

Opinions

Megatrends in a disrupted hospitality world

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“Times they are a-changing.” This bold statement seems more accurate than ever before, especially as it relates to successfully operating in a competitive and ever-evolving industry despite—or rather because of—“the new normal.”



By Reinhard Pohorec

The dramatic changes our global community is currently experiencing signify make-or-break for an industry that has already been under constant transformative pressure. Leaving not one single aspect of the ecosystem untouched, the questions remain as to how operators can pave their way to success, taking into account the most relevant megatrends of today's reality.

With the global COVID-19 pandemic unapologetically shattering the illusion of hospitality being a crisis-proof industry, digitalization inexorably permeating all of our day-to-day activities, and an impending climate catastrophe affecting how we eat, drink, go out or travel abroad, nothing is set in stone anymore.

Generational shift

From Generation X, via millennials, to the future-oriented demographic Gen Z: The generational shifts unfolding today are a litmus test for businesses on a managerial level in regard to human resources on both ends of the spectrum, as well as stakeholder models of yore. The hospitality workforce is changing dramatically, and so is the audience the industry caters to. Attracting not only the right guests but also the right talent is quintessentially important in times of digital Darwinism and operational survival of the fittest.

Hence, the entire market has to remain flexible in applying tremendous mindset changes based on various generation's likes and dislikes.

Multi-sensory experiences

What they're craving for in unison are memorable experiences. It's simply not enough to deliver a solid plate of food or a well-made cocktail. Providing decent service won't quite cut it anymore, either. Experiences need to be provided on a holistic, multi-sensory level, at the confluence of analog and digital. That requires strategic planning, conceptual development and stellar execution throughout the entire organization.

Virtual reality tours to help make booking decisions. Vivid chatbots that can deliver humanly interaction. Smart hotels or robot operators. Artificial intelligence and augmented reality implementation before, during and after the service transaction. Every aspect needs to be perfectly designed and put into action in the most frictionless way and meaningful way. Two of the critical main aspects are voice-driven review tools and analytics, as well as the internet of things. Whether used for payment, room selection or accessing the keys for amenities like spas and pools, sending customers and guests real-time offers and special experiences through their smartphones will massively encourage sales.

On the other hand, the most recent global crises are amplifying our yearning for stability, security, deceleration and authenticity on a very personal level. There's a huge demand for hyper-local experiences and tangible, trustworthy relationships, merging with renewed acceptance of natural boundaries and environmental awareness.

All that should be reflected in the experiential sensory concepts of every hospitality company. As a matter of fact, tailoring the individual encounters and transforming mere services into super-personalized experiences is the quintessential evolution. Scientific research clearly shows that bespoke customer journeys will overtake price and product as the key brand differentiators. More than 85% of guests and consumers will more likely make a positive purchasing decision when operators can offer personalized experiences. Concomitantly, over 90% of consumers will readily share behavioral data if it allows them to enjoy a more personal, frictionless and immersive experience. This simultaneously trickles into the relevant communication pathways, has a lasting effect on the marketing mix and clearly influences brand positioning.

Multi-channel delivery



With global travel still under severe pressure and uncertainty, those experiences must be shifted to where guests and consumers can be safely met. Whether through virtual reality or physical take-out and delivery services, experiences are no longer confined to the traditional boundaries of a restaurant or bar environment. Consequently, the core messages, values and beliefs of the brand should be further exemplified through all channels. Providing little extras, such as a QR code, revealing food-matching playlists, finger food snacks to accompany your cocktail order or a simple set of candles will add a personal touch to socially distanced services. So even though the frequency of traffic through physical venues might be restricted currently, there's still ample room for creative expression.

Sustainability

As a matter of fact, multi-channel delivery is often linked to extensive resource expenditure like packaging. In that regard, the COVID-19 situation has slightly pushed the environmental challenges we're facing out of the spotlight. Still, running sustainable operations on all levels has to be more than a fluffy marketing terminus for quasi-inspired zero-waste-bartenders.

Not only are customers willing to pay more for environmentally friendly products and services, but future regulations, legislations and taxations will clearly favor sustainable businesses and green practices.

From the individual behavior, via organizational structures, all the way to global considerations regarding mass tourism, certain industry segments and their ecological and economical footprint: Hospitality and all stakeholders will have to dive head first into a dramatic mindset shift.

The times they are a-changing, but change always brings opportunity. Entrepreneurial spirit, a most positive and flexible operational mobility combined with holistic trend awareness are the keys to success in our disrupted hospitality world.

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