

ORACLE

2021 Hospitality Benchmark Report

**Mobile and Contactless
Maturity Analysis**





Executive Summary

It's difficult, to say the least, for any of us to fully grasp the turmoil we experienced in the past year. Because the hospitality industry was particularly hard hit from the beginning of the pandemic, it's vital to assess its impact on our business and guest behavior to navigate a changed marketplace - and be ready to seize the challenges and opportunities that'll come with it.

A shift to mobility was already underway, as hoteliers looked to simplify work for operators and staff while elevating guest service, but adoption rapidly accelerated during the COVID-19 pandemic. Mobile is the perfect vehicle to deliver contactless service – now essential for health and safety – so understanding the role of mobility in this new landscape is mandatory.

Oracle Hospitality partnered with research firm **Capstone Insights**, to publish the **2021 Hospitality Benchmark Report: Mobile and Contactless Maturity Analysis**. The project surveyed 1,050 hospitality professionals representing hotel, casino, and cruise operators in seven countries, covering the Americas, Europe, and Asia. The key objective: Evaluate their current and planned use of mobile technology – and the on-site property changes they made to support health initiatives – to anticipate the guest journey evolution over the next 12 to 24 months. The study mapped mobility's impact specifically to stages of the guest journey: pre-arrival, check-in, stay, food & beverage (in stay), and checkout.

Among the key findings:

66% of respondents said they effectively promote their mobile application and rely on it for conveying guest communications and handling requests in real time anywhere on the property.

52% of respondents reported they had recently introduced mobile guest messaging services or were currently working to implement them.

47% of respondents already offered contactless payment options at check-in and many were introducing them throughout the guest journey. In fact, only 11% of respondents did not offer contactless payment options for on-site dining.

Some results indicating widespread mobile use, frankly, surprised us. Though the pandemic spurred adoption, the development and availability of advanced solutions remain limited. Based on that reality and Oracle Hospitality's proprietary research of the global marketplace, it's plausible that survey responses skewed toward aspirations for mobile use – rather than a portrayal of present capabilities. A deeper dive into the data uncovered some evidence of such “perception gaps.”

For example, when comparing responses from owners and general managers with those of team leaders, the survey revealed the two groups hold distinctly different opinions about mobility use and impact. Management often appeared to express what “should” be happening while those working in the trenches seemingly reported what they actually observed. Typically, senior-level survey participants responded more bullishly on mobility than the rank and file.

Nevertheless, the results provide a vivid picture of mobility's ever-increasing role. More importantly, they underscore an urgency for operators to realize its full potential, especially by coupling it with cloud-based property management and point-of-sale systems. Such a pairing is what allows mobility to reduce operational costs, increase efficiency, and elevate guest service. It's the answer for the agility that tomorrow will demand.

Introduction

Why are properties investing in mobile?

According to our results, while the COVID-19 crisis accelerated plans to invest in low-touch options, the logic behind their adoption remained relatively unchanged. Unsurprisingly, a focus on customer experience remains paramount. The primary value drivers for investment are consistent across all property types and centered on improving guest experience while reducing operational expenses. When asked to prioritize the reason for their investment, hoteliers responded:

69% of respondents ranked increased guest satisfaction in their top three.

57% of respondents ranked increased speed of service in their top three.

46% of respondents ranked reduced operational costs in their top three, although this varied depending on geography, market focus, and property size.



Respondents rated mobile value drivers from most to least important.

	In Top 1	In Top 2	In Top 5	Not in Top 3	Not in Top 5
Increased guest satisfaction	35.1%	69.2%	87.9%	30.8%	12.1%
Increased speed of service	16.9%	57.2%	84.0%	42.8%	16.0%
Reduced operational cost	14.7%	45.9%	71.5%	54.1%	28.5%
Increased ability to measure and track staff	8.3%	36.0%	66.8%	64.0%	33.2%
Increased ability to personalize the guest experience	6.2%	35.4%	72.0%	64.6%	28.0%
Minimize unnecessary contact between guests and staff	13.3%	32.8%	58.9%	67.2%	41.1%
Changing guest preferences	5.5%	23.4%	59.0%	76.6%	41.0%

Nearly **70%** of respondents ranked improving guest satisfaction as one of their top-three priorities.

- **Guest satisfaction** and **speed of service** are clear priorities.
- **Reduced operating costs** also stands out as a priority among respondents, though this varies by market focus (e.g. value vs. luxury brands) and size.
- **Rank order of value drivers** is consistent across all property types.

Mobile technology simplifies inventory management and receiving processes for hotel restaurants.

Providing guests with ways to interact with hotel staff and facilities through their mobile devices improves the guests experience.

Staff use of mobile devices or tablets improves the guest experience.

Adoption and use of a guest-facing branded mobile application reduces labor costs.

Adoption of a branded mobile application increases speed of service.

0% 20% 40% 60% 80% 100%

Strongly Agree
Agree
Slightly Agree
Slightly Disagree
Disagree
Strongly Disagree

Nearly **77%** agreed or strongly agreed that investing in mobile improves guest experience.

What benefits do we expect from mobile investment?

When asked a follow-up question about the potential benefits of mobile investment, nearly 77% of respondents agreed or strongly agreed that it would improve customer experience.

Reduction of labor costs, conversely, garnered the lowest percentage of “strongly agrees” at just under 24%. This speaks to the hospitality industry’s commitment to guest experience, as employees are not necessarily replaced by mobile offerings, but use mobile to provide personalized guest experiences, enhance collaboration between staff members, and improve productivity.

Impact on the Guest Journey

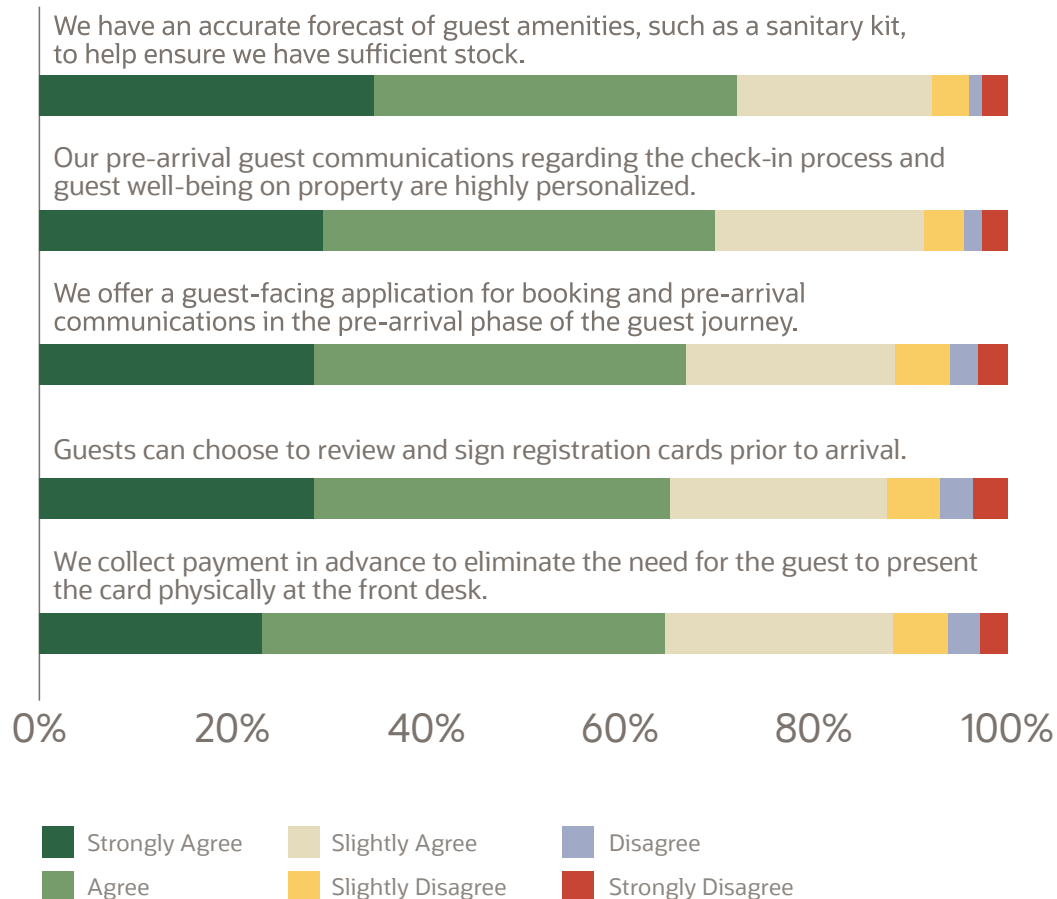
We were curious what changes travelers can expect as they resume their normal business and leisure activities, so our next step was mapping the increased use of mobility during various stages of the guest journey: pre-arrival, check-in, stay, food & beverage (in stay), and checkout.

Our goal is to provide an industry benchmark allowing hoteliers to gauge their readiness for the demands of an altered marketplace.



Pre-arrival

Pre-arrival covers the period leading up to and immediately following booking, including confirmation messages, pre-arrival emails, and potential upselling opportunities. This stage has changed less over the past year, especially for travelers who are accustomed to booking and prepaying for rooms online. Even so, adjustments have been made to offer more low-touch options while still providing exceptional service.



Nearly **70%** of respondents reported using pre-arrival communications to provide highly-personalized information, including property wellness guidelines and updates on check-in procedures.

Amenity forecasting has taken on higher importance, with **72% agreeing they could accurately forecast guest amenities**, such as sanitary kits which expanded to include masks and hand sanitizer.

Over **60%** reported having guest-facing applications to support pre-arrival communications.



Check-in

Guest check-in typically provides the first opportunity for in-person interaction and can often set the tone for an entire stay. But when government requirements and common sense require a lower-touch approach, how are hoteliers balancing safety with the desire to make a good first impression?

The adjustments reported in the survey focus on supporting physical distancing efforts either by reducing the time guests spend in the lobby at check-in (for instance, programming keys in advance and offering advance and/or no-contact check-in options) or by pivoting to mobile devices to capture information in key documents such as IDs and registration cards.

We produce door keys in advance of guest arrival and have them identified so guests can easily pick them up when they arrive.

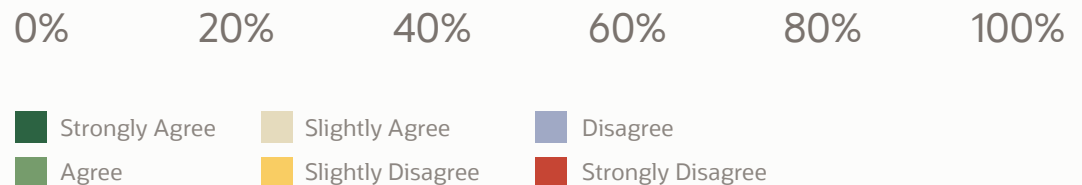
We capture guest ID/membership cards via a mobile device; staff do not physically touch a guest's ID card.

Guests can advance check-in so they may consume amenities even if their room is not ready yet.

Guests can use their mobile devices to unlock and access their guest room.

We capture guest consent/registration card forms via a mobile device; staff and guests do not physically touch paper forms.

Guests can go directly to their room and do not need to queue at the front desk for key pickup.

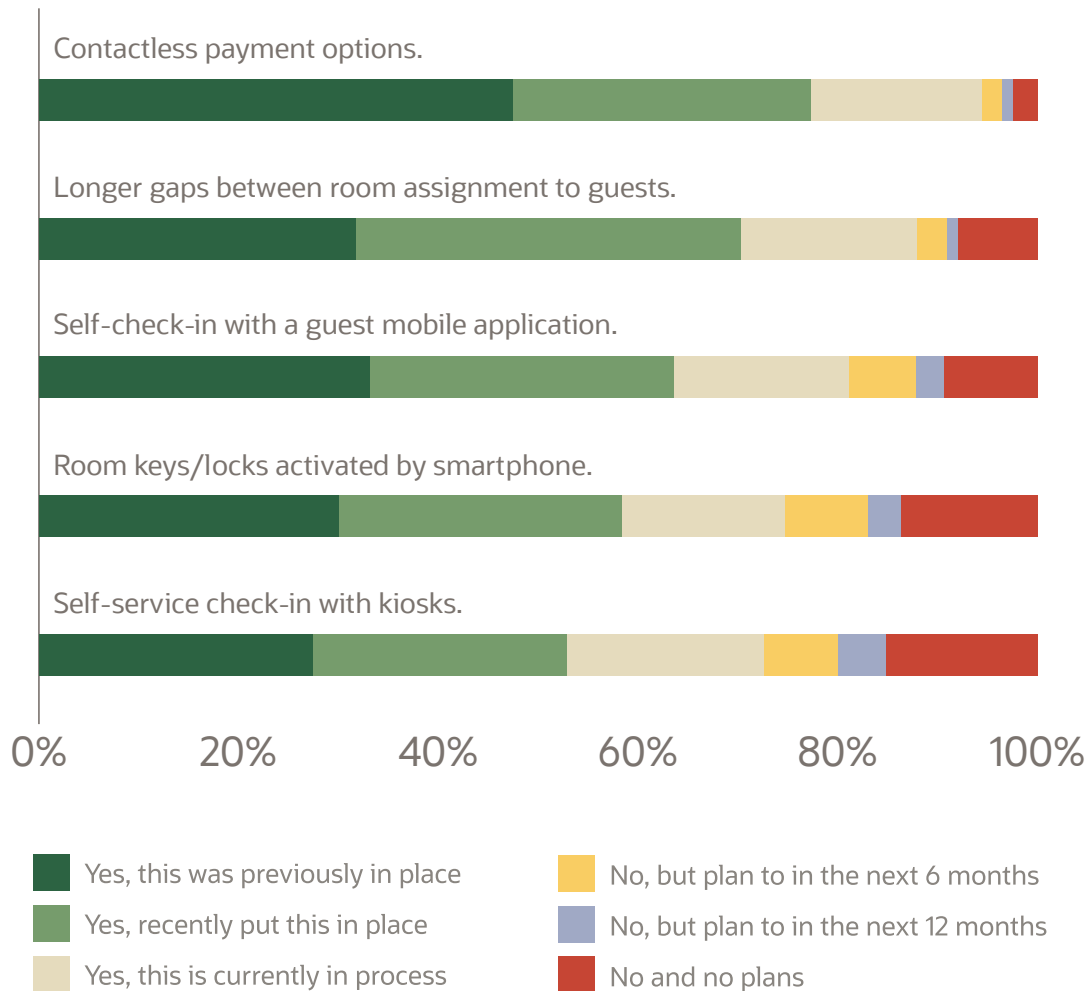


88% of respondents reported **creating room keys in advance**, which was the most popular check-in adjustment.

84% reported **allowing advance check-in**, so guests could enjoy property amenities even if their room was not yet ready. This helps prevent crowding in the lobby.

82% reported **capturing guest IDs and membership cards via mobile device**, meaning employees never have to touch unsanitized guest items.

What is the speed of change?



- Using contactless payment options was the most common modification, with 47% of respondents stating they were already in place.
- More recent adjustments to the check-in process included increasing time between room changeovers and offering self-service check-in options via guest-facing mobile apps or kiosks.
- A full 15% of respondents had no plans to implement self-service kiosks. This is likely representative of higher-end properties that need to maintain a different standard of service.

47% stated contactless payments were already in place.

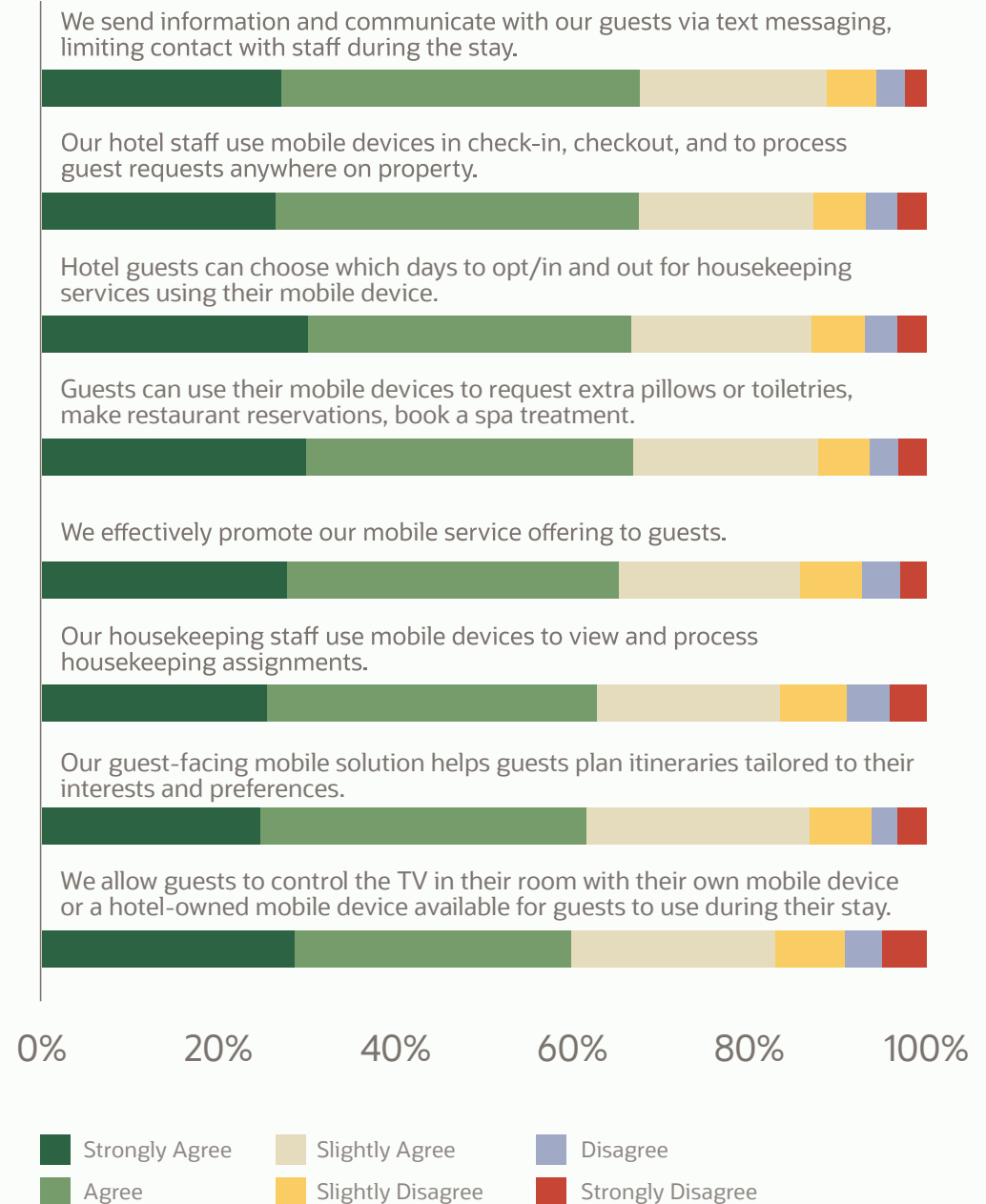


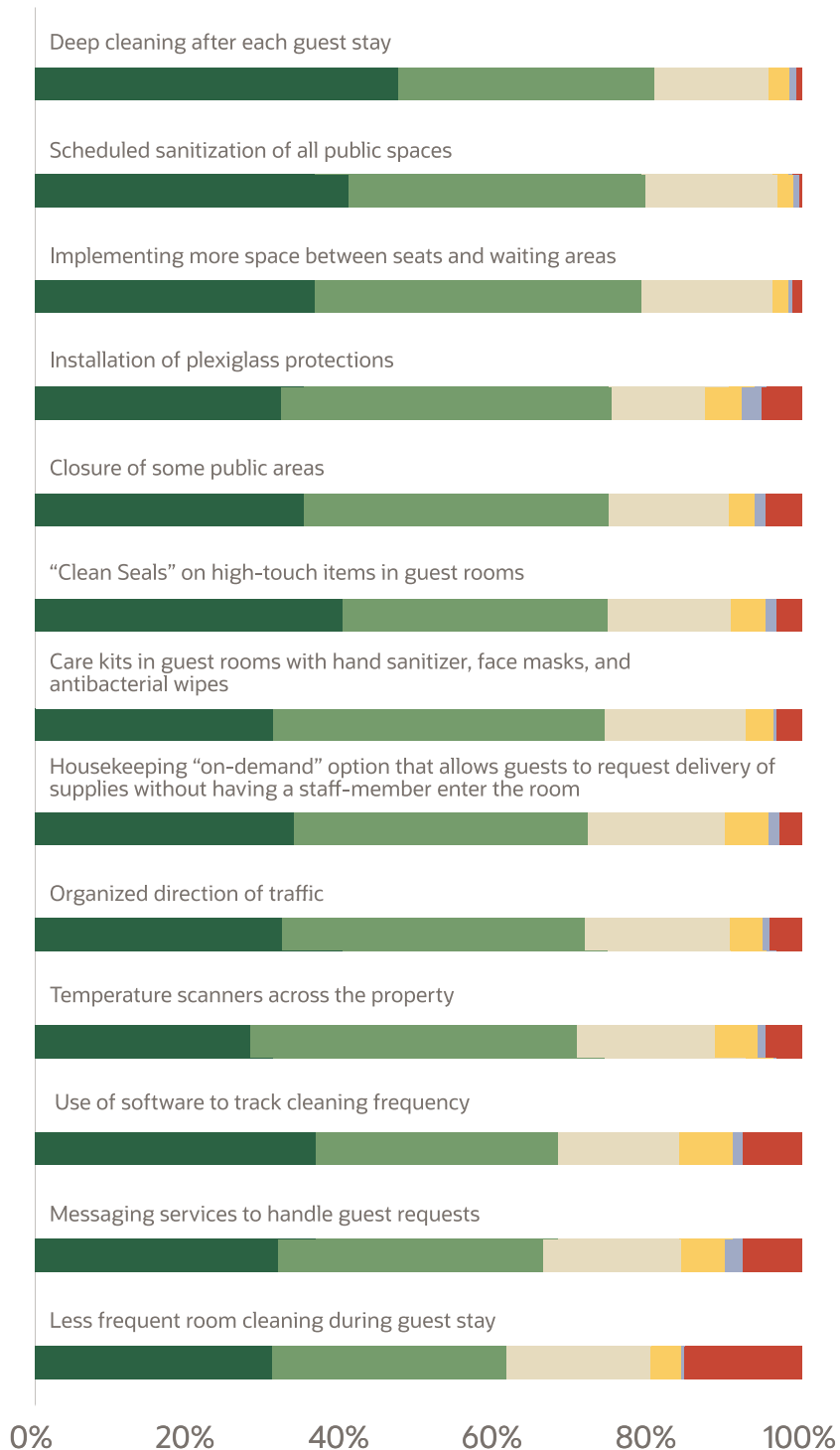
Stay

Once check-in is complete, the focus shifts to engaging guests while offering them low-touch options in the interest of public health or their preferences. We observed hoteliers changing their approach to amenities, guest messaging, room service, and housekeeping. The importance of offering mobile service is clear: 66% of respondents said they effectively promote their mobile application and rely on it for conveying guest communications and handling requests in real time anywhere on the property.

67% of respondents reported using text messaging or other mobile options to communicate with guests, field requests, or even schedule housekeeping services. This enables them to offer a low-touch approach without sacrificing guest experience.

This use of often ad-hoc messaging and scheduling tools points toward a need for more formal solutions.



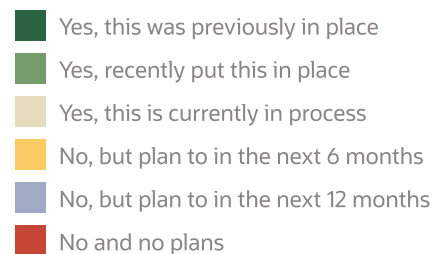


What is the speed of change?

52% of respondents reported recently using guest messaging services or currently working to implement it.

67% agreed or strongly agreed that their hotel staff use mobile devices in check-in, checkout, and to process requests for guests anywhere on property.

When asked what changes were recently made, or were planned for the immediate future, less frequent room cleaning during guest stay was the least incorporated housekeeping change, with the highest number of "no and no plans" responses at 15%. The focus instead is on allowing guests to opt out of housekeeping services to minimize contact at their discretion, while maintaining high standards of cleanliness on the property.



Food & beverage

From grabbing a quick bite before an early meeting to ordering room service champagne to celebrate, on-site dining is a key part of the hotel guest experience. Our survey revealed several changes to support physical distancing between guests and minimize risk for staff and servers.

About **90%** of respondents reported using waitlist and table management technology to comply with municipal social distancing requirements.

Guests are now more likely to use their own devices to order room service (87%) or in-restaurant dining (86%).

Options to pay at the table and/or use contactless payment are becoming more common in and outside of hotel dining. In fact, only 11% of respondents did not offer contactless payment options.

Hotel guests can browse the room service menu on their own device, order, and charge to their room folio.

We have reservation and waitlist functionality to enable us to maintain occupancy, and report, under new maximum occupancy requirements.

We utilize table management to close or limit # of tables and seats enforcing city and state maximum occupancy and social distancing requirements.

In our restaurants we enable pay at table or contactless payment options.

Our restaurant staff use mobile devices to engage guests, generate orders and process payments.

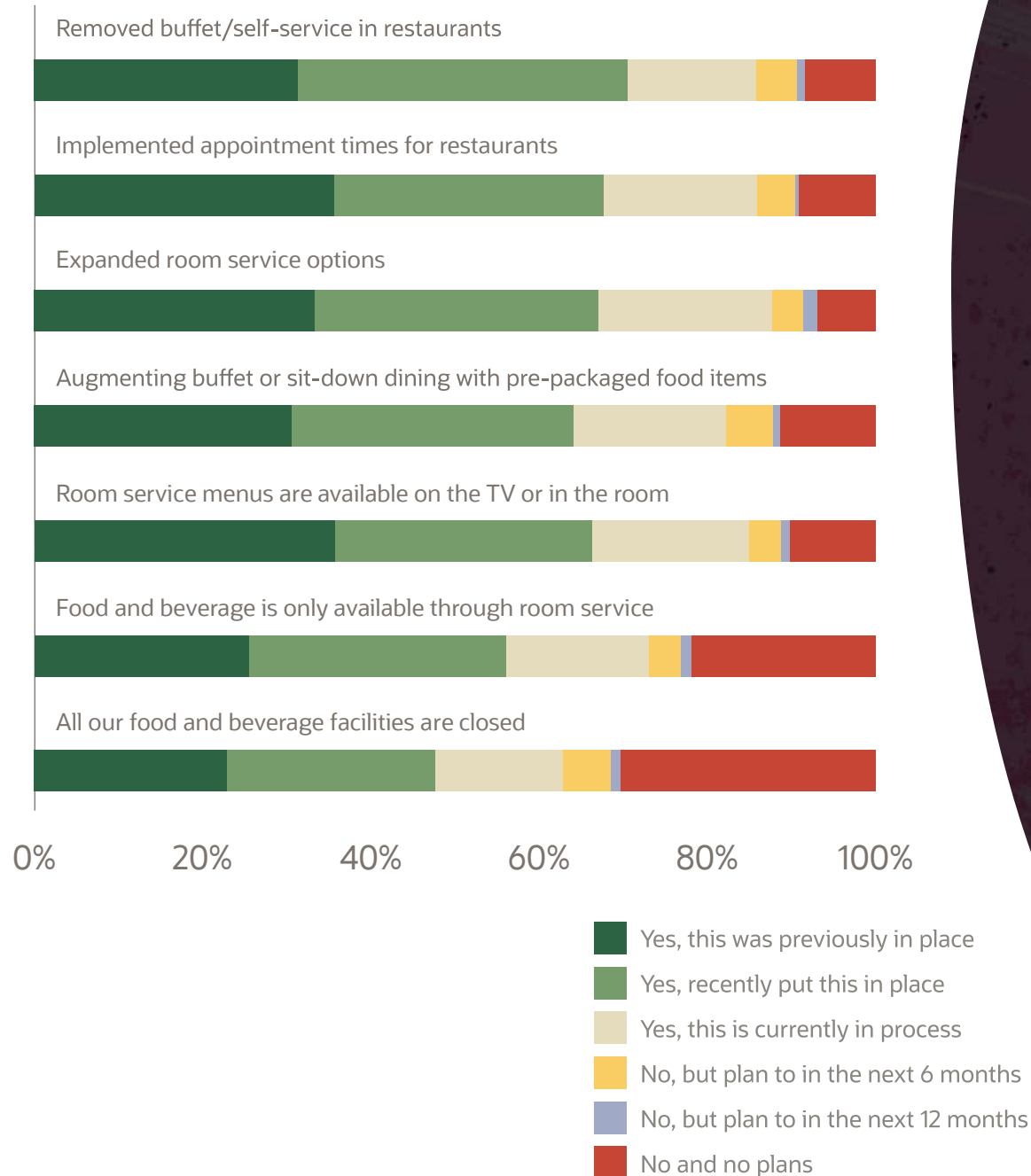
For in restaurant dining, guests can order from their mobile device using an app, website, or QR code.

0% 20% 40% 60% 80% 100%

Strongly Agree
Agree
Slightly Agree
Slightly Disagree
Disagree
Strongly Disagree



What is the speed of change?



When asked what changes were recently made, or planned for the immediate future, “closing dining options entirely” was the least popular choice, with 30% of respondents reporting they had no plans to do so. The majority of the “no and no plans” responses are from higher-end properties which cannot easily change their service levels and expected offerings, so economy hotels are most likely to have implemented this change.

Other popular adjustments were removing buffet and self-serve options (59%), expanding room service options (58%), and requiring appointments to dine in the restaurant (55%).

Checkout

Checkout provides an opportunity to leave guests with a lasting good impression. Mobility can play a vital role in achieving that goal.



We provide a folio for guests the day before departure so they can acknowledge in advance to speed up the accelerated checkout.



We eliminate the need for in-person checkout by performing an automatic checkout at a specified time.



Guests can check out from a room using their own mobile device or from a kiosk.

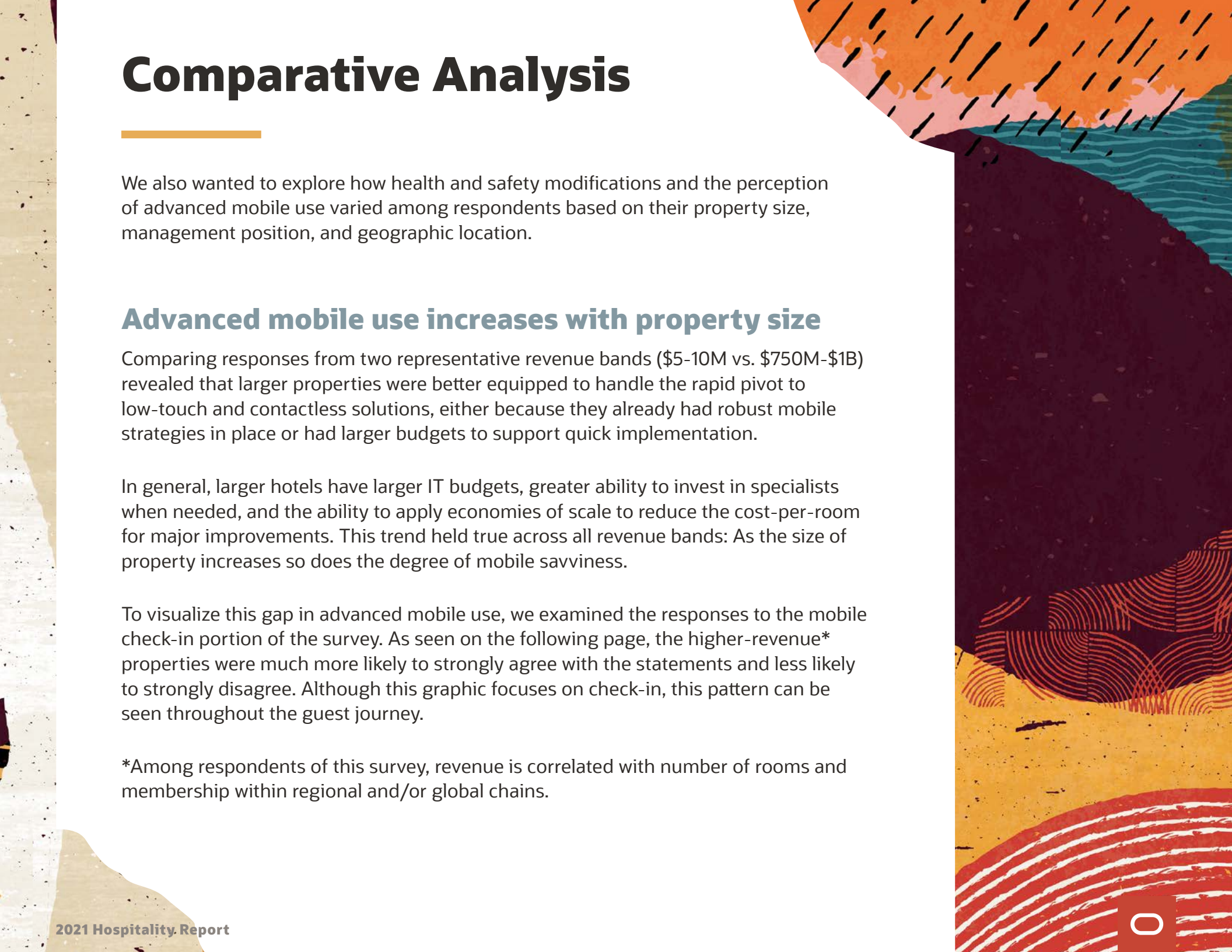


0% 20% 40% 60% 80% 100%

- | | | |
|----------------|-------------------|-------------------|
| Strongly Agree | Slightly Agree | Disagree |
| Agree | Slightly Disagree | Strongly Disagree |



Comparative Analysis



We also wanted to explore how health and safety modifications and the perception of advanced mobile use varied among respondents based on their property size, management position, and geographic location.

Advanced mobile use increases with property size

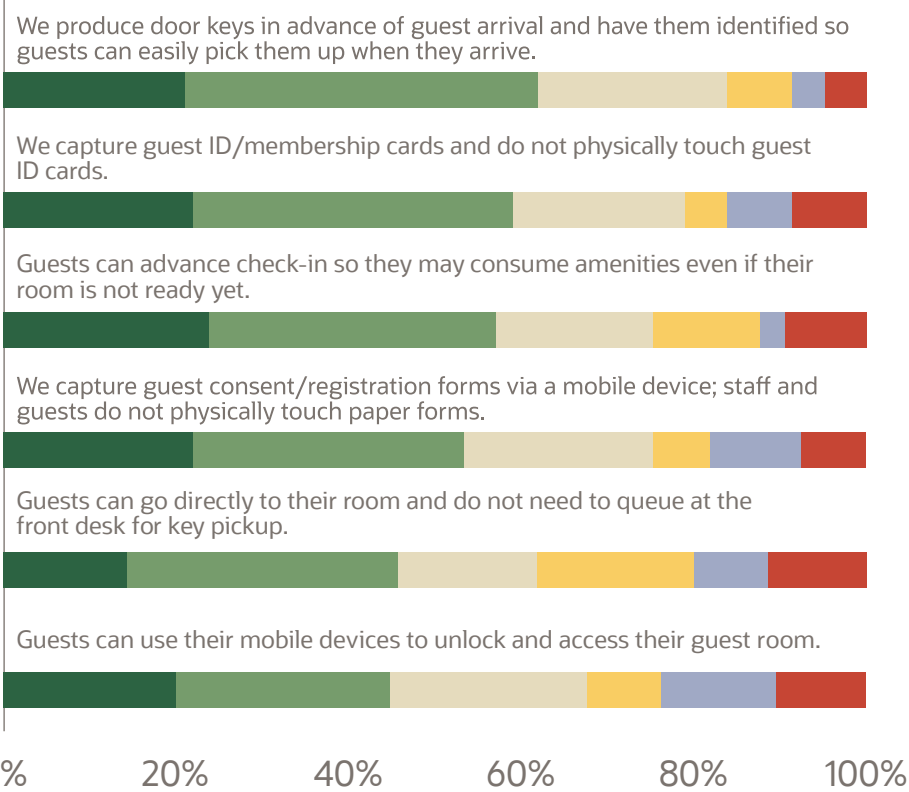
Comparing responses from two representative revenue bands (\$5-10M vs. \$750M-\$1B) revealed that larger properties were better equipped to handle the rapid pivot to low-touch and contactless solutions, either because they already had robust mobile strategies in place or had larger budgets to support quick implementation.

In general, larger hotels have larger IT budgets, greater ability to invest in specialists when needed, and the ability to apply economies of scale to reduce the cost-per-room for major improvements. This trend held true across all revenue bands: As the size of property increases so does the degree of mobile savviness.

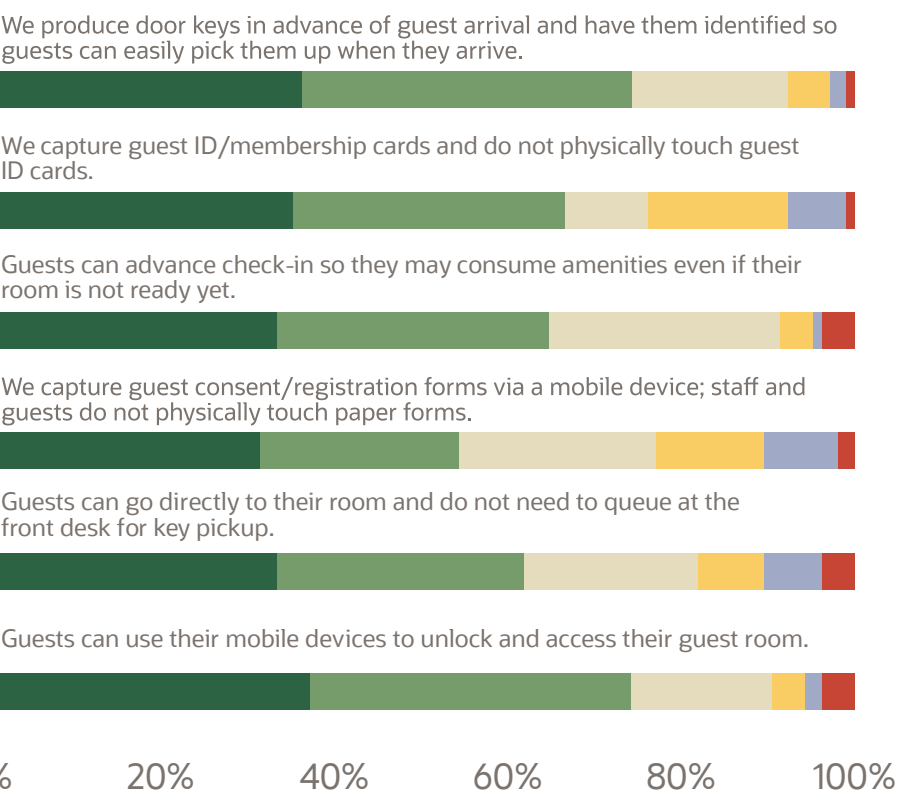
To visualize this gap in advanced mobile use, we examined the responses to the mobile check-in portion of the survey. As seen on the following page, the higher-revenue* properties were much more likely to strongly agree with the statements and less likely to strongly disagree. Although this graphic focuses on check-in, this pattern can be seen throughout the guest journey.

*Among respondents of this survey, revenue is correlated with number of rooms and membership within regional and/or global chains.

USD \$5-10M in Revenue



USD \$750M-1B in Revenue



Strongly Agree Agree Slightly Agree Disagree Slightly Disagree Strongly Disagree



Senior management bullish on mobility

By comparing responses from owners and general managers to those of team leaders, we discovered the two groups have different perceptions about their current use of mobility and its impact. Their responses reflected a clear trend: The more senior the respondent, the more bullish the response on mobile use for employees and guests.

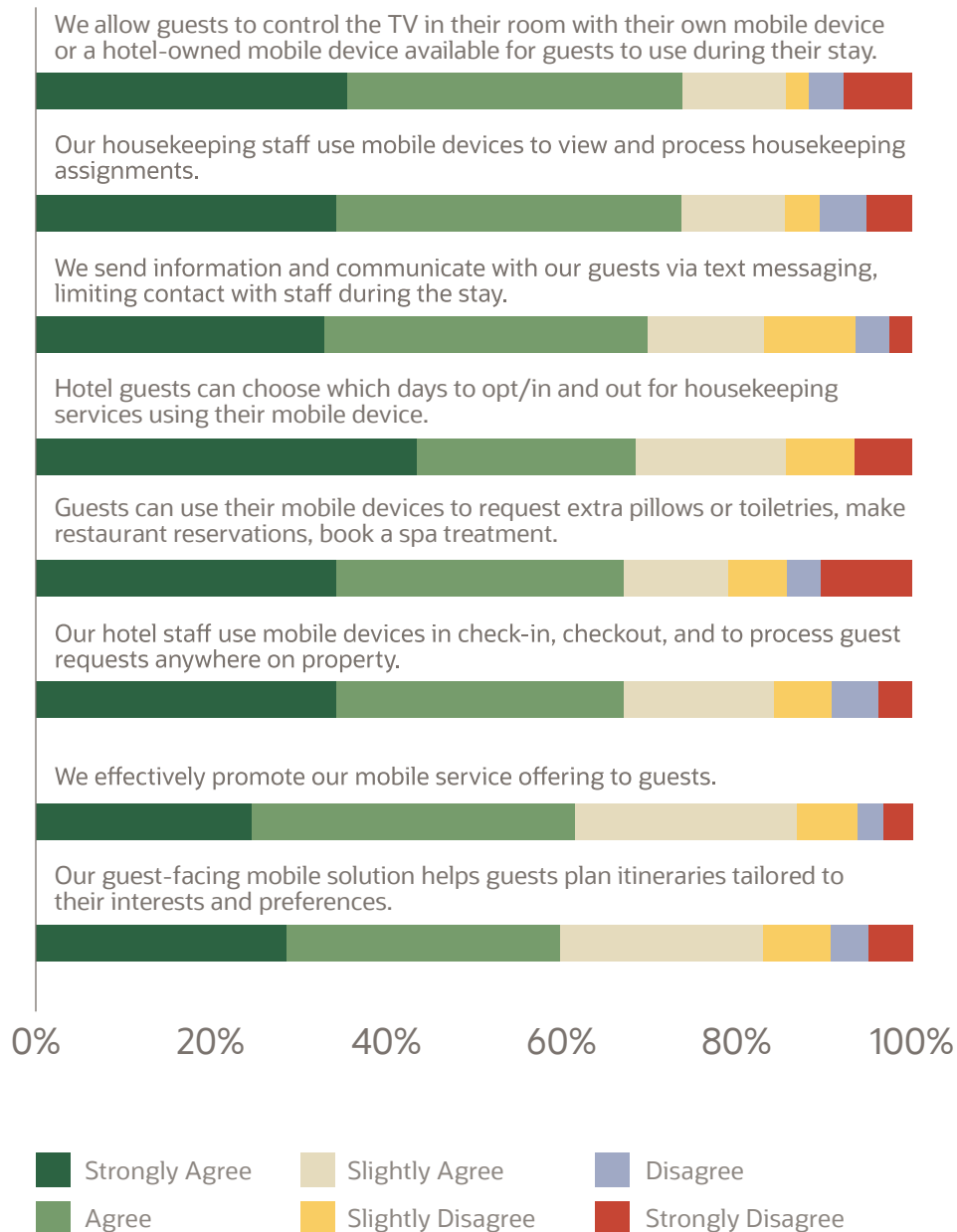
To visualize this perception gap, we examined the responses to the mobile check-in portion of the survey. As seen on the following page, the more senior respondents were much more likely to strongly agree with the statements. Although this graphic focuses on check-in, this pattern can be seen throughout the guest journey in every country surveyed.

In this case, vantage point clearly matters. Management knows what “should” be happening, but those working at lower levels in an organization know what is happening, especially those items which occur outside a tracked system. Additionally, owners and GMs are more likely to provide multi-property responses, where lower level leadership typically only responds for one property.

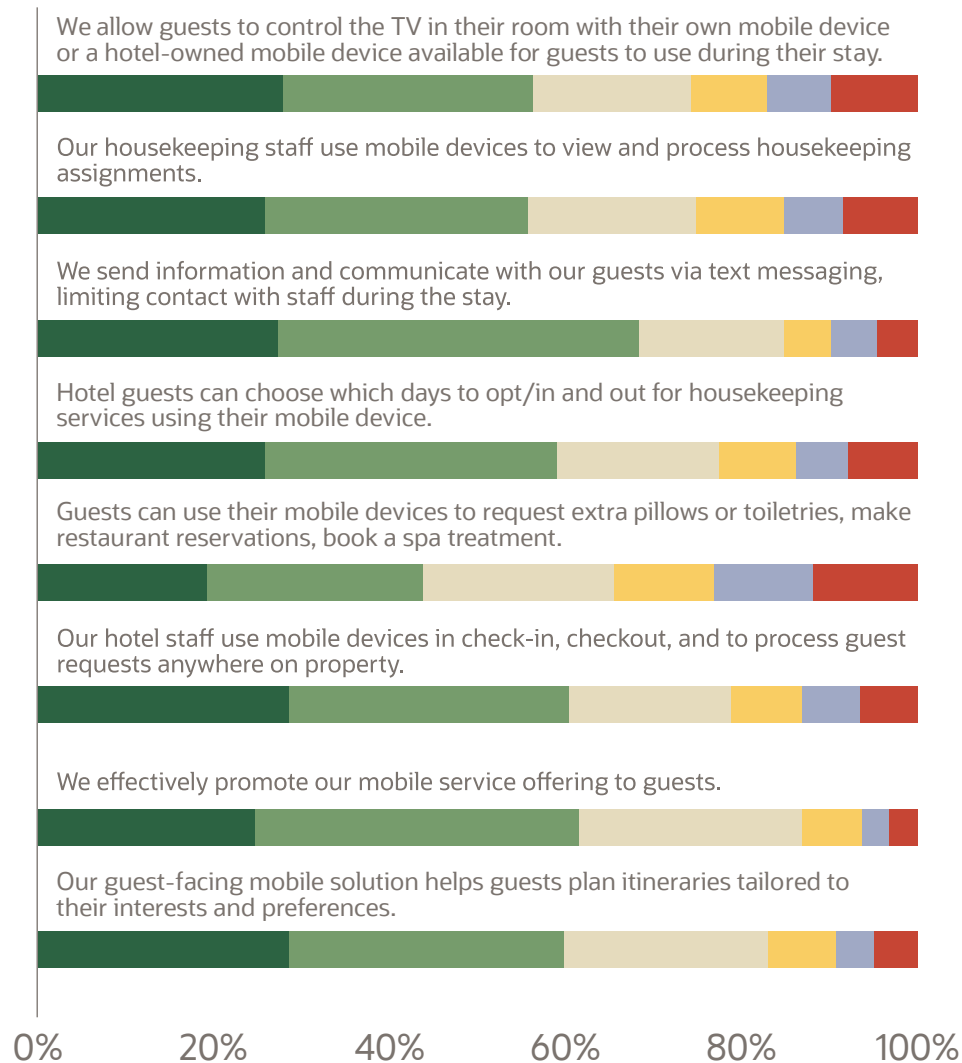
There is also a question of frequency. For instance, guests *can* use mobile to request services, but shift and team leaders are more likely to know how often this actually occurs, and how much staff assistance is required.



Owner/General Manager



Group/Team lead



Trends by country

We also examined differences in mobile use and COVID-19 response by respondent countries. How did hoteliers balance the need to provide exceptional guest experiences with the competing demand to enforce physical distancing and minimize contact in order to protect guests and staff alike?



Australia

When asked about use of mobile during check-in and at on-site restaurants, Australian respondents were much more likely to agree or strongly agree that their systems were “state of the art” than respondents from other regions.

73% agreed or strongly agreed restaurant guests can pay at table or use contactless payment vs. the global average of 68%.

78% of Australian hotels have reservation and waitlist functionality vs. the global average of 69%.



Germany

Compared to all other countries (UK included), Germany demonstrated the highest level of facility updates related to COVID-19.

72% of hotels report that they previously implemented less frequent cleaning vs. the global average of 62%.

84% of German hotels state that they schedule sanitization of all public spaces more frequently vs. 79% globally.



Hong Kong

Respondents from Hong Kong were more likely than average to have mature mobile strategies in place, but hesitated to strongly agree with mobile-savviness statements.

19% strongly agreed that they capture guest consent/registration card forms via a mobile device vs. 28% globally.

83% stated that they have implemented smartphone keys vs. a 74% global average.



Japan

Japanese respondents were more likely than average to mention reduced operational cost as a top value driver, but also prioritized guest satisfaction.

61% reported reduced operational cost as a top 3 value driver vs. 46% globally.

71% mentioned increased guest satisfaction in their top 3, similar to the 69% global average.



Mexico

The perception of mobility's impact is higher in Mexico versus other surveyed countries, with a much higher percentage of respondents strongly agreeing with statements about value drivers.

53% strongly agree that providing guests with ways to interact with hotel staff through their mobile devices improves the guests experience vs. the global average of 33%.

52% strongly agree that staff use of mobile devices improves the guest experience vs. 32% globally.



United Kingdom

Respondents from the United Kingdom were 10% more likely to focus on minimizing contact as a first priority for mobility.

73% agreed or strongly agreed restaurant guests can pay at table or use contactless payment options vs. 68% globally.

67% agreed or strongly agreed that they capture guest consent/registration cards via mobile vs. a global average of 59%.



United States

Respondents from the United States placed higher importance on increasing guest satisfaction than reducing operational costs, compared to other countries.

63% of hotels did not put reduced operational costs in the top 3 mobile value drivers, vs. a global average of 54%.

45% put increased ability to personalize the guest experience in the top 3, where only 35% of global respondents did the same.

Our Take

In summary, mobile and touchless options are now a given for hoteliers. Guests expect them and staff need them to work efficiently. Hotels that have embraced this change have seen significant benefits throughout the guest journey, gaining the opportunity to deliver better service while controlling costs. Properties that have not jumped on board risk being left behind by competitors who have incorporated mobile into their road map for the future.



Hospitality executives see mobility as a prime opportunity to trim costs and boost guest satisfaction.

Too often, operational cost cutting hurts the guest experience. But hoteliers see investments in mobility as a double benefit, saving money and increasing consumer choice simultaneously. Not surprisingly, both emerged as key areas of importance for hoteliers in all regions.

The COVID-19 response accelerated the shift to mobility.

However, underlying motivations across all regions remained the same: Improve the guest experience and better manage costs - normally conflicting priorities.

Employee experience is critical. It's easy to hyper-focus on guests' use of mobile, but when implemented well, mobility also provides relief to a busy staff, improving efficiency and boosting morale. When employees are empowered to do their jobs better, guests win too.

Owners and GMs overestimate how effectively their properties use mobile. It's important to have an accurate assessment of what type of mobile technology is actually in use today and how it is being utilized. But executives often have a grand vision for the future of mobility on their properties while staff on the ground are still struggling with manual processes and workarounds. Employee turnover and burnout can be a hidden cost of underinvestment in mobile, and guest experience may suffer as a result.



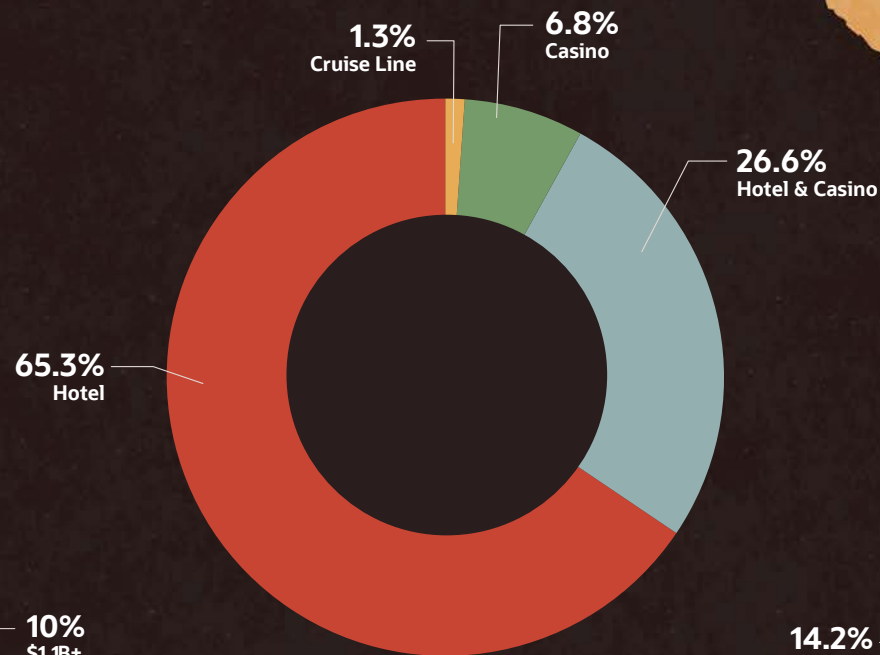
Demographics



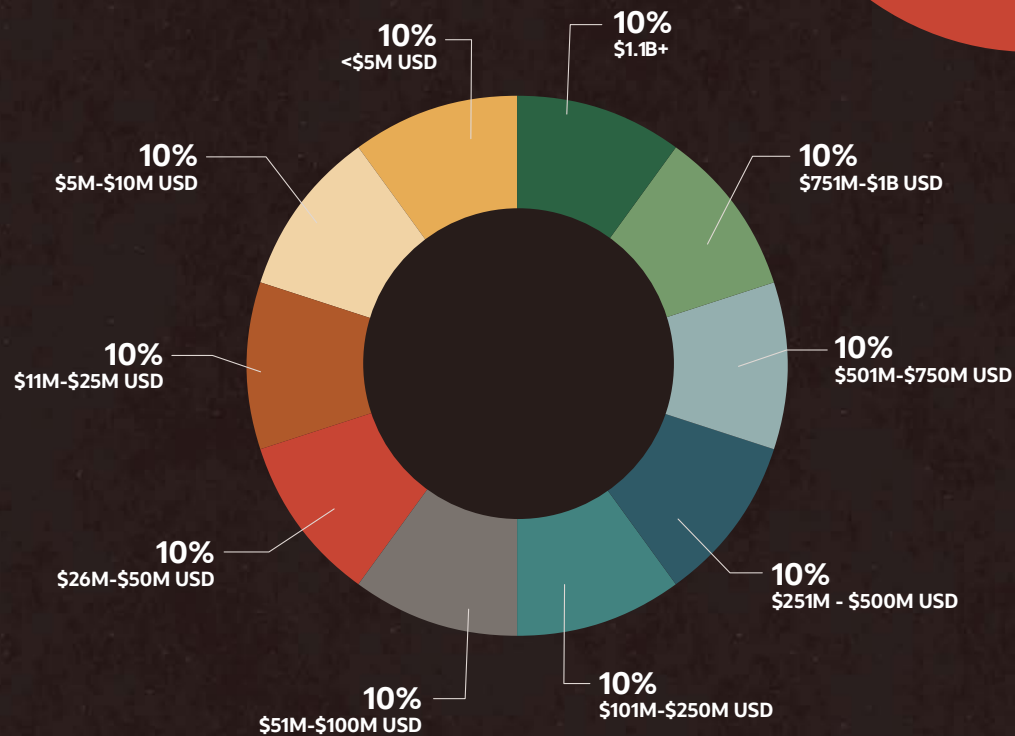
1,050 hospitality professionals were surveyed about their mobile use and COVID-19 response. The survey work was fully provided for in the last two weeks of February 2021.

Respondent segmentation

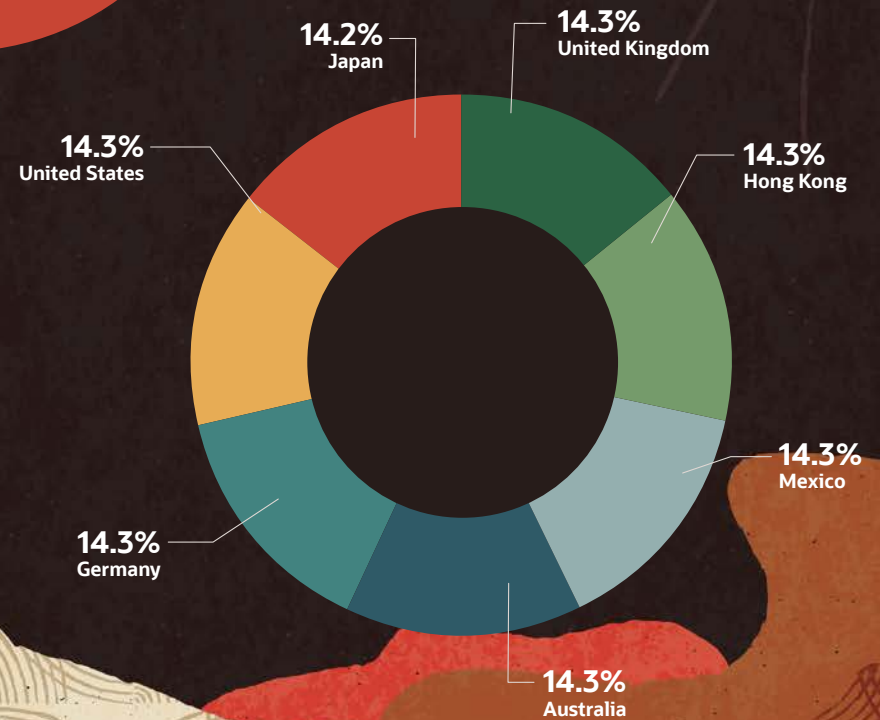
Property Type



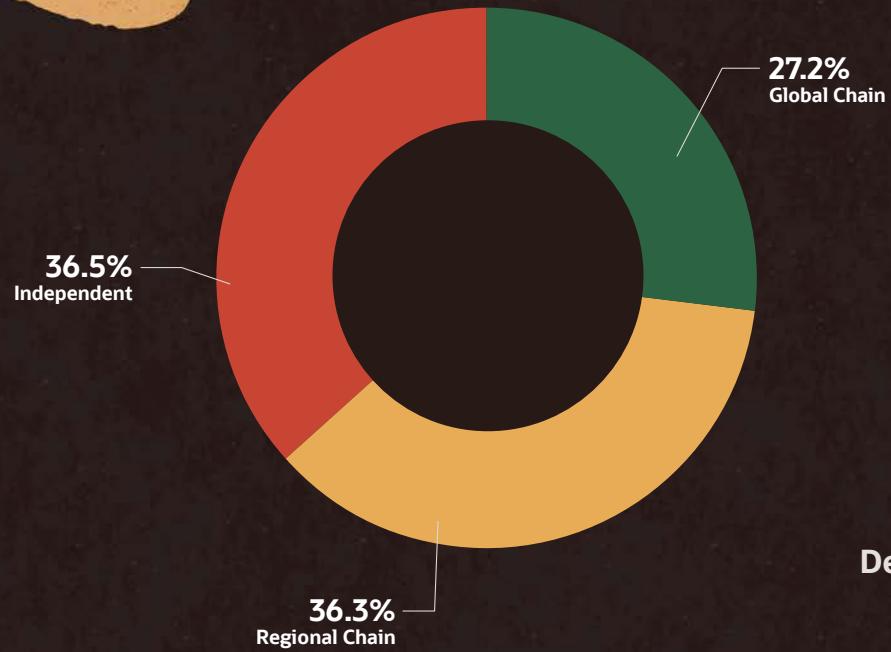
Revenue



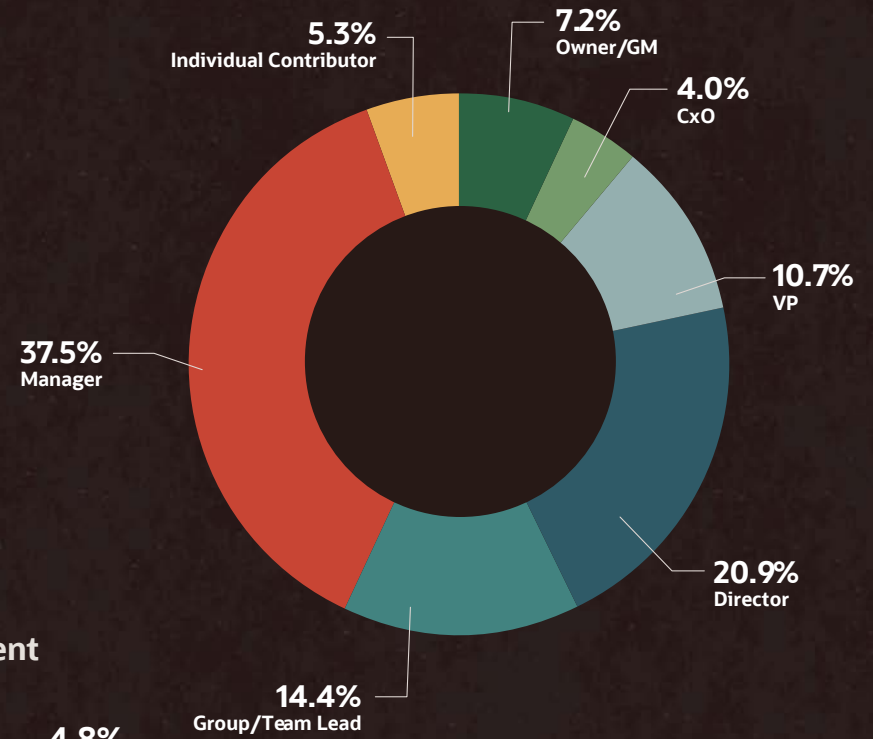
Country



Affiliation



Seniority



Department

