

The Main Role of Digitalization For Hospitality Industry

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Abstract: Living in the digital age, the answer is probably all of it. From flights and hotels to browsing for fun things to making restaurant bookings, and using credit card rewards, there’s a whole ecosystem of apps and services that we can use to make each part of our trip quick and easy.

Keywords: digitalization, market, data collection, browser, online platform

Integrating digital solutions into the hospitality industry isn’t an entirely new occurrence. But the desperation of hospitality organizations during the pandemic sent many into a frenzy for the latest tools in the market. The result of this shift is an industry that is now spoiled for choice when it comes to digital platforms, with many making rash decisions due to short-term pressure.

In the context of the hospitality industry, digital adoption refers to the integration and utilization of digital technologies and tools to enhance the overall guest experience, operational efficiency, and business processes.

Digital adoption in hospitality encompasses the implementation and utilization of various digital solutions, such as mobile applications, self-service kiosks, online booking systems, digital menus, contactless payments, and guest management platforms. By embracing these digital innovations, hospitality businesses can streamline operations, provide personalized guest services, improve communication, and gain valuable insights through data analytics. Digital adoption in hospitality is becoming increasingly crucial in meeting the evolving expectations of tech-savvy guests and staying competitive in the modern hospitality landscape.

Digital adoption unlocks opportunities for the hospitality industry across all functions and bottom-line goals, including:

- **Sales:** Solutions like electronic point of sales (EPoS), mobile ordering and paying, and click and collect are some of the many ways hospitality businesses use digital channels to simplify sales and make products accessible to a broader audience. These solutions open up more avenues for companies to conduct higher volumes of sales without putting the buyer experience at risk of long wait times and low-quality service.
- **Marketing:** Data collected from digital channels help hospitality businesses better understand their customers and how purchasing decisions are made. Customer activity on mobile apps, booking platforms, websites, and social media gives businesses a holistic look at their ideal customers. Beyond surface-level demographic information, these interactions help pinpoint more specific characteristics of buyers — like when they’re more likely to make bookings, what on-

page elements they click the most, their order history, and items or bookings they've abandoned during the buying process.

- **Customer retention:** Beyond booking and purchasing data, businesses can capture how customers move through digital channels to understand engagement levels. Simple interactions such as page scrolls, hovers, and clicks can accurately depict how customers enjoy digital platforms. For example, pages or buttons with low engagement can signal a visibility or navigation issue that prevents customers from discovering a product they might want. Hospitality businesses track these analytics with digital adoption platforms to identify opportunities to increase customer retention by optimizing their technology solutions,
- **Employee training:** Implementing digital adoption platforms like Whatfix enables hospitality organizations to scale technology training and employee onboarding. As technology opens the doors for higher volumes of transactions and interactions across different channels, smooth internal operations are critical for businesses to maintain the speed and quality of services. Food and beverage technology company, BeerBoard, used Whatfix to help its clients — made up of retailers, brewers, and distributors — to better utilize its SmartBar platform for real-time insights and analytics. “By shortening the learning curve for our users, Whatfix has helped our clients achieve the benefits of our SmartBar platform much quicker,” says Sundar Ravindran, Chief Technology Officer at BeerBoard.

In a world where everyone and everything is online, can hospitality organizations really get away with half-baked digital transformation strategies?

The answer is no. There are simply too many great examples across industries for customers to draw a comparison and lose confidence in a brand.

With digital adoption top of mind, the hospitality industry can emerge as a leading disruptor by carefully deploying the right tools to:

1. Build a genuine customer experience

Digital adoption in hospitality plays a pivotal role in building a genuine customer experience by seamlessly integrating technology to enhance every touchpoint of a guest's journey. From the initial booking process through mobile apps or online platforms to self-check-in kiosks, digital adoption streamlines the guest experience, reducing wait times and enhancing convenience.

Personalized recommendations and tailored services based on guest preferences are made possible through data-driven insights gathered from digital interactions. Moreover, guest feedback is actively sought through digital feedback mechanisms, enabling hotels and restaurants to respond promptly to any concerns and continuously improve their offerings. By embracing digital tools, hospitality businesses can create a seamless and delightful customer journey, fostering genuine connections with guests and leaving a lasting positive impression.

2. Improve operational efficiency

Investing in digital adoption tools helps your employees work quicker and manage operations at scale without compromising quality. This is especially beneficial in understaffed industries like restaurants, bars, hotels, and casinos in the US that had nearly two million unfilled openings early this year.

Digital adoption helps organizations better utilize technology to reduce staff workload on manual and repetitive tasks. For example, automated processes for customer check-ins, billing, inventory management, scheduling, and cross-functional collaboration give employees less to worry about with administrative operations and allow them to focus on delivering customer experiences that meet expectations.

3. Increase revenue generation

The diversification of purchasing and customer acquisition channels not only contributes to more revenue generation but also makes revenue streams more reliable. Hospitality organizations use digital channels to facilitate higher volumes of transactions in different places while consistently reaching new customers through personalized and targeted marketing campaigns. Another major avenue for revenue generation lies in how digital adoption allows businesses to explore untapped revenue pools. This opportunity is especially prominent in the food and beverages industry, like how the Azurri Group used the pandemic to create virtual brands from existing kitchens and introduce new products to retailers. A report by McKinsey also highlighted how the effective integration of food delivery services into restaurants empowers businesses with data they can use to create custom menus for each consumer. These personalized menus consider food preferences, allergies, and tailored recommendations, giving companies a set-it-and-forget-it approach that proactively encourages customers to increase their total order value.

4. Practice data-driven decision making

Trailing behind the need for better customer experiences, 74% of hospitality business operators say they use digitization to gather more data and insight into their business. More digital channels mean more avenues for companies to analyze both customer and employee interactions. The procurement platform, Marketboomer, used Whatfix's digital adoption platform to help its clients in the hospitality industry accelerate effective training programs and technology onboarding. Whatfix gave their team visibility into how employees interacted with in-app self-help content to address their questions and concerns. They discovered that employees could use Whatfix's content for support 98% of the time, decreasing the volume of customer support tickets. Deeper data could also show them the exact content that was being engaged and where in the product it happened, giving businesses a better idea of employee friction within existing technology platforms.

5. Establish agility and adaptability

In the wake of the pandemic, many businesses in the hospitality sector have been turning toward agile methodologies — rooted in the idea of agile software development — to adapt to travel and leisure disruptions. Melissa Jurkoic, Chief Experience Officer at the hospitality software Thynk.Cloud writes about three principles hospitality businesses can follow to embrace this agile mindset.

1. Look at unexpected challenges as opportunities instead of setbacks
2. Build projects around engaged and motivated people instead of processes
3. Reflect on progress regularly

The role of effective technology adoption in enabling these principles is imminent. Accurate and timely data about your customers and employees are crucial for organizations to equip teams with the right tools, processes, and overarching strategies.

Whether managing limited resources, meeting new customer demands, or optimizing products for new audiences, proficiency in managing and maintaining processes across different platforms allows hospitality businesses to pivot without putting their operations at risk.

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