

# **New Year's Predictions from RevPAR Guru emphasize the importance of automation for maximizing opportunities**

## **Review of 2009 Hotel Tech News**

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Well, the sky didn't fall after all last year. In fact, hotels upgraded their technology at a surprising rate to help them survive by collecting and analyzing more and better information about their guests and operations. Vendors likewise expanded their products' scope both through internal development and integration with each others' products to provide more comprehensive tools to help them. More than anything, 2009 was the year social networking really hit its stride in hospitality and consumer-focused technology – especially the iPhone – became the driver for many new initiatives.

### **Social networking takes off**

Social media interaction was the hot story of the year, with seemingly every chain announcing hotel booking applications for Apple's iPhone (and sometimes for the more widely-used Blackberry); Nokia integrated Expedia's hotel booking functions into its Ovi Maps phone module. Many properties launched Facebook pages to reach new guest segments, and some began offering updates and special offers on Twitter; Inoqo even launched a Twitter-based hotel booking engine. Intercontinental implemented Jive Social Business Software to connect with its 40 million Priority Club Rewards members, and Starwood Preferred Guest announced a suite of Twitter, Facebook and iPhone applications. Hotels.com integrated TripAdvisor reviews on all of its 31 web sites.

With all this social interest it became essential for hotels to manage their activity on multiple social media Web sites and to keep a close eye on their online reputation. New services such as TravelCLICK's Social Media Optimization, Lodging Interactive's HuBBub, Standing Dog's ReviewAnalyst, Milestone Internet Marketing's eBuzz Connect and others arose to help. Raveable's beta site offered to identify and consolidate opinions buried inside the text of guest reviews, ShermansTravel's Sherman Meter meta-search tool rated hotels by tabulating thousands of hotel reviews and ratings, and Libra OnDemand integrated Facebook, Twitter and LinkedIn into its CRM tools.

### **Consumer technology rules**

Consumer technology in general grew strongly in influence, especially in the guestroom, and Apple's iPod Touch and iPhone became the default interactive devices for both guests and staff. Micros' HSI division adopted the iPod Touch as a handheld POS device, and Bardessono Hotel became the first US hotel to deploy MTech's REX iPhone/iPod Touch-based housekeeping room expeditor system, followed by Gaylord's Opryland. MICROS added its PDA-based MyStayManager for reservations, profile management, check-in/out, folio viewing, restaurant reservations and room service, as well as SMS Texting to send messages to guests and staff phones and PDAs. Knowcross also leveraged SMS for its SKIGEE dedicated text messaging application. The Hilton Phoenix in Chandler, AZ introduced 3D-animated training lessons on iPods for its housekeeping staff. MSI (Multi-Systems, Inc.) now lets managers access property and guest data from an iPhone/iPod Touch, and also showed its WinPM system running on a Microsoft Surface table display. InterContinental Hotels Group installed its first Microsoft Surface (at its Buckhead Atlanta property) and Harrah's Resort Atlantic City installed seven of them in its Xhibition Bar.

## The connected guestroom

Greater integration came to the guestroom itself. Lutron's Connected Guestroom allows guests to control lighting, window shades, temperature, security and TV from their TV remote or mobile phone, and **INNCOM partnered with set-top box vendor Enseo to provide similar control via the TV remote control. INNCOM also released interfaces to property-management and building-automation systems, IP telephones and in-room entertainment systems.** MTEch integrated its HotSOS guest request/work order system with Control4's Suite Systems, Intelity's ICE and Runtriz' Hotel Evolution mobile phone room-control/guest request application. The Nordic Hotel Forum in Tallinn, Estonia became the first Baltic region hotel to offer guests Skype telephones, while the Hotetur chain deployed VoSKY's Exchange PBX-to-Skype gateway at 30+ sites and considered offering guests in-room Skype connections. Sounds like the concept of guestroom phone call revenue is now officially dead.

GBCblue developed in-room portals for Hyatt, Omni and Starwood for guests to view information relevant to their stay, order room service, provide feedback about service and access local attractions. Control4 added a Concierge Service to connect guests with information, services and reservations in and around the hotel, including their Facebook and Twitter pages, and released a ZigBee-based interface with SAFLOK's Messenger networked locks which lets both use the same hotel network. OpenWays solved half of the universal guestroom key challenge by using guests' mobile phones to replay coded sounds to the lock, though the locks themselves still need to be retrofitted with receivers; Saflok and MICROS agreed to interface to this approach. Finally, the Fraunhofer Institute for Industrial Engineering and Organisation developed one of the more interesting approaches to a "hotel room of the future" in one of its laboratories, with an emphasis on technology that can help guests relax.

## Business Intelligence (BI) grows further

Looking for ever more comprehensive and accurate information, more hotels expanded their business intelligence efforts. Benchmark picked Aptech's Execuvue system for its 30 properties; Crescent chose ProfitSword's ProfitSage for its 55 hotels and resorts, as did Wyndham for all of its managed properties. Many chains and properties adopted UniFocus' survey tools to gather quantifiable guest and staff survey data, including Schweitzer Mountain Resort, Setai San Diego, Best Western, InterContinental, Real Hotels & Resorts and New Castle Hotels & Resorts. Good Hospitality Services implemented Allosso Technologies' Portfolio One system for its 20 hotels, and Apple REIT activated M3's M3 Link operations reporting tool at 198 properties. Foxwoods chose a Netezza data warehouse appliance and SAS software to collect and analyze data from its six casinos and three hotels; InterContinental acquired a Teradata data warehouse appliance as the base of its BI efforts.

On the BI vendor front, PAS introduced pasUnity to integrate front office data with its accounting/financial reporting, and Aptech enhanced its Innvue Web-based application for consolidating daily operating and performance data from different property systems for multi-property chains and management companies. Datavision released a new version of its Business Intelligence Suite built on the latest Microsoft technologies (SQL Server 2008, SharePoint Server 2007 and Silverlight). Dashboards gained prominence as a way to interpret the data visually; Micros added an Activities dashboard to Opera, Passkey released two versions for multi-property event tracking, and ResortSuite released on-the-fly customizable dashboards for its wide-ranging resort management suite.

## **Centralize, Integrate**

Centralized systems continued to be adopted by hoteliers looking to outsource their support and gain more consistent reporting. Colonial Williamsburg picked Agilysys' Visual One suite for five properties, Columbia Hospitality opted for a Northwind-hosted Maestro PMS/Sales and Catering implementation for six properties, and Focus Hotels implemented protel's centralized PMS/S&C in eleven UK properties. Vendors got in on the act, too, with Pegasus outsourcing its technology infrastructure and support to HP.

Integration continued apace. Omni Hotels added two-way integration between its new Micros Opera-based reservation system and Rainmaker's revolution Profit Optimization Suite. In addition to its guestroom vendor links, MTech integrated Libra OnDemand's CRM tool into its HotSOS application. SAS predictably announced closer integration of its IDEaS subsidiary's revenue management with its own BI and campaign management capabilities. InterContinental Hotels Group (IHG) deployed its first "Hotel-in-a-Box" technology package, which integrates property management, cabling & wiring, network design, guest high speed Internet access, door locking, telephone switch (PBX) & phones, video surveillance, voicemail, business center, HDTV and in-room entertainment. Newmarket partnered with Dun & Bradstreet and Bluebuzzard signed with Hoover's, both using these massive business databases to improve the completeness and accuracy of their customers' information.

## **Reservations, Revenue Management**

CRS activity surged, especially for Trust International (Charming Hotels and Resorts signed for 33 properties, Dorint for 36, HUSA Hoteles for 160+). VFM Leonardo seemed to corner the market on hotel chain rich-media management, and Sabre's SynXis RedX was on a roll with multi-property signings from Menzies Hotels (16 properties), Norway's De Historiske (37), Mandarin Oriental (25+), JAL Hotels (58) and Japan Rail (61). RedX passed the 10,000 property mark before being rolled into Sabre Hospitality Solutions along with Sabre's other travel divisions.

Revenue management was another area of strong activity. Peninsula Hotels deployed OPERA Revenue Management System for ten hotels, and Derby Hotels rolled out IDEaS V5i to nine. Amari Hotels & Resorts and Metro Hospitality Group implemented EZYield at 12 and 14 properties respectively, and as a measure of general activity EZYield.com announced that it processed a record 2.1 million rate/inventory updates in January 2009, three times as many as a year ago. Rate Tiger released enhanced versions of its RTAllocator Pro and RTShopper Pro channel management tools, and Micros integrated RTShopper into its Opera PMS, ORS and RMS systems.

## **It's Getting Easier to be Green – in small steps**

"Green" is still cool, if sporadic in its implementation in hospitality. Marriott led the way by being ranked for the second year on Computerworld magazine's "Top 12 Green IT Companies" list. Measures included a new data center 220 feet underground, raising its air-conditioning temperatures 10% to 15%, using virtual servers wherever possible, desktop power management and thin clients instead of desktop PCs. It also started replacing the 24 million plastic key cards that it purchases annually in the U.S. with alternatives made of 50 percent recycled material. Chartres Lodging installed Telkonet SmartEnergy thermostats in over 3,500 rooms; Microsoft introduced its Environmental Sustainability Dashboard for Microsoft Dynamics AX to display data on four core environmental performance indicators.

Specific “green” projects ranged across the board, from the Crowne Plaza Alice Springs’ 530,000 kWh/year solar photovoltaic (PV) system to Cambian Hospitality installing solar panels and a wind turbine on the roof of the Clifton South Beach Hotel. Kaba introduced two environmentally friendly keycard options using 100-percent recycled PVC plastic and from corn-based (and biodegradable) polylactide acid plastic. Starwood’s Element Hotels planned to install ChargePoint electric car-charging stations at all of its properties.

## **RFID**

RFID was still a slow grower last year, though VingCard reported strong demand for its Signature RFID locks. Elsafe has launched its Sentinel II in-room safes, which use both RFID/NFC technology and RF-online options. As before, though, the use of RFID for inventory/purchasing efficiencies hasn’t taken off.

## **Standards**

With all this integration and interaction the need for standards seemed clearer than ever. OTA continued releases of its interface specifications, and announced its FastRez connectivity approach to simplify the automation of reservations for smaller hospitality companies. HTNG’s workgroups expanded existing specifications and released new ones, and its list of certified vendors grew as more senior hotel chain executives joined its board.

## **M&A**

As for mergers and acquisitions, it was a relatively quiet year. The major deal was SoftBrands being acquired by Infor in June, though there has been surprisingly little news since then on Infor’s goals for it. EZYield.com acquired HotelProphets, its Australian partner in hotel distribution and online marketing technology, and Travelocity Global acquired India’s Travelguru online hotel distribution network. Lanyon acquired corporate travel expense management vendor DirectConnections!, and TripAdvisor picked up Kuxun.cn, the second largest online travel-related web site in China.

## **And now...?**

What’s coming this year? With so many good examples of synergy between different systems running on shared IP networks, I expect to see many more integration efforts between guest service vendors to provide ever-expanding ranges of functionality, especially on mobile phones. Similarly, more vendors will work together to gather and consolidate guest and operational data from even more areas of a hotel, finding new ways for management to analyze and use it to target specific guest segments and specific operational exceptions to generate more business and greater efficiencies.

It’s not going to be an easy year, but I’m very much encouraged by the creativity and persistence of the vendors, and by the ever-clearer advantages shown by hoteliers who use technology to really help their operations.

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