

amadeus

# Rebuilding Hospitality

Trends in Demand, Data, and Technology That are Driving Recovery



# 2021

Data taken from Amadeus Demand360® data as of 30 April 2021

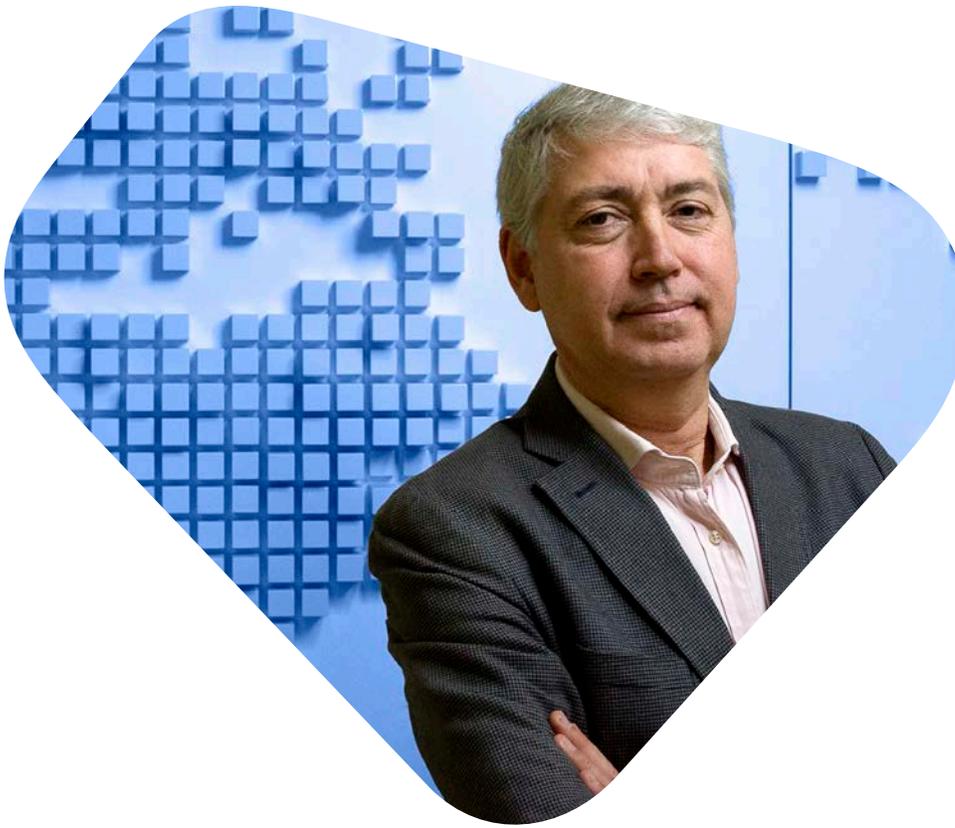
[WWW.AMADEUS-HOSPITALITY.COM](http://WWW.AMADEUS-HOSPITALITY.COM)

*The impact of COVID-19 has changed almost every aspect of the hospitality industry from guest profiles, to how those guests book their stay, to the services they seek at the property.*

*For hoteliers, this has forced a rapid change in strategy across the board, with some changes likely to be temporary and others settling in for the long term. April 2020 was the crunch month, as global occupancy rates fell to a low of just 1.3%. This resulted in drastic measures for many hoteliers, such as closing properties, placing staff on furlough schemes and raising additional liquidity to secure financial positions.*

*Throughout the pandemic we've seen hoteliers pivot more than once. They've adjusted on-property systems to be touchless and cater to the changing needs of guests; they've adjusted distribution and marketing approaches to appeal to domestic leisure focused customers and they've had to re-price inventory without suitable historical data to inform forecasts. It's been a year of flux but there are strong indications the industry is ready to turn a corner.*

*This report seeks to surface the [hospitality trends that have defined the industry during the pandemic](#) as well as provide best practice examples and advice on how hoteliers can plan for recovery.*



The hospitality industry has faced some profound changes over the last year with nearly every certainty we once held facing challenge. What has been universally consistent though, is the way in which the industry has responded. The nimble, innovative, industry-wide initiatives that have emerged, coupled with the resilience that is evident, has been remarkable to experience.

And as we start the process of rebuilding travel, we, at Amadeus, are committed to investing in our industry and partnering with our customers to navigate the uncharted road ahead. We hope that this report provides rich and valuable reading for anyone working in hospitality. It is produced with insight directly from the industry and our purpose is to stimulate discussion and thinking.

People love to travel, and businesses thrive with personal, face-to-face interaction. We will build back stronger to be able to embrace and exceed the expectations of the guest of the future. At Amadeus, our optimism is undimmed and our belief in the travel industry is unshaken.

I look forward to hearing your perspectives and initiatives as we continue to evolve and rebuild travel together.

Sincerely,  
Francisco Pérez-Lozao Rüter  
President, Hospitality, Amadeus

## Chapters:

- 1 | Data points to green shoots for hospitality demand.....Page 5
- 2 | The product pivot.....Page 9
- 3 | New strategies for capturing demand.....Page 13
- 4 | Rewriting the operational rule book.....Page 22
- 5 | Contactless is the craze but personalization is the prize.....Page 27
- 6 | Where do we go from here?.....Page 30

1

Data Points to Green Shoots  
for Hospitality Demand

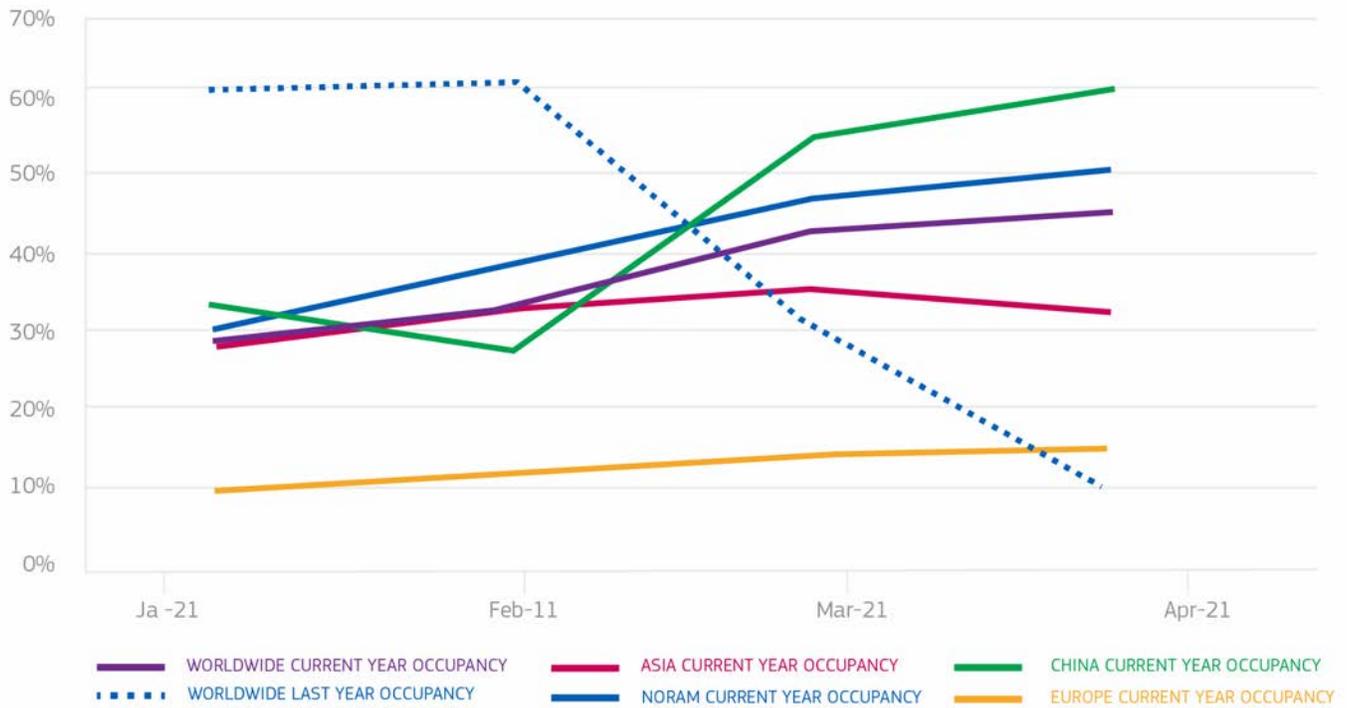


## Data points to green shoots for hospitality demand

April 2021 was an important month for the hospitality industry as global occupancy rates stood at 46%, far exceeding the 2020 lows of just 13% the year before.

Traveler confidence is growing, as the global hotel industry records a **+60% increase in net reservations** since the beginning of the year.

### January - April Occupancy (Worldwide and by Region)



Source: Amadeus' Demand360® data as of 30 April 2021

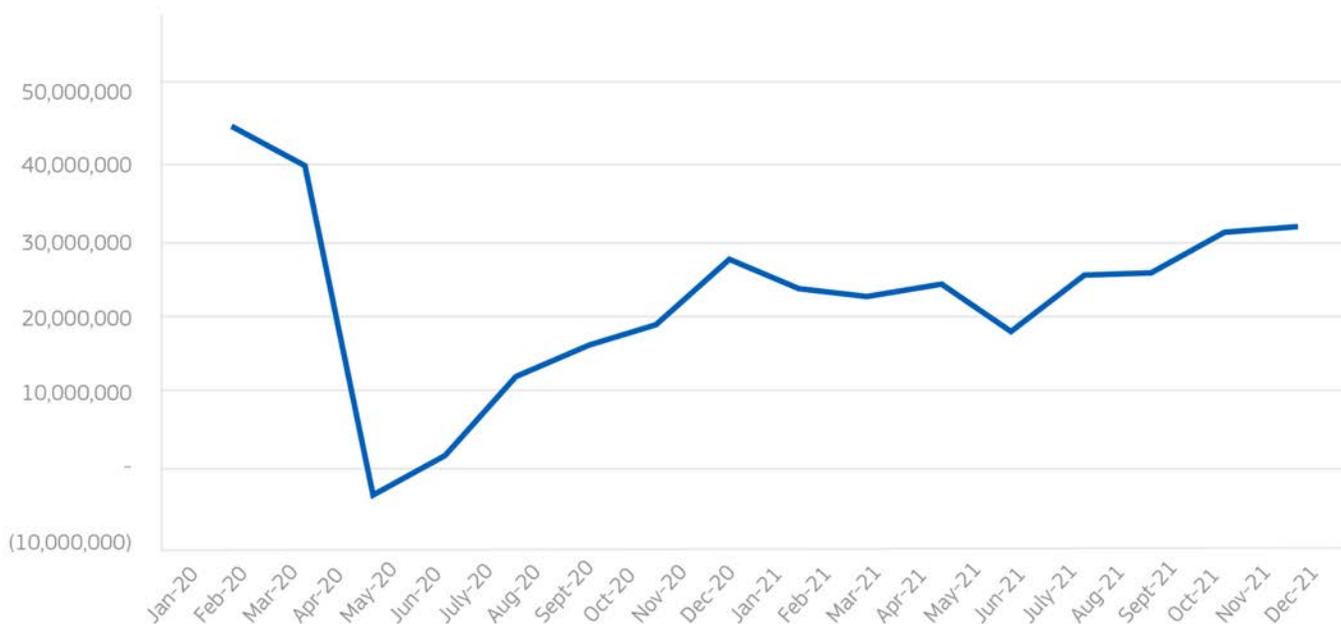
While the global data shows an encouraging trendline, the pick-up in occupancy has been faster in some regions than others. Clearly China and North America, with occupancy levels standing at 62% and 51% respectively, are leading the way, driven by domestic travel which in part has made up for a lack of international and business travel.

The picture in Europe is less favorable and the recovery in occupancy has been slower, standing at 18% at the end of April 2021, perhaps explained by ongoing shifts

in travel regulations not experienced in other regions. In Asia, overall occupancy stands at 34% for the month of April but shifts significantly based on travel guidelines and size of country.

When hotel reservations are considered, the improving global picture is clearer still with a +60% increase in net hotel reservations (new reservations minus cancellations in a specific booking week) since the beginning of the year.

## Worldwide Hotel Net Reservations



Source: Amadeus' Demand360® data as of 30 April 2021

### Booking windows increase

One result of the pandemic has been last-minute hospitality bookings as the nature of people's travel changed. Well planned holidays, often international, have made way for spontaneous domestic travel.

At the beginning of April 2020, at the height of the first wave, 62% of all bookings globally were made within seven days of travel, with 41% of those bookings made on a 'same day' basis (i.e. the same day the guest checked into the hotel). This made staff scheduling, revenue management and planning considerably harder as hotels simply couldn't predict how many they would be accommodating from day to day. Other booking windows like 8-14 days; 15-30 days and 31-60 days respectively each represented roughly 5% of demand. Pre-pandemic, a 7-14 day booking window or 30+ days for family holidays would have been the norm.

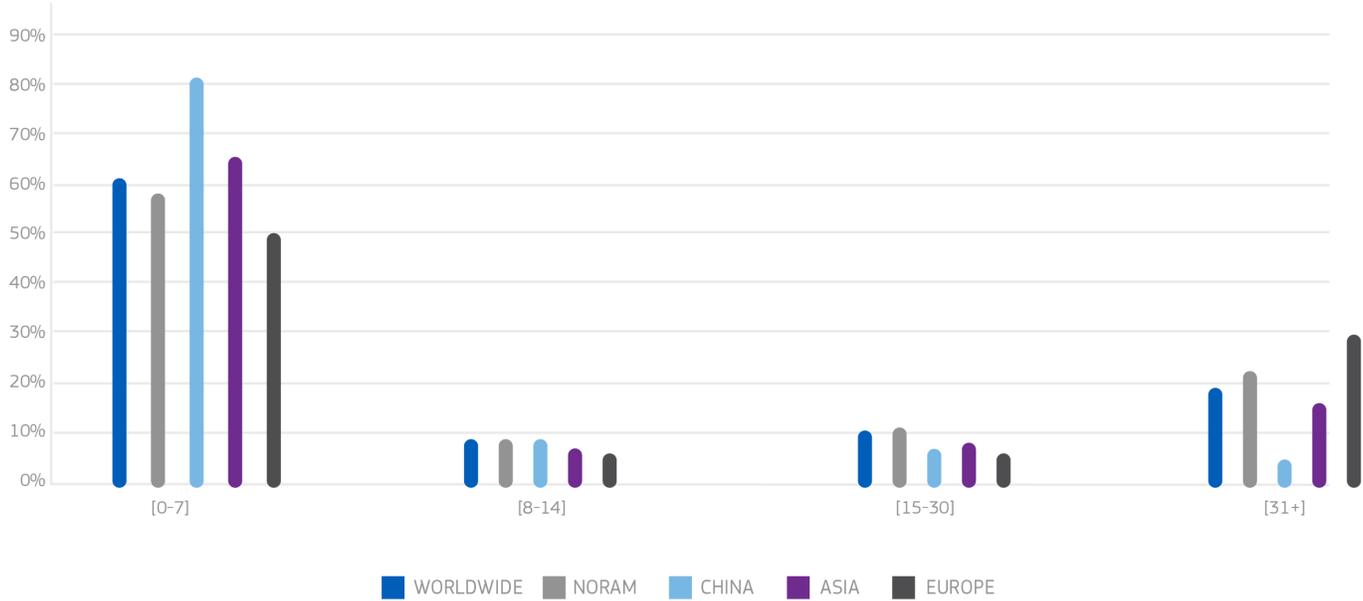
However, this data indicator now provides a source of cautious optimism as booking windows are lengthening once again. Based on a data snapshot from recent weeks, bookings made on the same day of travel have shrunk globally from 39% the first week of 2021

At the height of the first wave of infections in April 2020, 62% of all bookings globally were made within seven days of travel.

to 23% the week of April 25, 2021, and 31-60 day bookings increased from 6% the first week of 2021 to 11% the week of April 25, 2021. The 8-15 and 15-30 day windows, though still behind 2019 bookings are more closely aligned with historical context than behaviors seen during the height of the pandemic.

All of this suggests that confidence is returning, and people are beginning to plan travel once again. Whilst nowhere near the level of pre-planning the industry is accustomed to, it's a welcome step in the right direction.

### % of Transient Reservations By Booking Window



Source: Amadeus' Demand360® data as of 30 April 2021



#### Key insight:

Booking windows in some markets (noted in the US and EMEA) are starting to lengthen again.

#### Call to action:

Monitoring forward-looking market insight to understand booking window trends is important, as a booking window that is lengthening past 7 days indicates increased traveler confidence and the start of a return to a more normal status quo.

# 2

## The Product Pivot



## The product pivot

In our survey with hoteliers across the world, consistent themes emerged. One was the lack of business travel, with a third of hotels citing this as their number one current challenge, followed by ‘government restrictions’ and restrictions on international flights.

When asked which guest profile would support recovery this year, 63% of hoteliers commented that they saw ‘leisure’ and in particular ‘domestic leisure’ travelers driving bookings. Two thirds of our global survey did not expect to reach normal pre-pandemic occupancy

levels until the end of 2022. So as the make-up of guest profiles has changed for many hotels, most likely for at least the next year, many hotels have reimagined their purpose and product, with some interesting results.

63% of hoteliers say leisure will be the travel segment to contribute most to their recovery.

### Which guest profile will support recovery in 2021?

Domestic leisure.....	44.91%
Domestic business.....	22.09%
International leisure.....	10.61%
Business group travel.....	7.85%
Leisure group travel.....	7.12%
International business.....	5.81%
Other.....	1.60%

## Work from anywhere

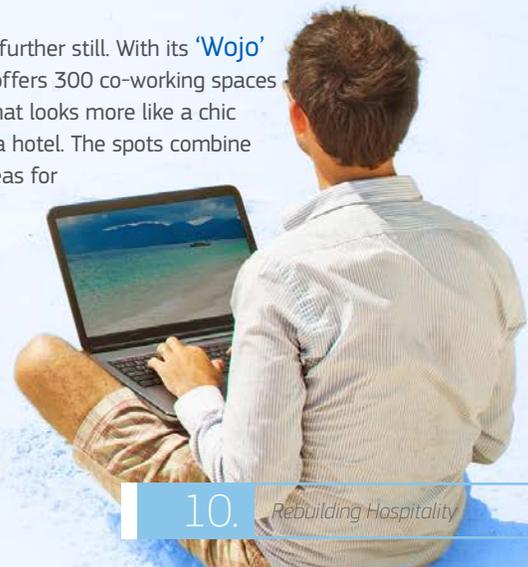
With offices closed people have had more flexibility than ever before to truly work from anywhere and hotels have reacted by creating offers aimed at a decentralized and nomadic workforce.

Hyatt was perhaps the first major chain to offer a work from anywhere package at 25 of its properties, which was quickly expanded to more than 90 following significant demand. Guests have access to a dedicated workspace, complimentary Wi-Fi and laundry services all combined with leisure activities like golf and cooking classes.

‘Work from Hyatt’ packages are designed for guests staying over five nights, but the chain also makes its rooms available as an office for the day between 7 am and 7 pm, for a flat fee of \$65 across 400 of its properties in the US. Guests get discounts on parking and food, with access to the business center and a change of scenery for their working day.

Marriott offers ‘Work Anywhere’, with similar perks for workers that want to turn one of its hotel rooms into an office for the day at a 25-50% discount compared to an overnight stay. Whether this trend persists after the pandemic has concluded remains to be seen but with many analysts forecasting that the shift in working behaviors may be permanent, this could represent a lucrative new type of guest.

Accor has gone one step further still. With its ‘Wojo’ program, the chain now offers 300 co-working spaces across 70 French cities that looks more like a chic version of WeWork than a hotel. The spots combine living space, bars and areas for quiet work. Moreover, meeting rooms at its hotels have been tuned into permanent offices that companies can rent.



## The rise of the “Schoolcation”

As schools closed, parents struggled to work and home school their children. Some enterprising hoteliers stepped in to offer a stay for working parents with supervised home schooling for the kids.

The Four Seasons Resort Orlando at Walt Disney World offers a ‘Schoolcation’. Guests can send their child to schoolwork sessions in socially distanced and outdoor environments with up to six kids in each class.

Parents can send children in either half-day (\$50) or full day (\$100) sessions including lunch, with arts and crafts on offer. The hotel has an existing children’s entertainment team that have swapped the pool and microphone for the whiteboard to supervise the learning sessions.

Other branded hotel groups like Montage offer similar options to busy parents and Kimpton even has a ‘chief virtual learning officer’ available at properties in Austin, Texas and Salt Lake City, Utah to keep kids connected.

## Long-stay rentals catch the eye of hotel chains

Driven by ‘work from anywhere’ freedoms some travelers have taken extended stays in new locations, with the alternative accommodation sector pivoting to try and capture this market. Indeed, Airbnb introduced a new search function allowing travelers to search for ‘flexible dates’ including month-long and multi-month stays in March 2021. In its announcement it commented:



*We believe these shifts will continue even after the pandemic fades, and that for those with new flexibility to choose their dates, travel will increasingly become a way of life<sup>1</sup>.*

Some hotel chains are also making moves to boost exposure to the long-term stay market, with Marriott’s launch of ‘Homes and Villas by Marriott’. The chain is working with property management firms across 100 markets to offer their inventory of homes, villas and even castles to its guests, typically on a medium to long-term basis.

Skift reported that the company first conducted a trial in London with property firm Hostmaker and from that trial 75%<sup>2</sup> of guests were traveling for leisure with family and friends. As hotels look to tap into the domestic leisure market that is thriving in some regions of the world, longer stays beyond traditional properties might provide an opportunity.

1 <https://news.airbnb.com/new-flexible-search/>

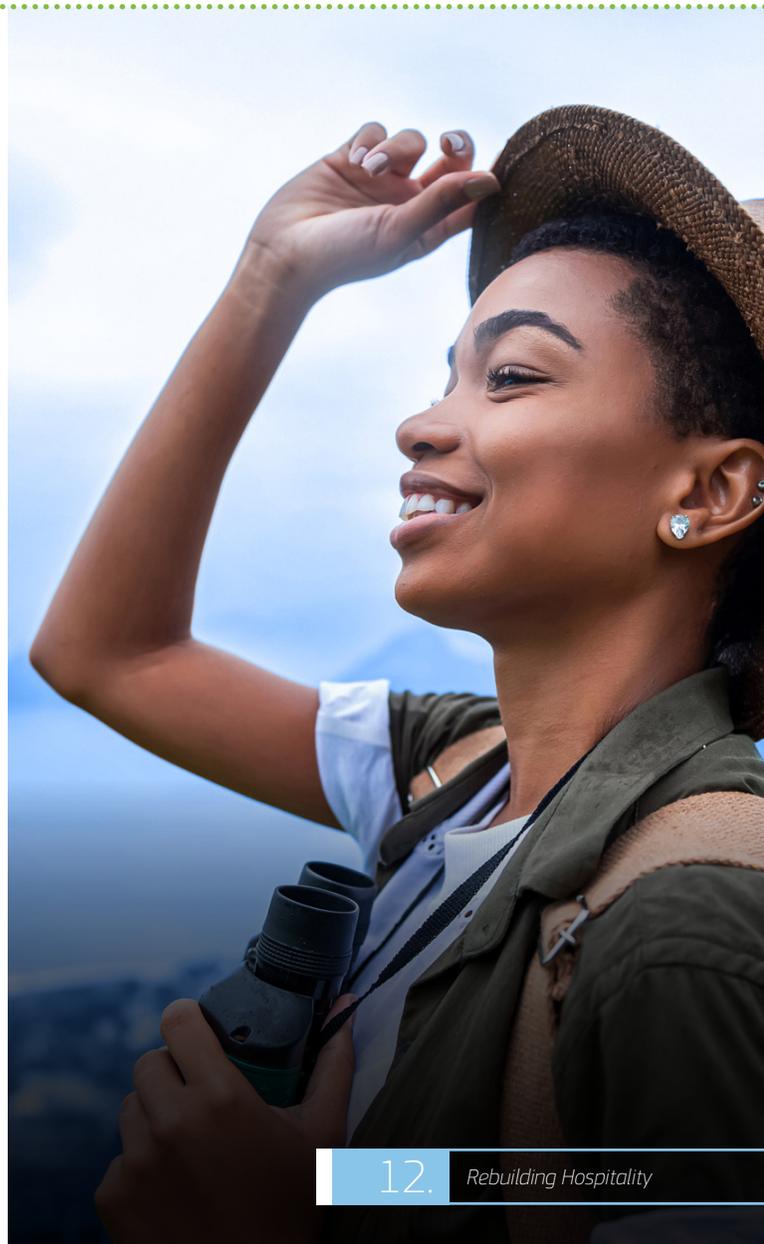
2 <https://skift.com/2020/10/28/marriott-throws-hat-into-the-work-from-hotel-ring/>

### Key insight:

Creative business pivots like offering work ‘staycations’ and facilities that help travelers elongate stays have helped hoteliers test out new strategies to access new guest segments.

### Call to action:

Hotels need to think carefully about the operational impact of these pivots and model them working at various capacities to ensure they have the right back-office processes in place to support them and realize the financial benefits they can deliver not just under duress but at scale.



3

# New Strategies for Capturing Demand



## New strategies for capturing demand

As people’s motivation for travel has changed, so too have booking behaviors. Amadeus’ Demand360® data shows a shifting channel mix, with a surge in bookings originating via the ‘direct’ channel during the pandemic. For example, in April 2020 direct bookings made up around 67% of all business, far more than is typical. In comparison, looking at historical data from 2019, direct

### Key insight:

Distribution channels have shifted considerably during the pandemic in favor of direct and brand.com as consumers seek direct reassurance on their bookings.

only accounted for 41% of worldwide bookings. This behavior was driven in large part by guests needing more information and reassurance than usual as they sought to understand if the property and its facilities are open as well as what safety measures are in place. Direct reservations have remained the channel of choice in every month since, although travelers are now beginning to shift back to other channels.

Although the trend is still emerging, it’s already clear that OTAs are beginning to drive occupancy once again.

*When comparing April 2020 to April 2021, the OTA share of bookings has more than doubled over the past year to 19%, surpassing its share of bookings in 2019 at 16%.*

When you consider that domestic leisure travel is driving the initial stages of hospitality’s recovery then it is likely OTAs will play an increasingly important role. Hoteliers seem to be aware of this dynamic, with OTAs cited as the most important channel for 2021 by our survey sample.

### Call to action:

Where travel starts to open up, the shift in the channel mix needs to be monitored carefully so that hoteliers are deploying appropriate marketing strategies at the right time to maximize each channel.

We asked hoteliers: Which distribution channel do you think will be most important to your hotel in 2021?

Online travel agencies.....	28.49%
Direct.....	22.53%
Brand.com.....	19.91%
Global distribution systems.....	16.72%
Travel agents.....	4.07%
Metasearch.....	3.05%
Tour operators.....	2.47%
Wholesale.....	1.60%
Other.....	1.16%

---

“

*There is more domestic than international travel at the moment which has influenced the channel mix considerably – people know the brands they want to stay in and call direct to get the information they need. When the pandemic subsides though, it will be important for hoteliers to be on every channel possible to increase exposure. It will take some time for hotels to build sufficient demand before they can start controlling the channel mix again.”*

Jan Tissera,  
Head of International, Hospitality  
Amadeus



# Doubling down on data-driven strategies



*I've never seen hoteliers pay so much attention to data. In 2019, when times were good, it was easy to just carry on. Now, every hotel is making data a central pillar of its decision making.*

Katie Moro, Vice President of Data Partnerships, Hospitality, Amadeus.

When the environment around you changes it's more important than ever to have the data-centric insights to adapt. During the pandemic hoteliers have been forced to rethink their approach to data with typical historical data offering only limited value when understanding the changed market dynamics.

What was surprising in our research was how many hoteliers were reliant just on their own data sets to gain insights. According to Moro, it's about bringing more data sources together to gain an edge.

"Historical data doesn't help on its own, last month is so different to this month. Hoteliers need to source demand, search, flight, rate shopping and alternative accommodations data and bring it together to gain a complete picture."

Relying on one data source can be misleading. For example, using search intent alone provides a picture of demand but during the pandemic many searches didn't necessarily convert to a final booking. It's only by integrating the factual forward-looking search, booking and historical occupancy data that hotels can understand those global markets where searches are leading to bookings and invest to drive demand, keep properties open and increase staffing levels.

Many hotels have used the pause in business to focus on their data strategy, integrate more data sets and ensure there is a single view provided through a business intelligence and/or revenue management system. Effectively competing with alternative accommodation providers has been a key concern as some travelers have been attracted by the prospect of a self-contained property that's set up for longer stays.

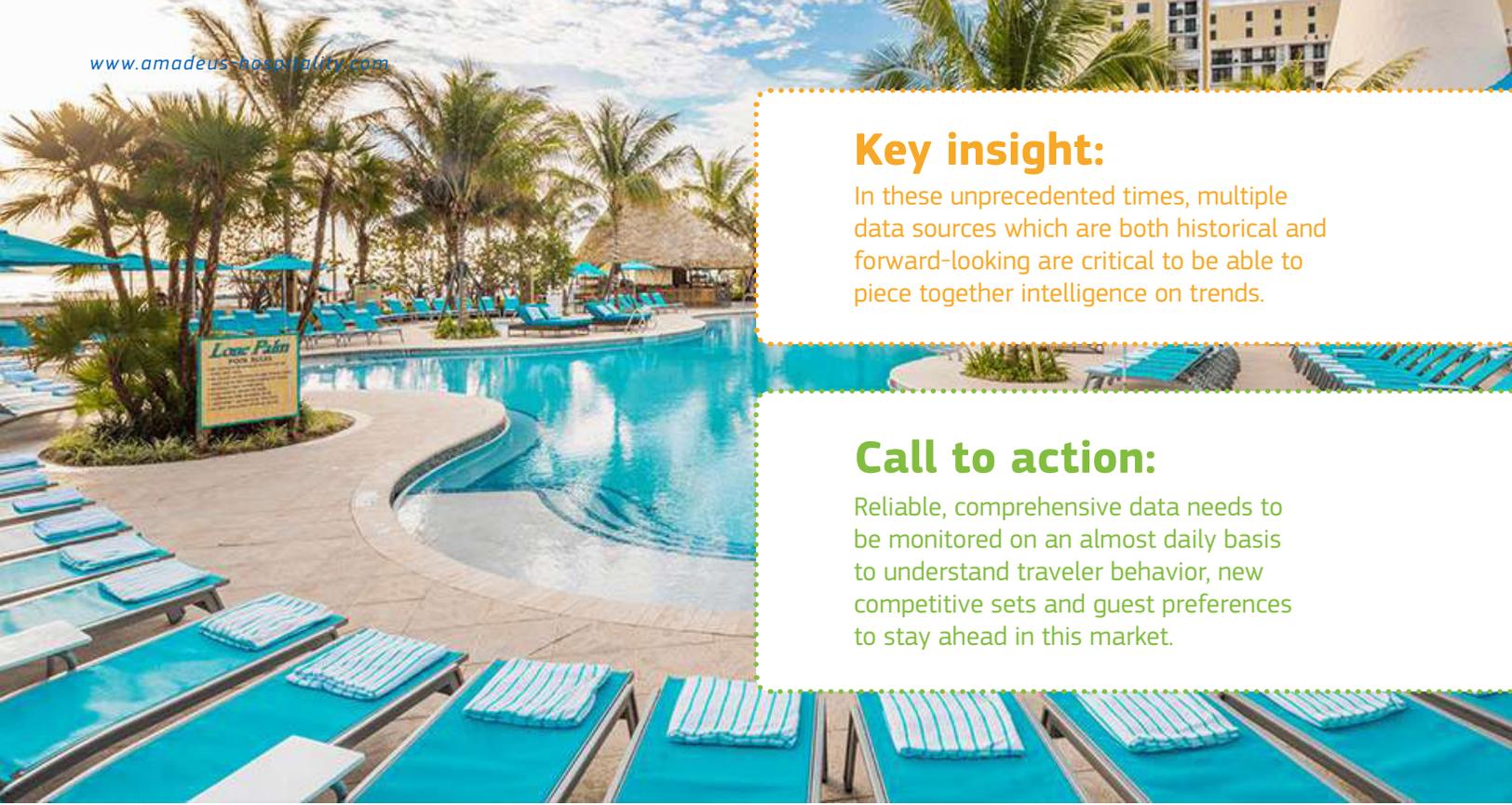
Moro believes data can help:

"If you see that airline passengers arriving in the location of your property have increased, but you're not feeling the benefit, perhaps those travelers are staying in alternative accommodations."

The solution could be to start a media campaign or make a shift in marketing strategy that highlights the hotel's adjusted offer.

## We asked hoteliers: Are you using market performance data to monitor trends?

Yes, I review my own historical data.....	38.51%
Yes, I am using published reports.....	28.81%
Yes, I subscribe to a service.....	27.31%
No, I don't currently have access to any market data.....	5.37%



## Key insight:

In these unprecedented times, multiple data sources which are both historical and forward-looking are critical to be able to piece together intelligence on trends.

## Call to action:

Reliable, comprehensive data needs to be monitored on an almost daily basis to understand traveler behavior, new competitive sets and guest preferences to stay ahead in this market.

## Davidson Hospitality Group's use of data

---



*The way we use comparative data is the biggest change we have seen in the last year. What is great about using data is that you can look at it with multiple cuts, so for example different periods of time. We can use it to see what the market looks like now, how it will look for the next seven days and the next 90 days etc. so we can see which markets are rebounding fastest and how.*

*Taking the US as a case study, we can look at the Northeastern portfolio against the Southeastern, where you are comparing stats for hotels that have been open more and for longer in the South against those that have been more restricted in the North. From this you can see there's a profound difference in demand in those markets. We're watching not only how the data has been acting the last couple of months but also what it looks like going forward and using this for trends across the market as a whole. We expect demand to bounce back in all markets, like we're already seeing in the Southeast and can use this as a template.*

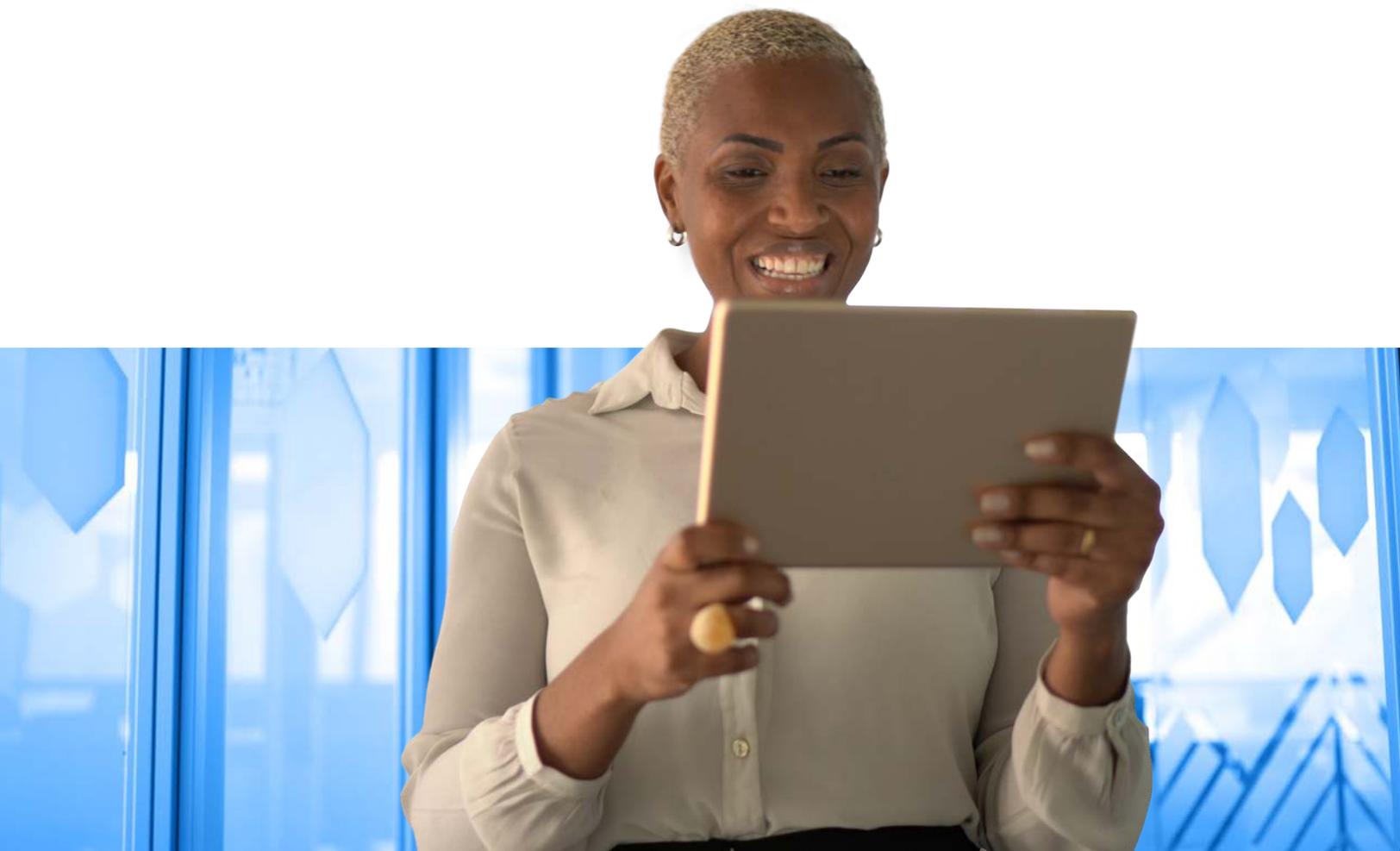
Dan Engle, Vice President, Field Sales, Davidson Hospitality Group

## Digital media was the most useful tool during the pandemic

Once you've understood the market, where bookings are originating from and you've aligned your product, the next crucial step is letting people know what you have to offer. Perhaps that's why hoteliers told us that digital media campaigns have been the single most helpful technology during the pandemic.

In our survey we also asked hoteliers if they'd engaged with new digital marketing strategies during the pandemic and the vast majority have.

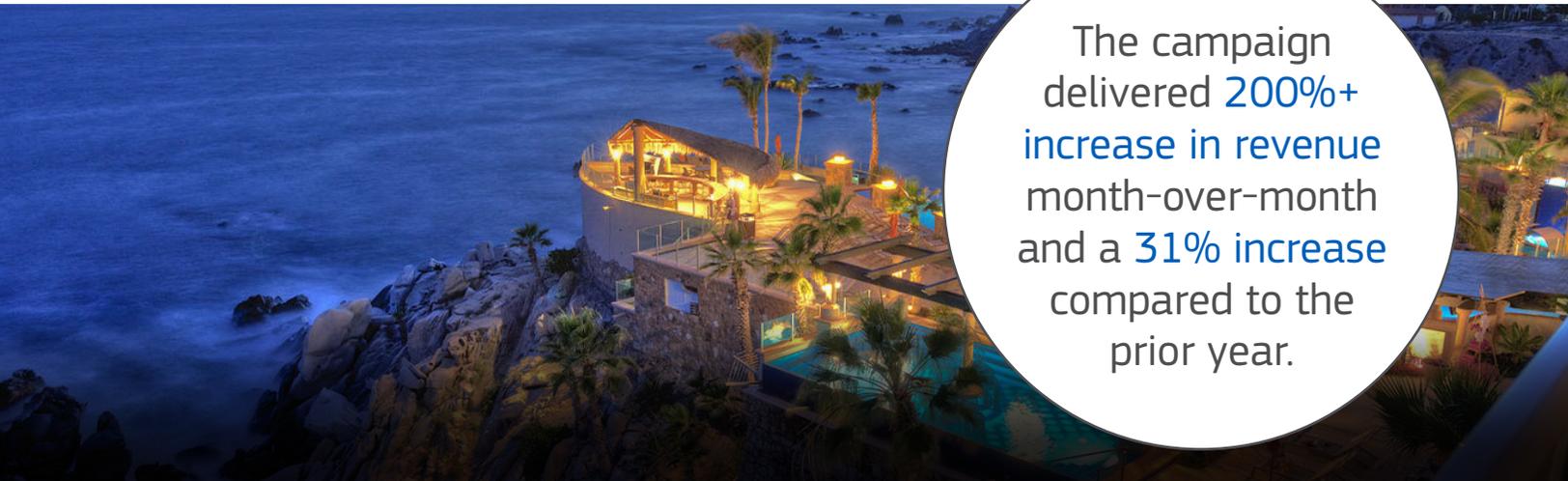
Yes, with some success.....	46.80%
No, our marketing budget couldn't accommodate.....	14.53%
No, we continued with our normal strategies.....	14.39%
Yes, with excellent results.....	13.37%
No, but we hope to in the future.....	10.90%



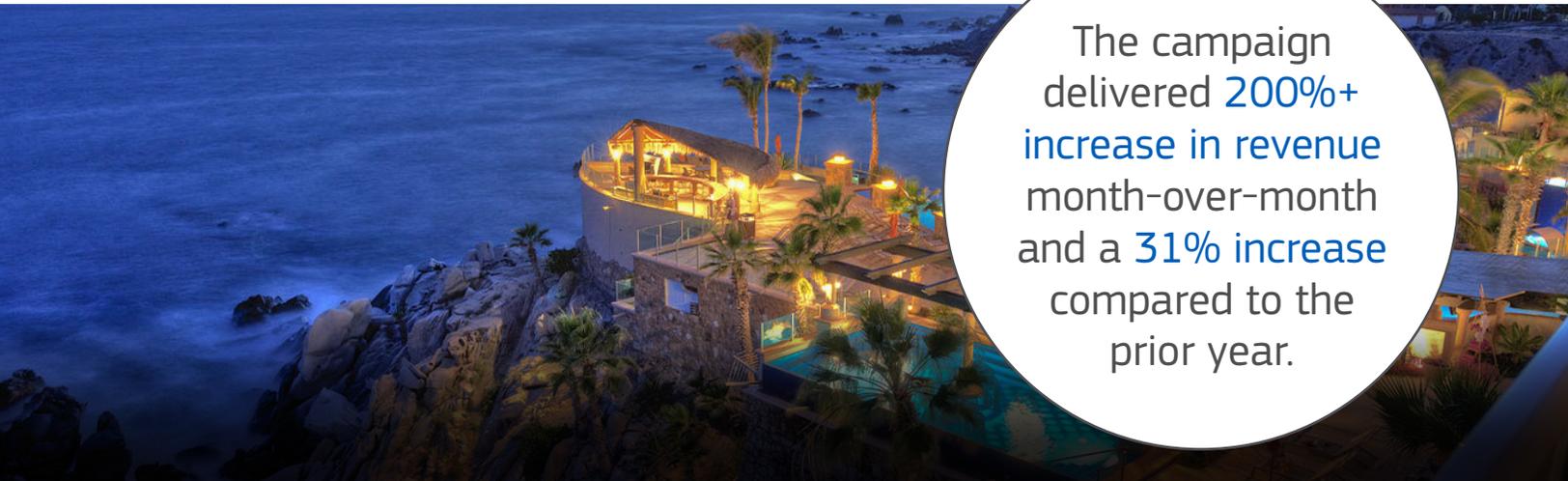
## How Welk Resorts boosted bookings by **900%**

Amadeus' customer Welk Resorts offers a resort, timeshare and rental property hybrid operation with locations in California, Missouri, Colorado and Mexico. Welk Resorts and Amadeus worked together to devise a cross-channel media strategy to boost visibility whilst keeping potential guests informed about COVID-19 safety measures in place at properties.

Using data obtained through an Amadeus partner, the campaign targeted a leisure audience within driving distance of key properties across social media, search and display. The messaging stressed discounted rates for advanced bookings and the social distancing potential at Welk's private villas with fully equipped kitchens.



The campaign delivered **200%+ increase in revenue** month-over-month and a **31% increase** compared to the prior year.



As a result of this campaign, SkyCity saw an **uplift of 697 direct bookings** which represented an **increase of 350% year on year**, achieving a **117 to 1 return on ad spend (ROAS)**.

## SkyCity Auckland realized **117 to 1 return** on ad spend during domestic recovery

The two first class hotels that form part of SkyCity Auckland in New Zealand needed to drive direct bookings from their domestic market after strict lockdown was lifted for the local market.

In partnership with Amadeus, they launched pay per click (PPC), social and direct response marketing (DRM) campaigns targeting domestic travelers and weekend 'staycationers'.

All outbound messaging communicated the properties' hygiene practices as well as a 5-day flash sale to get basic rate business on the books to cover their costs.

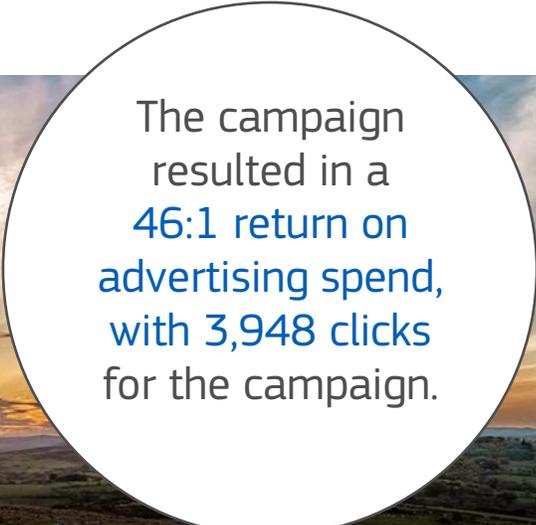
## Bovey Castle increases direct bookings within domestic market

This luxury UK hotel offers 60 bedrooms and 22 self-catering country lodges tucked away in the beautiful countryside within Dartmoor National Park. With international travel restrictions in place the luxury hotel needed to drive demand within its domestic market and increase awareness of the private lodgings.

Working alongside Amadeus a digital media campaign was launched on a limited budget after more than 60 days of paused campaigns. Amadeus ran ad campaigns for Bovey Castle using PPC, Facebook and Google dynamic remarketing.

The messaging of the campaigns focused on a private lodge offering, highlighting health and safety measures that the property had implemented, as well as free cancellations.

The campaign resulted in a 46:1 return on advertising spend, with 3,948 clicks for the campaign. By making the offer for 5 or 7 days, we were also able to increase the average length of stay for this campaign.



The campaign resulted in a **46:1** return on advertising spend, with **3,948** clicks for the campaign.



*We are also working closely with DMOs to better understand where marketing budgets need to be placed tracking the new competitive mix, origin and destination of travellers as well as trends in booking windows. This is key search data as it helps you to understand what destinations you are competing against and what markets to target and when.*

Scott Falconer, EVP Media Solutions, Hospitality, Amadeus.

---

“

*Hotels need to use data in a more agile and dynamic way, The traditional revenue management approach to extrapolate what you've seen before into the future won't work in today's environment. The industry has been turned upside down and we need to adapt accordingly. This is why we are heavily invested in digital marketing techniques, because they help us to understand how to better market to today's customer.*

Scott Falconer,  
EVP Media Solutions  
Hospitality, Amadeus



# 4

## Rewriting The Operational Rule Book



## Rewriting the operational rule book

For large parts of 2020 hotels furloughed workers and closed properties due to historically low occupancies. Faced with historic falls in demand, hospitality businesses have had little choice but to cut back on services to reduce cost, often resulting in significant staff reduction.

### Call to action:

While it may feel counterintuitive to be investing in new technologies at a time of reduced revenues, the long-term financial benefits can be considerable. Getting operations as lean as possible can reduce break-even point as well as guaranteeing safety for guests.

### Key insight:

A significant number of hotels recognize the value of investing in technologies that help to streamline, allow staff track and trace and make hotel operations contactless.

Operations are the largest single line item in any hotel profit and loss and an obvious place to optimize and realize financial efficiencies. However, a surprising number of hotels across the world still rely on pen, paper and walkie talkies to run their housekeeping and maintenance staff. With cleaning accountability as critically important as it now is, reduced staffing and now surging numbers of guests to accommodate, hoteliers without a technology-based approach might find operations more difficult to manage. Technology can be used to optimize processes which can lead to more efficient prioritization of work for staff as well as an improved guest experience.

Many hotels have reduced housekeeping for overnight stays during the pandemic, primarily as a means of minimizing guest contact but also as a cost saving exercise. Housekeeping schedules need to be carefully planned to ensure the right rooms are cleaned at the right time and turned around for new guests efficiently. The one-day work packages also place quite different demands on operations departments as many systems are set up to trigger cleaning based on an overnight stay.

We asked hoteliers: Which of the following operational strategies did you deploy to respond to the pandemic?

	Global	US	Europe	Asia
Reduced number of amenities available.....	17.81%	19.42%	16.03%	14.36%
Furloughed staff.....	16.65%	18.11%	15.60%	12.56%
Eliminated daily housekeeping during stays.....	16.28%	19.24%	11.66%	12.31%
Offered contactless deliveries of food & beverage, amenities, room service, or similar services.....	15.68%	14.10%	17.64%	18.72%
Removed interactions between frontline staff and guests to increase safety and confidence.....	14.18%	12.84%	15.74%	16.92%
Pivoted to offer “bleisure” or “work, stay, play” packages to individuals.....	10.48%	9.21%	10.20%	16.15%
Closed properties.....	8.91%	7.08%	13.12%	8.97%

## Change is here to stay

While the industry will be keen to get back to 'business-as-usual' when the environment permits it's likely that some operational changes made during the pandemic will be permanent. Many hotels had been trying to reduce staff costs even prior to the pandemic, particularly in the low-cost sector of the market.

### Call to action:

Hotels need to find a way to normalize and integrate safety guidance for guests, so it is in keeping with their brand and desired guest experience.

### Key insight:

Hoteliers we surveyed agree that COVID-19 safety measures are very likely to be here to stay for the longer term.

It's highly likely that self-service check-in online, at lobby kiosks or through mobile apps, which can boost the experience and increase efficiency, will endure with 25% of our survey citing the application of technology to streamline operations as a long-term objective. Similarly, we may have seen the end of daily housekeeping in the low-cost segment as both hotels and guests become accustomed to less frequent cleaning schedules.

However, regional differences in guest attitudes are likely to define whether such measures will be accepted by the market. Notably, only 12% of our survey respondents in Asia, where cultural norms value cleaning as a sign of a premium experience, have reduced daily housekeeping and just 10% plan to keep the policy in place. Whether cleaning every other day will be accepted in other parts of the world remains to be seen with some hotels implementing the policy for certain guest profiles, but maintaining the service for others, like families or groups.

We asked hoteliers: Which operational strategies will you keep in place or apply in future?

	Global	US	Europe	Asia
Technology that streamlines operations.....	24.75%	22.96%	25.81%	28.57%
Reducing stayover cleans (i.e. not cleaning every night).....	20.51%	26.46%	15.40%	10.16%
Contactless deliveries of food & beverage, amenities, room service, or similar services.....	19.87%	18.94%	21.26%	20.63%
Minimal interaction between frontline staff and guests to increase safety and confidence.....	19.64%	18.41%	20.17%	22.54%
Pivoting to offer "bleisure" or "work, stay, play" packages to individuals.....	15.22%	13.23%	17.35%	18.10%

Safe travel measures that encourage social distancing and special cleanliness procedures are expected to continue for many years to come, with 32% of respondents to our survey believing the industry will need to adopt them permanently. This suggests an onus on hotels to normalize safety measures and to think of ways to make them unobtrusive and in keeping with their brand experience, yet still be visible and effective. Likewise, the ability to track and trace both staff and guests will also be important for many years to come.



## Key insight:

Reaction to operational pivots have varied significantly by region.

Perspectives on COVID-safe technologies like 'health passports' also differ dramatically by region. In large parts of Asia biometric identity systems are widespread and already part of daily life. In Europe and the US, these systems are emerging as an enabler of self-service at the airport but are not yet part of people's daily routine.

On a global basis, most hoteliers haven't yet decided whether to require guests to present proof of vaccination or a 'health passport', however, more than 50% of hotels in Asia either already do, or plan to require such technology in the near future. Attitudes in the US are different, with only 7% of hoteliers saying they plan to implement health passports.

## Call to action:

There is no one size fits all response to delivering the service that guests want and expect. Each initiative must be carefully guided by customer feedback

*More than half of Asian hoteliers surveyed are considering vaccination passports, while 45% of US hoteliers said they will definitely not require proof of vaccination. 47% of European hoteliers are unsure.*



We asked hoteliers: Do you currently, or will you require, guests provide proof of vaccination or health passports?

	Global	US	Europe	Asia
Yes, we will definitely do this.....	7.27%	1.60%	11.46%	18.33%
Yes, it is something that is being considered.....	14.53%	5.85%	20.31%	32.50%
Don't know.....	45.64%	47.87%	46.88%	36.67%
No, we will definitely not.....	32.56%	44.68%	21.35%	12.50%

According to the Institute for Supply Management, US hotels added 40,000 jobs in March 2021 alone, highlighting the bounce-back.



## From layoffs to labor shortages

The hospitality industry shed a significant number of jobs during 2020. In the UK, 300,000 workers had lost hospitality jobs by November 2020, with hospitality the worst affected sector of the economy<sup>3</sup> according to the Office for National Statistics.

In the US we saw hotel unemployment rates of close to 50% in April 2020, with that number still standing at around 20%. According to the American Hotel & Lodging Association, the pandemic has wiped out 10 years of job expansion in the hospitality sector<sup>4</sup>.

Fortunately, this picture is now beginning to change. In fact, certain markets that have remained open and where domestic travel has been resilient, are now affected by an acute labor shortage, such as the US, Australia and New Zealand. With skilled staff laid-off during the pandemic, the current labor shortage is about finding people with the knowledge to keep hotels running.

Hilton has taken proactive steps to get ahead of the situation by partnering with Morris Brown College to create a \$30 million hotel and hospitality training center at the institution's Atlanta, Georgia campus<sup>5</sup>. Hoteliers are also turning to technology to assist with remote onboarding and updates on new protocols to bring new employees up to speed quickly and accurately.

According to the Institute for Supply Management, US hotels added 40,000 jobs in March 2021 alone, highlighting the bounce-back. But many hoteliers are also looking to new guest-facing operational technologies to help them deliver a great experience without needing to re-hire to pre-pandemic levels.

Self-service options, chatbots, destination experience platforms, and even 'ghost kitchens', where a third-party kitchen supplies a hotel that's closed its own, have all boomed during the pandemic. Hoteliers are expected to lock-in the gains that higher levels of automation have delivered.

<sup>3</sup> <https://www.bbc.co.uk/news/business-55313752>

<sup>4</sup> <https://www.ahla.com/covid-19s-impact-hotel-industry>

<sup>5</sup> <https://www.theatlantavoice.com/articles/morris-brown-college-receives-30-million-investment-for-hotel-development-project/>

5

Contactless Is The Craze But Personalization Is The Prize



## Contactless is the craze but personalization is the prize

Hotels have been forced to reconsider the guest experience based on expectations for a clean and safe stay. Many hotels have rushed to implement more digital, contactless and chat-based experiences at the property to make social distancing easier, in much the same way we've seen more contactless check-in options at the airport. In our survey of hoteliers, we asked which technology had most helped during the pandemic and 26% replied 'contactless guest technologies', a close second behind 'digital media'.

This trend will continue to accelerate as properties recognize that COVID-19 safe guest experiences are an important baseline to secure bookings and earn or win guest loyalty. Accor has been particularly active with the chain having implemented a completely digital and contactless guest experience at the Ibis Styles London Gloucester Road property. Guests can check-in online, pay online using a secure link provided on-property, access the room and other areas with a wireless key, contact hotel staff using WhatsApp and order room service with a Click, Pay, Collect scheme.

Amadeus is also doing its part to contribute towards a safer travel ecosystem, enhancing its Traveler ID platform which enables travel companies to digitalize and automate traveler identification and document verification across the traveler journey. Traveler ID is live today with several airlines and is available too for hotels and airports.

30% of global hoteliers are most excited about the acceleration of contactless technology to enhance the guest experience as we emerge from the pandemic.

In parts of Asia where the industry is more accustomed to health screening for travelers based on experiences with other diseases like Yellow Fever, hoteliers have innovated. G Hotel Gurney and G Hotel Kelawai in Malaysia have invested in equipment to measure guest temperature via facial recognition and to facilitate contactless QR code check-ins. The hotels also implemented automated hand sanitizer machines at entry points.

Some hotels have decided to automate the guest experience further, with The Standard having rolled out 'Stan' its dedicated chatbot across its US properties with more locations in London and the Maldives to follow. Stan engages guests in a text conversation, using AI to fix common issues that would have previously required a phone call or visit to the front desk. Skift reports that the feature has reduced phone calls by 25% with Stan able to route the guest to the correct line if more support is needed<sup>6</sup>.



<sup>6</sup><https://skift.com/2021/03/29/the-standard-moves-from-human-touch-tone-to-human-text-with-new-hotel-chat/>

## Quest for personalization to accelerate

It's one thing to add a new channel like chat to the guest experience, it's quite another to undertake the heavy lifting that helps a hotel to know its guests so their experience can be truly personalized. The industry has talked about personalization for years, but most hotels have found it extremely challenging to roll out a fully personalized experience from search to booking to on-property to post-trip.

That's because bringing together a hotel's knowledge about a guest from the property management system to the CRM, the central reservations system and possibly others, is a real challenge. But hoteliers are aware that understanding their every interaction with the guest is the only way to create personalized offers they want to buy and that keep them coming back. And in the new

### Call to action:

Smart hotels are realizing that a good understanding of the guest and a personalized approach can be the key in bridging the gap and connecting with guests in a contactless hospitality environment.

contactless world of hospitality where that personal touch can be lost, personalization can be the bridge that makes the all-important connection with the guest.

If a hotel knows from its data that a couple booked are traveling for an anniversary, then offering an upgrade to the honeymoon suite is a simple task. Similarly, taking this same information and arranging for roses and champagne in the room is a straightforward yet effective way to delight the guests and secure their loyalty. It sounds simple, but it's only possible if the hotel has transitioned to a modern, integrated core system.

### Key insight:

Personalization is not only for outbound marketing strategies. Integrated technology with centralized data can make true personalization a reality – and this powerful combination is a hotelier's best tool to introduce thoughtful touches to the onsite experience..

Connected to this trend is 'attribute-based selling', where the hotel product is segmented so it can be reassembled based on the guest's unique needs. True attribute-based selling eliminates the use of room types, at least in the core reservations system. A 300-room hotel would instead describe its inventory as 300 individual rooms, each with a particular set of attributes.

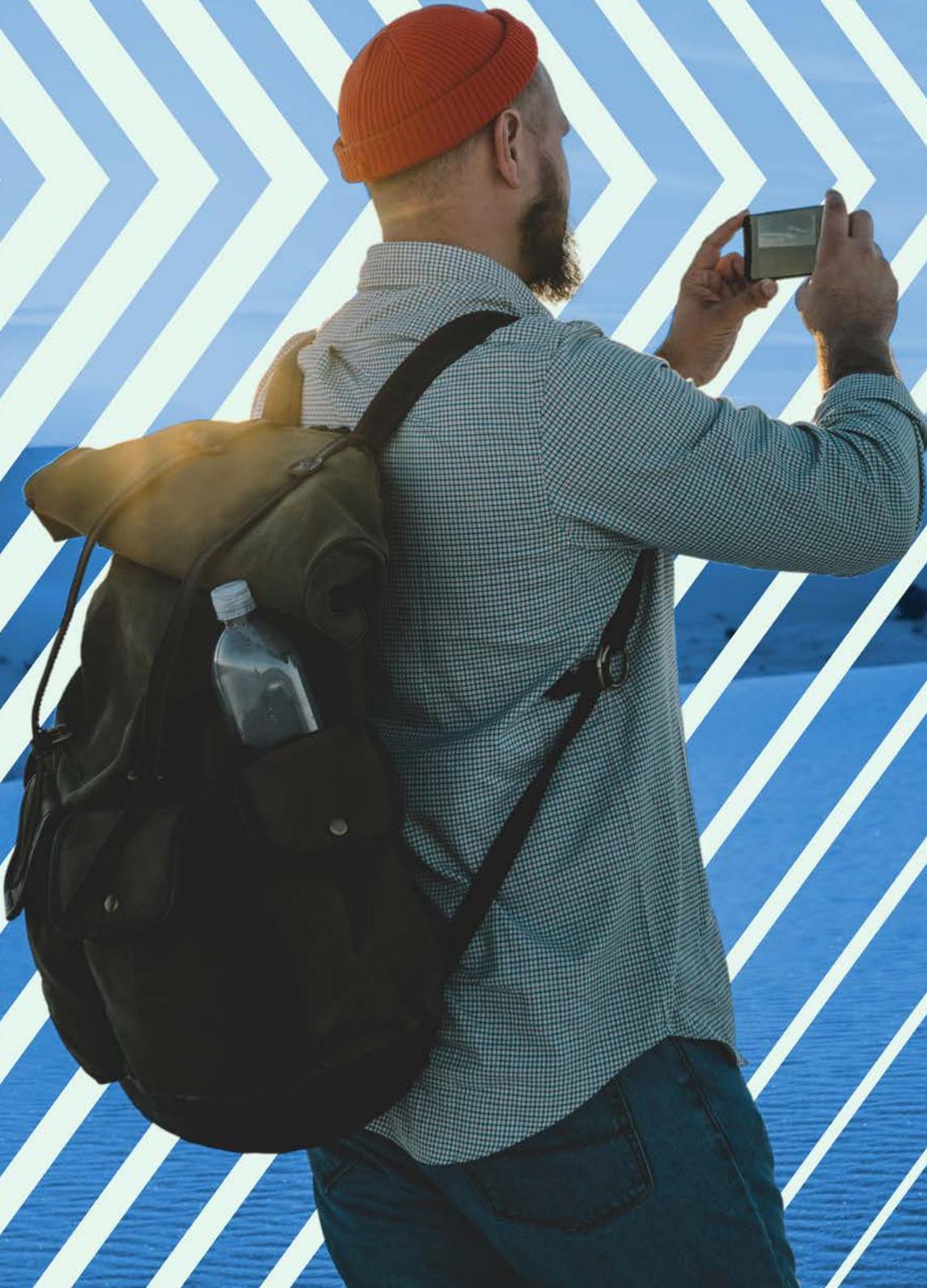
Rather than offering a suite with standard features to all it becomes possible for the guest to search for the room attributes and services they want - a sea view, king-sized bed, desk or air conditioning. Whilst attribute-based selling is still maturing there are other revenue generating options like allowing guests to bid for room upgrades and offering ancillary services like a massage, parking or airport transfer that can be easily rolled out now.

In our survey, 30% of hoteliers told us contactless technologies are the most exciting advancement coming out of the pandemic and 24% said 'technology to support personalized experiences', suggesting hoteliers know the rewards possible with personalization.

As the industry emerges from the pandemic, some new guest experiences like contactless services will endure but as hotels strive to differentiate, there will also be a dramatic refocusing on digital transformation to enable truly personalized offers and experiences. As hospitality becomes an increasingly self-service experience for many, the ability to personalize through technology allows the industry to continue delivering memorable experiences that guest crave

6

Where Do We  
Go From Here?



Planning a clear roadmap for 2021 is a real challenge for the hospitality industry, as for any travel vertical. We are in uncharted territory as markets navigate getting back on their feet. There is still great uncertainty, but also significant opportunities if hoteliers keep step with what guests want, rebuild their confidence to travel and maximize all the available support tools. Of the many trends identified in this report, there are two areas that should be particularly front of mind in 2021 and beyond.

There is no doubt that data holds the key to many of the challenges the sector is facing. Data provides the central window through which hoteliers are informed about what is working and what needs rethinking. It will give insight into which business and operational pivots should be adopted for the longer term and which can be left behind as guests start to return in sensible numbers. It is the lifeblood of any marketing strategy and is central to activating the right mix of distribution channels at the right time. As with anything though, data needs perspective, and ensuring that it is delivered from trustworthy sources, understood correctly and then acted upon, is critical.

Similarly, the assistance that technology can deliver should not be underestimated, and it is clear from our survey that many hoteliers recognize this with around 41% of hotels worldwide anticipating that they will spend more or the same on IT as they did in 2019. There's significant opportunity for operational optimization and improvement as processes are

automated which will benefit not only the hotel bottom line but can also improve the working environment for staff, which is important for retention.

Today's guests are likewise demanding a technological rethink. The pace of change in technology and the increasing expectations of guests is moving so fast that it's a struggle for many brands to keep up. As a result, many of the major hotel brands are shifting to an outsourced subscription technology model.



*Hoteliers want one technology provider to deal with, rather than a fragmented set of solutions. They want to be able to get integrated technology solutions off the shelf that just work so that they can focus on the job they excel at, which is delivering great hospitality to their guests.*

Jan Tissera,  
Head of International, Hospitality, Amadeus

*As we look to the future, there is a significant sense of optimism. The pent-up desire for travel is well documented and felt personally by people the world over. Over a third of hotels in Asia and EMEA, and a quarter of hotels in the Americas said their group would still be opening either one or multiple sites in 2021. And while the pandemic has forced some very tough times and a great deal of introspection within the industry, hoteliers have responded with incredible resilience and are implementing changes that leave them poised to come out stronger than ever.*



# Contributions

---

Amadeus surveyed 688 hoteliers across the world in March and April 2021 to capture data for this report.

*The report incorporates data from Amadeus' Demand360<sup>®</sup>, the industry's only comprehensive forward-looking business intelligence solution. Trusted by more than 30,000 hoteliers worldwide, Demand360<sup>®</sup> provides 2 years of historical market data plus one year of forward-looking, on-the-books occupancy data to empower hoteliers to create their most profitable revenue strategies and outperform the competition.*

amadeus

Let's  
shape the future  
of hospitality

At Amadeus, our mission is to make the hospitality industry run smoothly by enabling our partners to create memorable guest experiences. Our best-in-class marketing, distribution, operations, and business intelligence solutions are designed to help global hospitality organizations profitably drive demand and convert guests into loyal fans.

Find out more  
For further information, visit  
[www.amadeus-hospitality.com](http://www.amadeus-hospitality.com) or speak to an Amadeus representative today.

Find Us On:

