Engage your guests

Leverage data and analytics—get a 360° view of your customers

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Economic uncertainty puts pressure on every property, franchise, and hospitality group. Nontraditional and low-cost accommodations challenge long-standing business models. Today's mobile, networked travelers expect affordable, comfortable, more personalized experiences.

Engage guests—same game, new rules

To meet demands, hospitality companies must adapt to new business and distribution models. They must embrace changing technologies, and do it quickly. At the same time, hotels face growing pressure to maximize occupancy rates and revenue per available room.

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In this daunting environment, forward-looking hoteliers now recognize data as a key to improving guest services and driving business success. Most companies have access to vast stores of information—from structured loyalty program data to more diverse and unstructured data from the web, social media, and elsewhere.

Few, however, are maximizing the potential of modern data and analytics.

Many acknowledge struggling with the growing volumes, types, speed, and value of key information assets. Those challenges are complicated by growth in online travel agencies (OTAs), and proliferation of channels and customer touch points.

Data is often siloed, and cross-property systems are typically poorly integrated. Contracts and transactions are more complex than ever. There are new data privacy and security issues, as companies seek to protect guests and themselves, deal with country and regional restrictions, and comply with data-oriented industry and government requirements.

Strong analytics and data management are needed to fully leverage mobility, cloud computing, and other emerging technologies—advances that enable companies to improve brand exposure and sales before, during, or after a stay.

Managing that data—and translating it into insights to make faster and more informed decisions—is crucial to any firm that hopes to survive in today's competitive hospitality landscape. By gaining a true 360° view of your customer, you can enhance customer satisfaction in the room, around the property, and throughout the travel experience.

360°

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Gain a 360° view

Here are just a few ways that hotel companies are using analytics and data management to improve business performance.

Provide a personalized guest engagement

Successful hospitality organizations are moving away from the traditional static approach that segments guests by just a few variables—such as business versus pleasure travelers, and extended versus overnight stay.

To succeed in today's economy, hotel companies must support a more dynamic engagement model that recognizes the dynamic complexity of guest populations. They must embrace a more robust, data-driven model capable of distinguishing business versus personal travel, long- or short-term stays, group or individual travel, age and other demographics, budget, shopping patterns, room and amenity preferences, transaction history, and many other variables.
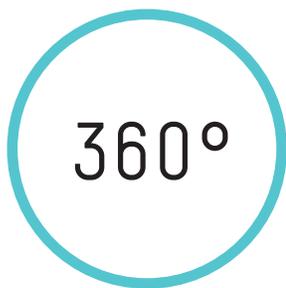
Hotel brands increasingly focus on tiers or loyalty levels, and seek to connect with repeat guests by offering late checkouts, enhanced Internet services, free concerts or day trips, or discounts at nearby retailers. Many are now concentrating on the unique demands of the millennial generation, which expects seamless digital connectivity and more communal space.

Others work to serve the often budget-conscious local "staycation" segment with off-peak and ancillary product offers. Gathering and analyzing guest-related data is key to serving increasingly specific customer segments.

Improve revenue management

Hospitality firms increasingly rely on robust data and analytic systems to handle key distribution and inventory management tasks. Those include handling global catalogs of rooms and amenities, ancillary products, on-property services, and local attractions.

A truly capable revenue management system must address a range of variables, such as seasonality and special events, rates and availability, individual guest spending histories, and dynamic pricing based on local competitor capacity. A modern IT platform should be capable of integrating disparate hospitality ecosystems to deliver reliable, comprehensive revenue management performance.

In a recent study, Cornell University examined how precise benchmarks and measurements can improve the performance of hotel loyalty programs.[1] Evaluating two groups of independent hotels, researchers found when programs were geared toward customer acquisition and increased spending—and measured against those goals—frequent guests became more frequent and spent 50 percent more than nonprogram guests.

Find opportunities on property and off

Astute hotel operators deploy data-oriented systems to improve the on-property guest experience and drive pre- and post-visit opportunities.

Hilton recently announced, for example, that guests can now select rooms online the day before arrival, check in remotely, and use a mobile device as a secure room key. By eliminating time and hassle for busy corporate travelers, these capabilities build loyalty and return business.

Hotel guests can typically pay for ancillary services by billing those charges directly to their room. Now, improved electronic wallets can extend easy-payment capabilities to nearby restaurants or local attractions. After check-out, the hotel reimburses the various service providers.

The possibilities are virtually endless, and made possible by strong data and analytic capabilities across properties, business units, and the larger hospitality value chain.

Connect the digital guest

To compete and succeed, hotels simply must meet the expectations of today's more mobile and networked consumer. This begins with data-enabled systems capable of providing anywhere, anytime connectivity to a vast range of guest, employee, and partner devices.

The emerging science of sentiment analysis starts with real-time social media monitoring, including what is being said about a hotel brand, property, or promotional campaign. You can then use location- and context-based analytics to extend instant offers, tweak a promotional campaign, or respond to a public relations crisis.

Event marketers already use real-time tweets, monitoring to see who and what captures audience attention. Retailers and others use in-store security cameras to infer customer moods

50%

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[1] Cornell Hospitality Report, "The Impact of Social Media on Lodging Performance", November 2012, Cornell University School of Hotel Administration.

[2] Ibid

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before making online offers. Hoteliers can and should leverage these capabilities. Of course, that requires handling massive data volumes and velocities—literally hundreds of thousands of tweets and status updates each minute.

Learn the pattern in guest transactions
Often the biggest challenge in discerning guest preferences is just knowing what to look for. Robust data and analytics are key to discovering patterns in consumer behavior and translating those insights into positive business outcomes.

By capturing, storing, and analyzing data, you can better understand current and historical buying behaviors of your guests. Strong analytics enable you to offer rewards programs based on specific guest activities, such as using a credit card to purchase a golf or spa gift card. Earned points, point of sale (POS) discounts, and cash-back programs help build guest loyalty and returns, and all require a solid foundation on data and analytics.

Take a big picture approach

Neither the hospitality industry as a whole, nor most hotel companies or properties, have a strong grasp of the broader customer experience management issue.

Most organizations struggle with a poorly integrated data and analytic infrastructure. Those obsolete systems hinder addressing increasingly dynamic customer tiers, complexities of negotiated rates and revenue management, and changing expectations of digital travelers. There is no agreed-on approach across the hospitality sector, and most companies continue to seek a rational, logical solution.

A "big picture" approach is recommended—one that leverages advanced information management and analytics to gain a true 360° view of hospitality consumers.

Any workable solution should begin with a basic understanding of the underlying business and guest service environment. Then move to analyzing IT and data architectural requirements, focusing on how data and analytics can be used to improve guest services and revenue management.

A critical challenge is to find ways to convert Big Data into value, by differentiating guest services and other offers, and accelerating efficiencies and revenues. This requires solutions capable of handling structured and unstructured data, extreme volumes and file sizes, and web, mobile, social media, and other channels.

When tuned to the unique requirements of a hospitality enterprise, a data and analytics model should support greater personalization and an enhanced guest experience. It enables you to better manage complex distribution channels and extended value chains. Ideally, it will also provide strategic guidance and specific solutions for managing, governing, and analyzing information in the context of a guest-oriented business.

Gain a hospitality-oriented data and analytic approach

Today's more advanced analytics and data management systems can answer those and other crucial questions—and give hospitality organizations a true 360° understanding of their guests. Forward-looking hotel companies are already using data and analytics to accelerate marketing and promotional efforts before, during, and after an on-property stay.

Real-time and historical analysis now encompass online data, such as travel-related web browsing, clickstreams, and nonhotel transactions. When analyzed with the right tools, you can reap valuable insights from social media interactions, Yelp reviews of hotels and restaurants, photos, and even videos. A range of technologies are now available to translate this surge of data into results-oriented insights.

Data and analytics can be used to more quickly and effectively understand guest transactions. Hotel chains use advanced analytics to update properties, websites, and supply chain partners with near real-time insights into guest preferences and the effectiveness of various offers. Complex ad hoc queries can be used to formulate special offers for corporate, family, or vacation travelers. By adjusting the product mix, including the parameters of online "recommendation engines," hotels can drive revenue and guest loyalty.

To do that, however, those companies must have fast and accurate data from front-desk and restaurant point POS systems, proprietary websites, and, where possible, third parties and OTAs. The good news: Modern analytic engines can interpret data as it's being loaded, and deliver answers up to 1000 times faster than the traditional data warehouse technology used by many hotel organizations.

To fully realize the potential of a truly panoramic view of your customers, you must first address the dramatically growing volumes of guest-oriented data and how that information can translate into improved service, enhanced sales, and other positive outcomes.

Today's most advanced analytics and data management solutions address that full range of requirements—from hardware and software to services and business transformation demands.

Meaning-based computing platforms now power the analytics, digital marketing, information management, and governance capabilities needed to fully understand today's digital traveler. Those engines enable you to search and process text from structured and unstructured information, including email and mobile data from databases, audio, video, and other sources.

Massively scalable database platforms can be custom-built to meet your specific requirements. To secure your enterprise—and protect data, guest information, and enterprise networks—you can now collect and analyze logs and security events from a vast array of devices and information sources.

Ask yourself key questions

To gain a 360° perspective of your guests, ask some fundamental, data-oriented questions:

• Which of your guest segments—business, pleasure, group or individual, frequency, age, or other demographic—are the most loyal, engaged, and profitable?

• Can you gain needed insights into guest sentiment, behavior, churn, and brand loyalty?

• How quickly can you turn those insights into improved guest services, more effective offers, and an improved bottom line?

• Are you using data to effectively maximize conversion, up-sell, cross-sell, and repeat business opportunities?

• How can you leverage information on the "whole traveler" experience—from flights and car rentals to entertainment preferences, shopping histories, and corporate or family considerations—to improve wallet share?

• Do you have the data and analytics capabilities needed to support guest demands for property-wide communications over multiple device types?

• Can you provide solutions that the "digital traveler" expects—automated kiosk and other service automation capabilities, enterprise-level business connectivity, and tech-capable conference settings?

• Does your social media presence meet the expectations of today's more networked traveler?

• Can you offer technology-dependent perks, entertainment, and luxury upgrades that set your properties apart in a crowded hospitality marketplace?

• Do you have Big Data capabilities to handle social media and mobile communications?

• Are you ready for massive new volumes of structured, unstructured, and semistructured data?

• Can you capture, store, and manage vital guest-related information across your organization, and with key business or franchise partners?

• Do the various elements of your data management infrastructure work as a unified whole across properties, business units, and your supply chain? Or is guest information siloed—largely unreachable and useless—in obsolete data systems?

Consider partnerships

The advantages of a comprehensive customer view are clear, but attaining that perspective is not always simple. Given the complex challenges of modern data and analytics, many hospitality organizations choose to collaborate with allies who have proven experience in technology and guest-oriented business operations.

Hewlett Packard Enterprise (HPE) has decades of experience serving the travel and transportation sector and currently processes more than seven billion travel-related transactions each year. We developed and refined a unique digital hotel model. It includes a central reservation system that enables 24x7 online bookings and provides a comprehensive view of guest services management.

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Hewlett Packard Enterprise currently processes more than 7 billion travel-related transactions each year.

We offer a robust suite of analytics and data management solutions specifically for the hospitality sector. And our expertise in analytics and data management spans more than 13 global centers of expertise, with more than 3000 consultants across a wide spectrum of industries including travel and transportation. The HPE Haven platform encompasses hardware, software, services, and business transformation support—and you can select the analytic engine that best meets your Big Data requirements.

Those and other solutions enable you to improve guest services, reduce costs, and drive operational efficiencies.

Realize it's happening now

Most major travel companies have significant initiatives under way to chronicle customer history. Those efforts leverage customer personas, using regression models to predict purchasing behavior and generate targeted offers—to anonymous shoppers.

By leveraging known guests' data, you can produce personalized offers that match their preferences—combined room charges and ancillaries. Predictive scoring mechanisms for guest types are also being used to evaluate how much financial value a guest will bring to the travel supplier.

Deliver a more satisfying experience

To better serve your customers, you must first understand your guests.

In today's more complex and challenging hospitality environment, analytics and data management are the keys to delivering a more satisfying—and profitable—guest experience. We believe you can more fully realize the promise of the digital traveler by adopting a logical and proven approach that captures, manages, and analyzes guest-related information.

That panoramic viewpoint can translate directly into accelerated time to market, greater personalization, and deeper customer intimacy. Today's successful hoteliers are harnessing those gains to improve their bottom-line business performance.

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