ECOLE HOTELIERE LAUSANNE
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HOTEL yearbook 2012

Scenarios for the year ahead

Choice CEO Stephen Joyce :
Ideas, insights – and wishes – for 2012

Is your hotel ready for the Chinese ?

The 2012 outlook for key hotel markets :
30 exclusive country reports from Horwath HTL

Next year's IT challenges :
What will they be ? How much will they cost ?

Legal issues facing us in Europe, China and the USA

ECOLE HÔTELIÈRE DE LAUSANNE

The Ecole hôtelière de Lausanne (EHL) is the co-publisher of The Hotel Yearbook. As the oldest Hotel School in the world, EHL provides university education to students with talent and ambition, who are aiming for careers at the forefront of the international hospitality industry. Dedicated to preparing tomorrow's executives to the highest possible level, EHL regularly adapts the contents of its three academic programs to reflect the latest technologies and trends in the marketplace. Since its founding in 1893, the Ecole hôtelière de Lausanne has developed more than 25'000 executives for the hospitality industry, providing it today with an invaluable network of contacts for all the members of the EHL community. Some 1'800 students from over 90 different countries are currently enjoying the unique and enriching environment of the Ecole hôtelière de Lausanne.

HORWATH HTL

Horwath Hotel, Tourism and Leisure consulting are the world's number one hospitality consulting organisation, operating since 1915. Horwath HTL are the industry choice ; a global network offering complete solutions in markets both local and international. Through involvement in thousands of projects over many years, Horwath HTL have amassed extensive, in-depth knowledge and understanding of the needs of hotel & real estate companies and financial institutions.
Horwath HTL are the world's largest consulting organisation specialised in the hospitality industry, with 50 offices in 39 countries. They are recognised as the pre-eminent specialist in Hotels, Tourism and Leisure, providing solutions through a combination of international experience and expert local knowledge.

HSYNDICATE

With an exclusive focus on global hospitality and tourism, Hsyndicate.org (the Hospitality Syndicate) provides electronic news publication, syndication and distribution on behalf of some 750 organizations in the hospitality vertical. Hsyndicate helps its members to reach highly targeted audience-segments in the exploding new-media landscape within hospitality. With the central idea 'ONE Industry, ONE Network', Hsyndicate merges historically fragmented industry intelligence into a single online information and knowledge resource serving the information-needs of targeted audience-groups throughout the hospitality, travel & tourism industries… serving professionals relying on Hsyndicate's specific and context-relevant intelligence delivered to them when they need it and how they need it.

CORNELL UNIVERSITY SCHOOL OF HOTEL ADMINISTRATION
Founded in 1922, Cornell University's School of Hotel Administration was the first collegiate program in hospitality management. Today it is regarded as one of the world's leaders in its field. The school's highly talented and motivated students learn from 60 full-time faculty members – all experts in their chosen disciplines, and all dedicated to teaching, research and service. Learning takes place in state-of-the-art classrooms, in the on-campus Statler hotel, and in varied industry settings around the world. The result : a supremely accomplished alumni group-corporate executives and entrepreneurs who advance the industry and share their wisdom and experience with our students and faculty.

Smart hospitality IT: inspiring new ways to communicate

REVENUE MANAGEMENT, SOCIAL MEDIA, IT AND COMMUNICATION ARE TIGHTLY LINKED TOGETHER, SAYS **MICHAELA PAPENHOFF**, MANAGING DIRECTOR OF DÜSSELDORF-BASED CONSULTING FIRM H2C. SHE RECOMMENDS USING THE YEAR 2012 TO GATHER THE INFORMATION YOU NEED ABOUT THESE RAPIDLY EVOLVING SERVICES SO THAT INVESTMENT DECISIONS CAN BE MADE FOR 2013 AND BEYOND.

With the launch of IBM's 5150 personal computer 30 years ago, new technology and design standards were introduced causing significant changes across all industries. This year, combined shipments of smartphones and tablets will outperform those of PCs. In 2012, the growth of smartphones and tablets is expected to almost double vs. 2011 (Source: Morgan Stanley, The Economist). With more consumers relying on the web for shopping, playing, obtaining information and interacting with their peers, a new era is evolving in how people integrate IT as a communication tool in their lives. New technology and applications are tested and commented by consumers first – who are often much faster in adoption than large organizations that run long testing labs prior to releasing new software.

Forced by the market's rapid developments, the hospitality industry is facing major changes thanks to the rising demand of customers to «feel like at home» while using technology when traveling. Most consumers are determining their own pace of technology innovation, not driven by the companies they work for that equipped them with technology as in the past. This behavior raises the bar for hoteliers, as guests increasingly expect the same pace of technology innovation from hotels they stay at, whether it's for business or private reasons. Companies providing guest services such as hotels are confronted with tech-demanding consumers – and equally important: tech-

IT and communication are crucial to success

demanding employees. Free WiFi connections in hotels are viewed as self-evident so that guests can act as if at home, but providing free basic WiFi access seems to be a challenge that no doubt will need to be addressed in 2012.

Employees wish that their own personal devices become integrated with their work life (source: IDC research in 2011), and they expect their employers to provide the same IT standard they use at home. Access to business information

that allows working remotely from different places has been introduced by property management system provider companies. The software allows managing some or all applications via the Internet, depending on the development stage of the provider, thanks to «software as a service» (SaaS). Due to software customization capabilities, it is up to the individual employee and her access level how she can use applications, merge them with private data and personalize them. More than ever, IT companies are forced to increase their investments in R&D spending, also addressing security issues caused by data privacy and the hotel's ultimate goal of keeping (guest) data safe. Hospitality companies building on «consumerization» (IT developments driven by consumers/guests and how they wish to interact with hotels while traveling) attract technology-affinitive workers just at the right time as IT and communication are crucial to success.

Cloud computing is standard when interacting with social networks such as Facebook; however, it has not yet been adapted by the majority of European properties when it comes to their property management systems (PMSs). This is mainly due to connectivity and security constraints, as well as the fact that the existing systems' landscape cannot be changed easily. Property management companies have developed SaaS solutions over the past years, and it will be crucial in 2012 to obtain the required knowledge about the available solutions, compare the offers carefully by using a SWOT analysis that addresses functionality and cost alike. Not having to run and support own in-house systems by using cloud computing can save money and resources that could be used for other business priorities, such as interact-ing with guests on social media platforms – which should be part of a hotel's customer reten-tion management strategy.

GET YOUR APP UP
The opportunities in IT and interactive communication definitely outweigh the challenges. The question of whether a mobile app is better than a mobile website is raised frequently. H2C believes there are good reasons for a hotel to have both. For example, an app for information and reservation of services

while the guest is in-house, addressing special requirements based on guests' preferences in a neatly packaged format. A mobile website can fulfill the need of providing quick information while searching for a last-minute room, as well as stimulating bookings via an easy-to-use reservation engine. As long as Internet connections remain unstable in certain areas, mobile apps are unlikely to disappear, since some of them do not need a constant connection to the Internet. However, HTML5 will enable more desk-top-like functionalities and transcode webcontent into the mobile web by 2013. Therefore, it is crucial to include the current developments into your 2012 planning to address consumers' needs and improve reach and revenues by offering online booking capabilities, e.g. of ancillary services, nicely supported by a virtual concierge application.

Near-field communication (NFC) chips turn mobile devices into mobile wallets that can be used for wireless payment – also and especially when traveling. Google has built NFC transmit and receive systems into its Nexus S Android phone to obtain information of the consumer's shopping behavior and use the data to include their advertisements pre-, during, and post-purchasing. For hoteliers, this is another opportunity to increase brand awareness and reach. NFC also enables smartphones to act as door keys, e.g. BlackBerry users of the new OS 7 can just hold their NFC-enabled device in front of a reader to open the door. At the same time, tone signal door locks enable even legacy mobile phones to provide electronic key features as well. Although these are exciting opportunities, I suggest using the year 2012 to obtain relevant information about these services so that investment decisions can be made for 2013 and beyond.

With augmented-reality apps such as Layar, the mobile phone's camera can record the real environment, let's say a street in Madrid, and merge it with screen information to show hotels, restaurants, sightseeing attractions and other points of interest. This is another example of customer's interaction with IT and how hoteliers can communicate their brand message.

To summarize, H2C strongly believes in direct communication, e.g. via the hotel's (mobile) website or via customized mobile apps – and of course personally. The search, shop, buy and retain process has become increasingly complex, with new IT solutions available and changing customer behavior due to market opportunities driven by large players such as Apple, Amazon and Google as well as travel suppliers such as airlines. The effect on the hospitality industry has been enormous so far and will continue to evolve over the forthcoming years.

We consider upselling opportunities via direct online channels, offered during and after the buying process, as great opportunities to increase demand and thus sales. Usability, functionality and revenue generation capabilities need to be carefully weighed out and must be customized to reflect the brand's image and character, addressing the right customer seg-ments. It is not important how many features and different channels are being used, but more important than ever, that the right content is offered to the right customer at the right time. Sounds familiar? Yes, revenue management, social media, IT and communication are tightly linked together. And those companies embracing these elements best are creating more value for their customers and employees alike. ∎