



Unified Platform, Unlimited Possibilities: Exploring the Future of Hospitality Technology



Winds of change in hospitality tech

The hospitality industry has been fundamentally reshaped in the last few years as the composition of travelers and their needs have changed. Following the pandemic, there was a robust increase in leisure travel, a new category of travel called bleisure (business and leisure travel combined), and now we are seeing the return group demand. At the same time, the industry has seen an unprecedented increase in Average Daily Rates (ADRs) even as demand has started to level off and a new generation of travelers is adapting the ways in which they research and book travel.

In the face of all this change, hotels remain reliant on outdated systems, unable to innovate rapidly. As guests increasingly seek to book experiences, not just rooms, demand instant service, and expect greater personalization and convenience, hotels unable to adapt will find themselves left behind.

The best illustration of this philosophy can be found in the Oak and Willow parable. When a storm approaches, everyone assumes that the mighty oak will be the last one standing, yet its rigidity causes it to shatter under the storm's force. Meanwhile, the willow bends with the wind, leveraging its flexibility to survive the storm unharmed. In the travel and hospitality industry, being the willow means adaptability, speed, and efficiency – and adaptability, speed, and efficiency can only be achieved with the right technology.

Ultimately, hospitality brands have an essential choice to make – invest in new, secure and capable technology or pay the price for archaic, outdated systems that are no longer equipped to serve the modern world.



The Current State of Hospitality Technology

The hospitality industry continues to evolve from on premise software to the cloud with more and more advanced, automated, cloud-based, and integrated systems. This has been driven by the pressing need for hotel organizations to enhance the guest experience, streamline operations, and increase profitability. Hotels struggle to collect and manage guest data, evolve their loyalty programs, and deal with labor shortages. Moreover, the rise of mobile technology has changed the way guests interact with hospitality businesses. From mobile check-ins to digital concierge services, guests now expect personalized and seamless experiences.

Hotel executives are constrained by legacy technologies that are out of date and by the need to integrate the large number of software platforms and systems required to run the hospitality enterprise today. CRS, PMS, Call Center, content, distribution and other such tech stacks often operate in silos, leading to inefficiencies and inconsistencies in data management.

Let's consider the following statistics:

- Despite [70% of organizations](#) citing that they want to be more data-driven, [88%](#) continue to be hindered by legacy technologies
- According to a HotelTechReport survey, [81%](#) of hoteliers believe it's very likely that technology will be more important for the success of a hotel business in the next five years
- [39% of hoteliers](#) believe that "improving operational efficiency" is technology's most important value proposition, while [31%](#) said "transforming guest journeys," [15%](#) said "improving business agility," and [13%](#) said "innovating for the future"
- [54% of hoteliers](#) surveyed said they were implementing technology that would improve the front desk experience – or eliminate it completely – by 2025
- [A recent survey](#) found that U.S. businesses may lose up to \$1.8 trillion in wasted productivity due to outdated technology
- On average, [an employee wastes around 46 minutes of their day](#) when their company leverages legacy systems
- [65%](#) of hoteliers said incorporating new technologies for staff best describes their strategy to weather labor shortages and attract new talent, and [96%](#) of hospitality brands surveyed are investing in contactless technology

This is where the concept of a unified platform comes into play. A single end-to-end solution promises to break down the silos, enable seamless data flow, and allow for a flexible and scalable system.

Key Benefits of a Unified Platform

A unified platform in hospitality enables hotel organizations to dramatically simplify and improve the software required to run their businesses. This eliminates the need for fragmented systems, reducing complexity and increasing security and efficiency. It allows for real-time data access and updates, ensuring that functions such as revenue management, distribution, e-commerce, front desk, etc. have the most current information at their fingertips.



The benefits are many and include:

- **Increased guest satisfaction and loyalty:** centralizing guest information allows hotels to tailor their services, marketing, upsell, and personal experiences.
- **Future-ready technology:** elasticity to grow, adapt, and accommodate new services or locations as the business expands. Such scalability is a time and resource-efficient solution in the long run.
- **Operational gains and cost-effectiveness:** automating tasks and replacing varied systems with one can diminish labor expenses and optimize outputs, resulting in noticeable cost economies.
- **Smarter decisions and strategic planning:** with an all-encompassing view of operations, hospitality enterprises can identify patterns, make informed decisions, and strategically plan ahead, leading to better business performance and heightened profitability.
- **Ease of use and implementation:** the unprecedented level of flexibility and ease of implementation also means hotels can seamlessly and quickly implement some or all the modules they need to run their hotel successfully. This has been a long-time challenge for hotel organizations looking to drive efficiency, capture savings, and optimize profits.

The Microservices Advantage

Within hotel software systems, microservices are smaller, specialized software pieces designed to perform particular tasks. They work together to form an all-inclusive solution. Each microservice focuses on a specific area, creating a customized architecture ideal for the hospitality sector.

Much like a well-run hotel where individual departments handle various operations, microservices offer efficiency, uniformity, and quality in managing different hotel tasks.

This is different from conventional software systems, where one large application handles all hotel functions, missing the targeted optimization and adaptability that microservices offer. Conventional systems also often lead to an overloaded tech stack that may create a digital 'patchwork' effect of disjointed systems and data silos due to a lack of interoperability, which undermines the goal of new tech adoption.

A Distribution Holy Grail

In a world where business is usually dictated by technology, a unified microservices platform awards hotel and travel brands the opportunity to flip this on its head and trade with any type of entity (supply or demand) in any way they so choose.

Typically, the supply side of inventory, rate management, and distribution is viewed as an expense. In contrast, the demand side is considered a revenue generator – even if a hotel has to pay 20% commission or pay per click to connect to a demand generator like Google Ads and OTAs.



After all, when a hotel's goal is to maximize occupancy and bring more attention to the hotel, demand generators act as an integral catalyst to capture interest and redirect it to suppliers (the hotel).

However, hotel brands can finally cross that boundary with a platform that can service both sides of the business, gaining control over inventory and increasing visibility into how it's sold. Also, when both sides of the business have historically been mismanaged by siloes and switches, leveraging a single end-to-end platform that delivers inventory (channel manager) and bookings (CRS, etc.) can finally establish marketing continuity.

There are endless possibilities in which distribution strategies can expand into activities, such as rental vehicles, in addition to hotel and air travel supply. In simple terms, a single travel platform that lives to process any business model, maintaining both supply and demand, enables hotels and travel companies to choose their own business destiny and be masters of their own future.

Enhanced Guest Experiences & Revenue

Years ago, the idea of guests picking their room or hotels offering creative packaging seemed like a logistical headache, if not an operational nightmare – because, at the time, it was. To unlock this level of personalization and profitability, hotels need guest data and, more importantly, the right architecture and technology to capture, interpret, and action that data.

The good news? Visionary hoteliers who are already harnessing the potential of their data related to bookings, guest preferences, and inventory are reporting growth in annual revenue, enhanced profitability, and a boost in overall guest satisfaction. Furthermore, they're experiencing a reduction in operational inefficiencies that previously eroded profit margins.

Personalization at Scale

The digital era has allowed us to accumulate and dissect vast amounts of information. Hotels gather a wealth of data with their myriad touch points from booking to check-out. Every interaction, be it a booking, a room service order, or a feedback form, contributes to a wealth of data that hotels gather daily. This data offers insights into guest preferences, patterns, and behaviors. From understanding peak booking times to discerning favorite cuisine choices, this information is a treasure trove waiting to be harnessed.

From a marketing standpoint, one of the key revelations in recent studies suggests that modern guests seek seamless experiences and expect hotels to anticipate their needs. They appreciate when hotels remember their preferences, recommend new experiences, and ensure they have everything they need during their stay. By harnessing data insights, hoteliers can craft an all-encompassing guest journey, seamlessly integrating online and offline interactions.

At the same time, by tapping into demographic, behavioral, and feedback data, hoteliers can gain deep insights into their guest profiles, tailoring offerings and communications accordingly. With this wealth of data, hotels can provide guests with curated experiences, relevant promotions, and personalized touchpoints that resonate deeply, fostering loyalty and repeat business.



The Rise of Attribute-Based Selling

The hospitality industry is turning towards innovative pricing strategies, with Attribute-Based Selling (ABS) – an approach that allows hoteliers to sell every room attribute separately – (also known as attribute-based pricing) emerging as a notable trend.

Research from the Hotel Electronic Distribution Network Association (HEDNA) suggests that hotels implementing attribute-based pricing can see a revenue increase of 10-20% and a 10-15% boost in repeat bookings. Hotel Business reports that over 60% of hotel guests are more likely to book additional services when presented with attribute-based pricing. Furthermore, studies indicate a 25% increase in guest satisfaction, with a significant majority of guests expressing a preference for personalized package options.

The benefits of implementing attribute-based pricing in the hotel sector are extensive. It allows hotels to offer personalized pricing options based on their rooms' and services' specific attributes or features, catering to different customer segments and needs. This level of customization can significantly enhance guest experiences, leading to higher conversion rates, and enables hotels to differentiate themselves by highlighting unique features. Moreover, by pricing these attributes separately, hotels can capture additional revenue from guests who are willing to pay for these extras.



To optimize attribute-based selling, a hospitality system must have the bandwidth and flexibility to operate like a shopping cart, use data for marketing, leverage AI and machine learning algorithms, and easily connect with other platforms. Most of today's hotel systems just can't do it.

However, an advanced, unified platform built from the beginning using learning algorithms such as AI and machine learning models is designed to allow hotels to offer tailored attribute packages to individual guests.

For example, if a guest has previously shown a preference for spa services, the hotel can create a personalized package that includes spa treatments and other relevant attributes. This level of personalization can enhance guest satisfaction and drive additional revenue for the hotel. The system provides the tools to define, update, and communicate these attributes to potential guests easily, making the pricing process more efficient and effective. It also opens up opportunities for upselling and cross-selling additional services or upgrades, further boosting revenue per customer and enhancing the overall guest experience.

Leveraging Unified Data

The prospects are enormous for hoteliers willing to dive deep into data-driven strategies. According to experts at The Economist, the world's most valuable resource is no longer oil – it's data.

The good news is that hotels generate vast amounts of business and guest data daily. With the right technology, hotels can translate that data into actionable insights – whether to improve sales channel performance or deliver personalized guest experiences, the opportunities are limitless. For a holistic view of hotel operations, integrating structured and unstructured guest data becomes crucial.

Here's a brief outline of how data can elevate a hotel's operations:

- Segment and personalize offers
- Tailor guest experiences
- Set dynamic pricing strategies and packages
- Optimize hotel amenities and services
- Streamline supply chain and inventory
- Efficiently allocate budgets and resources
- Enhance operational efficiency and staff productivity
- Realize cost savings with energy and maintenance management
- Improve guest services
- Track success metrics and feedback

By extracting and consolidating data into the unified hospitality platform, hoteliers can unlock actionable insights and steer decisions that optimize guest experiences and drive profitability.



Operational Efficiency and Cost Savings

Hotels must consider the total cost of ownership when considering their tech adoption roadmap. An accumulation of disparate systems shouldn't eat away at the bottom line – nor should it stand in the way of operational efficiency and scalability.

While an accumulation of modern platforms is, in many ways, a positive departure from sticking with legacy technology, it's important to recognize that hotels can become weighed down by their tech stacks beyond the issue of operational efficiency. With this in mind, hoteliers must consider the upfront cost of each system and the cost of acquisition/implementation, training, updates/upgrades, and integration fees.

When it comes to a unified platform, hoteliers can either have it all or activate only the modules they need for the time being. A microservices platform's cohesive yet independent plug-and-play functionality opens up a new world of possibilities for hoteliers looking to enhance efficiency, revenue, and performance without sacrificing simplicity and user experience.

Now, hospitality brands can completely customize their solution from the ground up according to the unique needs of their property and their budget. Each module acts as a digital building block that runs as a separate process but can facilitate seamless data exchange through open APIs.

What's more, hotels can easily integrate these applications into their existing ecosystem using a systematic technology adoption roadmap – or adopt a gift-wrapped, all-in-one unified solution.



Choosing the Right Platform

Many hospitality systems are commonly cited as being ‘clunky,’ ‘counter-intuitive,’ or ‘overly complicated.’ As you can imagine, solutions that are difficult for employees to embrace and use are ill-equipped to help offset labor shortages – they also make it challenging to train new employees and continuously scale your hotel as desired.

Just as no guest is the same, no hotel is the same; it’s time for technology to truly cater to the needs of hotels the same way hotels cater to the needs of their guests. Technology can only be as great as its usability because technology is ultimately defined by its user experience. Hoteliers should seek out those systems that prioritize usability and can adapt to the hotel – not the other way around.

When considering the adoption of a new hotel solution, hospitality brands should consider the following questions:

- Does the platform utilize modern microservices infrastructure that allows for easy scalability, speed, and integration?
- Does it bundle analytics and distribution to create the ultimate unified platform?
- Is the platform fully customizable and future-proof?
- Is the system easy to use and easy to implement?
- Is the data encrypted and securely flows through the platform?
- Is it cost-effective? Consider any additional fees, including integration, interface, and upgrade costs
- Is the platform available from anywhere, on any device, at any time? Mobile access is absolutely key to any platform.
- Does the platform guarantee to be available 100% of the time, with no scheduled downtime?
- Is it cloud-based? Or do you have to buy servers and maintain them yourself?
- Does the platform manage single image inventory across properties with speed and agility if dealing with reservation management?
- Does the platform offer real-time, automatic revenue optimization with robust revenue strategies, removing the need to monitor rates 24/7?
- Can applications work together as a cohesive “unified stack” that creates a seamless, “all-in-one” ecosystem?
- Track success metrics and feedback

With the right technology, hotel organizations can adapt to uncertainty, weather any storm, and emerge stronger. Investing in modern tools is one of the best strategies hospitality brands can employ to empower their staff, delight their guests, and future-proof their business.



Looking Ahead

As hoteliers navigate the crossroads of tradition and technology, one truth remains: a future-ready, unified platform isn't an expenditure – it's an investment in a more profitable and scalable future. Forward-thinking leaders in our industry realize the invaluable opportunity to navigate away from the limitations of monolithic platforms and overwrought tech stacks.

IBS Software is transforming the industry with its unified hospitality platform. We are ushering in a new and improved era of exceptional cost savings, revenue opportunities, and world-class service. The best part? The cost of entry is far less than the cost of resistance.

One technology partner, one platform, one contract, limitless possibilities. Digital transformation, optimization, and automation without disconnect and flexibility without compromise. This is the future of hospitality – and the future looks exceedingly bright.



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