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Central Data Management
by Toedt, Dr. Selk & Coll. GmbH

The future of Hotel Technology

How Technology can support Changes in Hotel Guest Expectations

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In our White Paper [“Is the PMS long overdue”](#) we discussed why the central guest profile, and not the Property Management System (PMS), should sit at the heart of the hotel tech stack.

This time, we’re looking at how guest expectations have evolved in recent years and how adopting the right technology – specifically a Central Data Management (CDM) system built around a centralized guest profile – can enable hotels to meet these.

We’ll also examine why it’s so important for these tech changes to happen and why the change management process must be led from the top, i.e., by the CEO and other members of the senior management team.

In this White Paper, we look at why centralizing the Property Management System (PMS) is a flawed approach when evolving the tech stack and explores alternative solutions that can deliver a truly

guest-centric tech environment offering a wealth of benefits to hoteliers and customers alike.

The changing landscape

Today’s consumer is used to receiving personalized experiences, particularly in the digital world. Take Amazon, for example, which makes suggestions for items for customers to purchase based on a detailed analysis of their order history. In the same way, display adverts you’ll see on Facebook will be based around what you’ve been searching for on Google and are more likely to be of interest as a result.

It’s all about anticipating what customers need, when they need it – sometimes even before they know they need it! And this is an experience that guests are now looking for from hotels. This highly personalized, guest-centric approach needs to apply before, during and after their stay. Using a CDM (Central Data Management) system that gives hoteliers access to Big Data makes this.

Covid-19 was a massive game-changer for the hospitality industry, with occupancy rates dropping to record lows around the world. The industry is now

“Change Management Process must be led from the top!”

recovering, but guest profiles are no longer the same. Fewer people are now travelling for business, many events now take place online rather than at a physical venue, and there's been a big increase in domestic travel as people take 'staycations' rather than travel abroad.

At the same time, concerns around safety, cleanliness and adhering to regulations have naturally increased, along with an enhanced requirement for convenience – whatever that means for each type of guest. Contactless technology plays a big role here, with services such as mobile check-in, keyless room entry and apps for ordering room service on a Click & Collect basis. Other services that appeal to various guest types might include arranging transport, providing interactive area guides and offering room upgrades in advance.

Leading on from the above, guest booking behaviors have also evolved. In the light of the pandemic, customers are keen to find out exactly which services they can expect to receive from a hotel in advance, as well as information about Covid-safety and hygiene. This caused a big surge in direct bookings in 2021, as opposed to those made through OTAs

and other platforms, as guests clearly viewed the hotel's own website as the best source of information and offers. However, the channel mix used for bookings is already starting to re-diversify – and hotels need to make sure they're clearly visible on all key distribution platforms. Monitoring the market and keeping an eye on their competitors will be key.

All these services and solutions can be seamlessly provided if the hotel has the right tech stack in place to meet the needs of, and hopefully delight, its target audience. One challenge that emerges from this, however, is continuing to offer a highly personalized experience when there are now fewer interactions between guests and hotel staff. In order to thrive, hotels must continue to do what they do best – provide hospitality! This is where solutions like online chat and guest directories, and dedicated hotel apps, can prove invaluable.

As guest expectations evolve, hotels need to change too

Put simply, hotels that don't adapt their offering to meet the changing needs of their guests won't survive. They're likely

to experience lower occupancy rates, as customers take their business to competitors that can provide the personalized service and guest-centric experience they're looking for.

Loyalty levels are likely to drop also, reducing the Lifetime Value (LTV) of each guest as well as the hotel's ability to recover from the Covid-19 pandemic and keep driving revenue year on year.

The link between clean data – enabled by a single guest profile and centralized data – and customer loyalty is well-established. A 2018 survey of 4.5 million hotel stays found that, where the hotel had consolidated guest profiles, there were 9.5 times as many stays. From this statistic, we can infer that once data is consolidated, the hotel can better personalize the guest experience and outperform expectations – whilst boosting occupancy rates and revenues¹.

So, change is essential – but the right approach to implementing new technology

is needed in order to get the best results for each hotel.

The role played by the right tech stack

The days of pen and paper are most certainly over. The first step to making the right changes is to take a step back and evaluate what kind of tech is needed to enable the hotel to offer a truly guest-centric experience for each customer group it wants to target. For example, business travelers will be focused on ease and convenience, as well as looking for high speed Internet and other business services such as meeting rooms.

Those traveling for leisure on the other hand, depending on their age group, are more likely to be interested in great customer service, VIP treatment, a brand they can trust and evidence of sustainable or eco-friendly practices, such as composting leftover food and installing solar panels. (Sustainability is an area that's become especially important in

¹ Source: "Who takes over the role of the PMS?". dailypoint. September 2021.

recent years, with 60% of guests surveyed in 2020 saying they wanted a “socially acceptable and resource conserving holiday”².)

Appealing to leisure travelers in general is especially crucial, as 63% of hoteliers believe this group will play the biggest role in the hospitality industry’s recovery post-Covid³.

“In my view, implementing a central guest profile powered by a Central Data Management system (CDM) is the only way that hotels can truly meet all the needs of individual guests,” says Dr Michael Toedt, Managing Director at dailypoint™. “As we explored in our last [White Paper](#), a CDM offers a number of important advantages over other types of tech stack, such as those centered around the PMS or CRM, as it collects information gathered from all connected systems in real time.

“In turn, this gives hotels access to Big Data, which enables a huge amount of valuable information to be collected for

each guest and held centrally in the cloud. The hotel can then create highly personalized, automated offerings such as relevant content delivery through pre- and post-arrival emails, upgrades and special offers, customer satisfaction surveys and so on – all of which are guaranteed to resonate with the individual. The ability to track satisfaction levels over time also means that services can be continually updated to provide maximum appeal.

“Other benefits of a CDM include enhanced data protection and compliance with relevant privacy legislation, offering valuable reassurance to guests in today’s digital age. And as just one guest profile is created and held centrally in the cloud, clean data can be quickly and easily accessed and managed by staff working in different departments, hotel sites and brands. This, along with advanced capabilities for automating processes, helps hotels manage their resources as efficiently as possible, which is important

² Source: [RA ReiseAnalyse 2020](#), First selected results of the 50th Travel analysis – ITB 2020

³ Source: [“Rebuilding hospitality. Trends in demand, data and technology that are driving recovery.”](#) Amadeus. 2021.

to many brands that aren't planning to return to pre-Covid staffing levels.

"In addition, many brands are experiencing short 'booking windows', including many last-minute reservations, as travel habits have changed due to the pandemic. Hotels need the right technology in place to cope with these demands and provide the quick turnaround times for bookings that guests expect, without compromising on customer service quality. In fact, 24.75% of hoteliers around the world say that technology that streamlines operations is a top priority⁴.



Why lead from the top?

It's easy to fall into the trap of thinking that finding the right vendor and implementing your new tech solution is a job for the IT department. However, as noted above, this isn't the best approach. After all, a CDM-driven tech stack will be accessed and used by most or all of the hotel staff, from the chambermaids to the head chef.

To make change management as effective as possible and ensure buy-in from all team members, it's therefore imperative that the process to replace the PMS as the centerpiece of the IT-stack with a Data Management solution (CDM) is driven from the top. This means that the CEO should lead the change and involve all other members of the senior management team, such as the CIO, sales and marketing and revenue managers, in planning and implementation.

"The make-or-break moment with hotel tech stack implementation is gaining

⁴ Source: "[Rebuilding hospitality. Trends in demand, data and technology that are driving recovery.](#)" Amadeus. 2021.



support from the top,” says Michael. “It’s so important because it will help to make sure the process is done both quickly and correctly. Hearing from the CEO, why the changes are happening and the benefits of a centralized, guest-centric system will encourage all team members to get on board with the new technology and embrace it.

“After all, research shows that 30 to 90% of all data management projects fail because of data quality issues⁵. Failure is a costly business, so it makes sense to

have the CEO at the helm of all major change management projects – and implementing the right new tech stack is no exception.”

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“However, to enable this to happen, the CEO naturally needs to have a strong

understanding of how the new set-up will impact all areas of the hotel business, from improving guest experiences to encouraging loyalty, increasing occupancy rates and ultimately, revenue. The specific benefits to each department within the hotel should be clearly explained, including the ability to work more productively and efficiently, which is a powerful boost for motivation.”

CDM – the only solution for true sustainability

Sticking with the ‘old ways’ simply won’t cut it for hotels that want to move forward, stay ahead of the competition and enjoy a fantastic reputation for customer service, cleanliness, compliance and

more. A CDM system such as dailypoint™

⁵ Source: “Who takes over the role of the PMS?”. dailypoint. September 2021.

360 gives hoteliers the opportunity to stay ahead of the game by taking control of their data – maximizing both guest satisfaction levels and sales revenues as a result.

About the author: Dr. Michael Toedt

Dr. Michael Toedt is CEO and Founder at dailypoint™. He is a renowned expert in the field of Big Data and CRM. Michael started his career in his parents' hotel business and the Michelin Star gastronomy. He started his second career in the field of CRM, and in 2005 founded Toedt, Dr. Selk & Coll. GmbH (TS&C). TS&C, today known as dailypoint™, is recognized as a premiere software company and think tank for data-driven management.

In addition to his work at dailypoint™, Michael Toedt is, among other things, a lecturer at the University of Applied Sciences in Munich, Germany on the topic of "CRM in Tourism" as well as a lecturer at Hotellerie Suisse. He publishes books and professional articles in the field of CRM, Big Data and digitalization regularly. In 2016, Michael wrote his doctorate on the influence of communication on sales figures in the luxury hotel industry. In 2021 Michael was listed "One of the 10 Most Promising CEOs" by Industry Era.

For more information, visit www.dailypoint.com/publications

About dailypoint™ - Software made by Toedt, Dr. Selk & Coll. GmbH

dailypoint™ is the leading Data Management and CRM platform for demanding individual hotels and hotel groups. dailypoint™ collects data from all relevant sources such as PMS, POS, website, newsletter or WiFi and automatically creates a central and consolidated guest profile. In 350 steps, the data is processed and enriched by means of artificial intelligence (AI) to create a guest profile like never before. The cloud-based SAAS solution consists of 16 modules and is complemented by the dailypoint™ Marketplace with more than 170 solution partners. dailypoint™ not only offers measurable marketing, but also covers the entire customer journey and thus supports all departments within a hotel. The integrated Privacy Dashboard is also the central element for the technical implementation of the GDPR.

dailypoint™ is headquartered in Munich, Germany and is sold and supported worldwide directly or through its distribution partners D-EDGE and XNProtel.

For more information, visit **www.dailypoint.com**.

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