.

- It cannot be replicated by equipment that guests bring themselves.

- With the correct technology partner – such as ITQ – it comes with a charging system that is easy to deploy.

- When deployed professionally, it can be simple for your guests to use and your staff to support.

- With an appropriate system – such as ITQ Hotel Services – guests can take advantage of wireless printing from anywhere in the property from any device.

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[6]   http://www.premierinn.com/en/business/meeting_rooms.html

While ITQ Hotel Services are not the only print system that hotels could use (HP's ePrint is one alternative), the ITQ solution does offer some unique advantages:

HP ePrint[7]	ITQ Hotel Services
Free service without charging mechanism; guests print at the hotel's expense.	Integral charging mechanism (free printing could be offered at the hotel's discretion)
Limited control of available print options	Full control of advanced features such as folding, stapling and booklet printing
Documents printed and released without user authentication	User authentication ensures confidential data is only released to appropriate person
Available on limited number of HP devices	Available on all ITQ print systems

More details on ITQ Hotel Services are available in the "ITQ Hotel Services" section.

Video-conferencing and telepresence

In a bid to distinguish itself from the type of personal video calling offered by Skype, high-quality commercial videoconferencing has been rebranded as "telepresence".

By offering a combination of accommodation, meeting rooms and telepresence a hotel can support any type of meeting a business customer requires:

- if he or she travels to the meeting, accommodation will be required;

- if the meeting is between local contacts, a meeting room is more appropriate;

- if the customer wants to avoid travelling – especially if the distances are great – telepresence can be used.

Marriot and Starwood Hotels are already installing telepresence systems from Cisco[8] in some of their hotels to capture the market for advanced business telecommunications.

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[7]   https://h30495.www3.hp.com/c/45388/GB/en/
[8]   http://www.cisco.com/en/US/products/ps7060/index.html

Although telepresence is seen as a 'big company' or enterprise facility, smaller companies wanting to do business with enterprise corporations will put themselves at a competitive advantage if they can communicate in that corporation's preferred way.

Similarly, hotels that can offer that facility to smaller businesses will put themselves at a competitive advantage and expand their sources of revenue.

Remote meetings and hybrid conferences

Expanding on the telepresence theme, a suitably equipped hotel can offer to completely organise a virtual meetings between remote participants. Furthermore, the facility can be provided to combine presentations from a mixture of live and remote speakers and, if required, recorded video.

Computer access

Although decreasing in number, there is still a small contingent of business guests or visitors who do not carry a convenient computer with them. These customers either have no computer at all or find it easier to walk up to a PC in a business centre rather than unpack their own laptop and access the hotel's facilities through it.

Options for print systems

Once the hotel has established itself as an effective venue for business facilities and functions, more options appear for the provision of services to the business community.

Print services for business

Whereas printing may start off as a facility designed for hotel guests and visitors, if the facilities are of adequate quality, a substantial base of print customers could be developed. Hotels could offer several advantages over traditional print shops:

- They are more likely to have adequate parking, making access much easier.

- Whereas customers have to make a dedicated visit to a print shop, printing at a hotel could be combined with a meeting.

- With the leisure and recreational facilities available, having printing done at a hotel is a more pleasant experience than having it done at a print shop.

- Depending on local conditions, the hotel could also offer lower pricing than local print shops.

Technology testing

It is extremely likely that the print facilities envisaged with ITQ Hotel Services are more advanced than those available in the offices of most small businesses. In this sense, using a hotel's print facilities could function as a trial for organisations considering purchasing similar facilities of their own.

Charging for business facilities

If customer loyalty is one of the goals of your business services programme it is critical to know which services your guests are prepared to pay for and which they will assume should be provided free of charge.

This is not as contentious a topic as it might initially appear to be. Firstly, Amadeus's research[9] shows that business guests are commercially realistic. 91% agreed that "in the face of intense competition, hotels will increasingly turn their attention to generating ancillary revenues through activities such as increasing their share of the spend each guests staying at their property". Furthermore, 89% agreed that "hotels will increasingly provide additional business services." Guests understand that if the hotel provides a genuinely useful facility it has every right to charge for it.

Secondly, it has already been indicated that modern guests expect to be offered a spectrum of services from which they can choose to use the ones they need. They are satisfied customers as long as they are not being charged for services for which they have no use.

Thirdly, where services such as the print facilities offered by ITQ Hotel Services are concerned, business users are used to paying for such a service. Printing is never free. When they print in their own office they may not see a bill but they know there is a cost involved. When they outsource document production to a local print shop they do see an invoice and they will easily be able to equate printing in a hotel to this kind of transaction.

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[9]   "Hotels 2020: Beyond Segmentation": http://www.amadeus.com/hotelit/beyond-segmentation.html

The role of mobile technology

Almost all the business facilities a modern hotel can offer will be based around mobile technology.

Today's business guest arrives armed with a dazzling array of pocket or briefcase-based computers. Whereas five years ago it might be common for a business guest to arrive with a network-enabled laptop, today it would be rare for business guests to arrive without a wireless-enabled laptop, tablet computer (e.g. iPad) or smartphone (e.g. iPhone or Android phone).

This has had a dramatic effect on the services that can, could or should be offered by hotels. Whereas Tanya Venegas of the HFTP (Hospitality Financial and Technology Professionals) Research Institute confirms the traditional view that "the travel industry tends to lag behind other industries when it comes to technology"[10], the predominance of wireless-enabled guests gives hotels a fantastic opportunity.

It is now expected that any hotel serving business guests will provide wireless Internet access. In Deloitte's 2011 survey[11], over 77% of business travellers indicated that complimentary Internet access is important to them. This makes it increasingly clear that any hotel that charges for this basic facility will put itself at a severe competitive disadvantage.

Beyond wireless Internet access, there are two ways a hotel can differentiate itself:

- by allowing guests to wirelessly access the business facilities that will help them meet the commercial purpose of their stay

- by allowing guests to wirelessly control the hospitality aspects of their stay (check-in, room control, booking of leisure facilities, etc)

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[10] "Hotels 2020: Beyond Segmentation": http://www.amadeus.com/hotelit/beyond-segmentation.html
[11] Deloitte: Taking Off in 2012: http://www.deloitte.com/view/en_US/us/Industries/travel-hospitality-leisure/174d66b8fe6c3310VgnVCM3000001c56f00aRCRD.htm

Wireless access to business facilities

As we become accustomed to increasing convenience in our personal and business lives, we expect services to be delivered to us where and when we want them. This expectation extends to hotel business services and is, in respect of printing services, an expectation that can be satisfied with ITQ Hotel Services.

The private guest

Deloitte's 2011 survey[12] revealed that over 60% of older respondents would not work in public areas such as lobbies and business centres. This age group corresponds with senior executives whose work is too confidential to risk exposure. It also represents a lucrative and influential customer sector.

This desire for privacy could make a well-equipped business centre an expensive white elephant with guests appreciating the facilities but shunning their openness. ITQ Hotel Services allows guests to print to the business centre's printers from anywhere - including the privacy of their rooms.

The collaborative guest

At the opposite extreme is the guest who needs to collaborate with colleagues. Working in a shared business centre would be disruptive to other guests. Working in a meeting room might be too formal, too expensive or – depending on the property – the facility might not be available.

ITQ Hotel Services gives guests full IT facilities wherever they choose to work: the bar, the restaurant, a room or, of course, the business centre. Wherever they are, they have full wireless Internet access and comprehensive printing facilities.

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[12] Deloitte: Taking Off in 2012: http://www.deloitte.com/view/en_US/us/Industries/travel-hospitality-leisure/174d66b8fe6c3310VgnVCM3000001c56f00aRCRD.htm

The travelling guest

Guests who stay for several nights may need their hotel to act as a temporary base for their business operations, an office away from 'the' office. The customers and suppliers they visit may be capable of offering IT support but borrowed facilities may lack the confidentiality sensitive information requires.

The ability to send documents back to the hotel to be securely released to the guest on his or her return could be a valuable facility.

Although based in the hotel, ITQ Hotel Services offer this function to guests. Documents are transferred between the guest's computer and the business centre's printers by email making printing available from anywhere an email can be sent.

Wireless control of hospitality

There are several ways hotels can give guests wireless control of the hospitality aspects of their stay. However they are, for the most part, beyond the remit of this research and only mentioned in passing.

Wireless check-in & room access

Holiday Inn is among the hotels testing a combined wireless check-in and smartphone-based room key system.

The system, which is made by Open Ways[13], is compatible with iPhones, Blackberries and Android smartphones. Guests download an application when they register with the hotel and, when they arrive, they bypass the check-in desk completely, open the reservation confirmation e-mail on their smartphone and simply hold it up to the acoustic sensor on their room door. The smart phone acts as the key.

The advantage of the system, according to Holiday Inn, is that guests like to avoid the sometimes-crowded check-in counters and they prefer not to have to deal with a key that, like so many other pieces of clutter that accumulate during a business trip, can be lost easily.

It is understood that this type of technological solution is an anathema to many people in the hotel industry who are devoted to the concept of personal, human service.

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[13]   http://www.openways.com/

The critical factor is that technological solutions should not replace human interaction but complement it. Just as airports offer automated check-in kiosks as well as traditional check-in lines (and queues), hotels can offer a staffed check-in desk as well as automated check-in facilities.

This not only gives them the flexibility to serve tech-savvy customers the way they want to be served, it can also reduce the cost of their traditional check-in desk with fewer staff needed.

Leisure facilities

The Westin Riverfront Resort and Spa at Beaver Creek Mountain in Colorado released its own mobile application[14] in October 2011 that allows guests to use a smart phone to book spa appointments. The system runs on the platform provided by Runtriz[15]. Similar applications are in use in other hotels for booking tables in restaurants, etc.

Housekeeping and room service

The same application in The Westin Riverfront Resort and Spa also allows guests to order extra supplies from housekeeping and meals or drinks from room service from wherever they happen to be – in the hotel or outside it.

Hilton, Doubletree and Embassy Suites have a room service app for smartphones with a unique twist[16]: "Request upon Arrival" lets guests order room service meals to be ready when they arrive at their rooms.

Service customers

Although it is tempting to think of all business travellers as having a high degree of technical literacy, it is important to acknowledge that there is a class of visitor who wants to take advantage of the business services without personally using the business facilities.

To this type of 'service customer' mobile technology suffers from the same limitation as any other IT facility: it is technology. Service customers have either reached a status in their business life where administrative tasks are done by their staff for they belong to a generation who view technology as something best used by other people.

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[14] http://hospitalitytechnology.edgl.com/top-stories/5-Must-Have-Guestroom-Technologies78501
[15] http://www.runtriz.com/
[16] http://hospitalitytechnology.edgl.com/top-stories/Win-Biz-Traveler-Loyalty-by-Satisfying-Their-Top-Technology-Demands55009

Hotels cannot ignore service customers. They must be able to provide facilities that are simple enough for technically-shy guests to use, comprehensive enough to accommodate guests who arrive with none of their own technology and service-oriented enough to cater for the guest who expects full secretarial support.

If it is not possible to offer such a full spectrum of services, the hotel must acknowledge that there will be a certain category of guest who cannot be satisfied by their business services.

Capitalising on non-mobile technology

As the power of mobile devices increases, it is less likely that business guests will appreciate hotels that provide facilities they can carry with them themselves. A business centre with computers and Internet access will be of little benefit to a guest who has exactly those facilities on his smart phone or iPad.

To be appreciated as a business venue with 'something special', hotels can best help themselves by providing something guests cannot bring themselves. Foremost in this category are print facilities. High-quality printing and document finishing still requires devices that are anything but portable.

Technology challenges for hotels

Technical developments and innovations are constantly emerging as the rate at which they emerge is not expected to slow in the near future. This leaves hotels with numerous challenges.

Financial support

The primary challenge is securing the finance required to provide the features that business guests demand. Business facilities that have an in-built charging mechanism and the ability to finance themselves will be the preferred choice for many hotels. In this respect, the printing facilities provided by ITQ Hotel Services can be seen as the bedrock on which other desirable but less lucrative facilities can be founded.

The pace of change

Staying current with the latest relevant developments is always a challenge for any organisation whose core business is not the technology itself. Put simply, business facilities are just one of the many things hotel managers have to consider. To stay current with what can and should be offered requires a trusted technology partner.

Security

As more guests conduct confidential business across wireless networks in public areas, security will inevitably be scrutinised. Hotels must be prepared to explain the security measures they have put in place and the strategies they employ to maintain the commercial interests of their guests.

Technical backup

The issue of technical backup is interesting. On the one hand, it is clearly essential that any hotel must be able to provide guests with any assistance they need to use the facilities offered. On the other hand, it is unreasonable to expect general hotel staff to support technical business facilities and uneconomical for the hotel to provide and train specialist staff to support business facilities.

The solution is, where possible, to provide business facilities that are both simple to operate and support. In this respect, the print facilities offered by ITQ Hotel Services will once again be a preferred solution for hotels.

The importance of simplicity

Complexity is one of the key reasons guests would resist using a business service, especially one based around technology. While technical complexity is a challenge for anyone, it is more critical for occasional visitors.

As Ingvar Herland, General Research Manager of Peninsula Hotels puts it: "…devices need to be intuitive and easy to use because you can't have a person staying one or two nights in a hotel spending a lot of time trying to understand how something works."[17]

For this reason, ITQ Hotel services have been built around a universally-understood technology: email. Any guest who can send an email can print using the system.

Serving international guests

International guests flying in from foreign countries add more emphasis to the need for simplicity. A guest with limited English and limited IT skills needs a system based around a universal language or system such as email.

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[17]   http://www.hotelmanagement-network.com/features/featuretechnology-access-all-areas/

ITQ Hotel Services

ITQ Hotel Services provide custom-made business facilities to hotels. The facilities can include:

- high-quality mobile printing and finishing from anywhere in the property
- high-quality copying
- scanning
- customer-billing interface
- computer facilities
- tele-conferencing and video-conferencing

High-quality mobile printing and finishing

Printing forms the cornerstone of ITQ Hotel Services. It is the most valuable service to both guests and the hotel.

How It Works

1. Each guest is given a 'print card' at check-in.
2. The guest emails a document to the address shown on the print card.
3. The guest swipes his or her print card by a business centre printer and the document is securely released.
4. The cost appears on the guest's bill.

Wireless mobile access

Because emails can be sent from anywhere, ITQ Hotel Services can provide print facilities from anywhere.

- Guests wanting to work in private can work and print from their rooms
- Guests collaborating informally with colleagues can work and print from the bar or restaurant
- Guests working in meeting rooms can work and print from their seats

Revenue & billing

ITQ Hotel Services generate a report detailing the printing done for a guest during his or her stay. The costs can be added to the bill.

- The billing reports can be produced almost instantly to facilitate rapid check-out

Value to guests

Whereas guests will usually bring their own computer resources (laptops, tablets, smartphones), they cannot carry anything as bulky as a high-quality printer. Supplying print facilities provides guests with a valuable and distinct service.

Print options

Advanced print options such as booklet printing, stapling and folding can be enabled using commands in the email's subject line.

- ITQ Hotel Services supports any print function offered by the hotel's ITQ printers and multifunctionals

Service options

Hotels can enhance the technical aspects of the facility by offering personal delivery of documents to a guest's accommodation or meeting room.

Flexible enough to suit any property

ITQ Hotel Services can provide print facilities to suit any property size.

- Smaller properties can generate revenue from a small 'print station'; a compact multifunctional can produce guests' document without needing a computer. The guests print from their own laptops, tablets or smartphones. This represents a compact and profitable installation suitable for lobby areas.
- Larger properties could install printers and multifunctionals in business centres and meeting rooms.

Confidentiality

Documents are only printed when the guest swipes his or her print card at a printer or multifunctional. This ensures that documents are only released to their legitimate owner and maintains the confidentiality of commercial information.

Integration with existing access cards

Some door access cards can be used as print access cards.

High-quality copying

The same multifunctionals that support the hotel's print service also supports copying.

How It Works
1. Each guest is given a 'print card' at check-in.
2. The guest swipes his or her print card at a business centre multifunctional and its copying facilities are activated.
3. The guest copies documents.
4. The cost appears on the guest's bill.

Scanning

The same multifunctionals that support the hotel's print service also supports scanning. ITQ Hotel Services multifunctionals are internet-enabled so documents can be sent to any valid email address or FTP server.

How It Works

1. Each guest is given a 'print card' at check-in.
2. The guest swipes his or her print card at a business centre multifunctional and its scanning facilities are activated.
3. The guest scans documents.

Computer facilities

ITQ Hotel Services can provide a range of computer resources including PCs, laptops and iPads.

ITQ Hotel Services do more than provide technical facilities. ITQ offers two services to help the deployment and commercial exploitation of the facilities it installs.

Deployment Assistance

ITQ's Deployment Assistance service develops the materials and information needed to help guests use the facilities provided. This can include signage for the business centre, entries for room directories and information for on-screen help systems.

Promotional Assistance

With ITQ Hotel Services in place, a hotel will be in a position to offer superior services to business guests and daytime visitors. ITQ's Promotional Assistance service develops materials and campaigns to promote these facilities to likely customers.

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