



Mindtree

Welcome to possible

WHITE PAPER

Mindtree digital: Insights into consumer engagement in hospitality.



The digital frontier of consumer engagement in hospitality.

The consumer is at the center of dramatic changes, wrought by technology, in the hospitality industry. Mindtree digital dives into the heart of behavioral motivations of hospitality consumers to extract insights that must shape the consumer engagement technology of the near future.

In the fast democratizing world of technology, more often than not, it is the enterprise who is in pursuit of the consumer. In recent years specially, the consumer leads the technology adoption curve and the enterprise follows, trying to play catch up. The hospitality industry is no different, particularly in the domain of customer engagement.

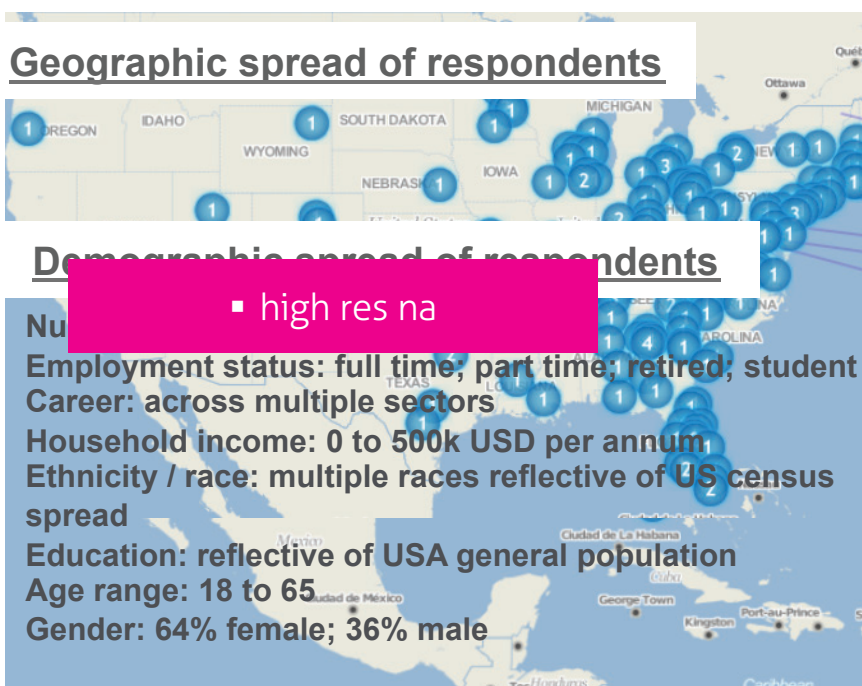
There are two predominant forces shaping the evolution of digital technology in hospitality today. The first is the migration of consumers into social media as a way of life and as a platform for interaction, with each other and with brands, products and services. The second is their growing adoption of technology devices for interaction with the enterprise. While social media has had a tremendous impact on the marketing enterprise, technology adoption has transformed the philosophical as well as operational view of how a typical hospitality enterprise looks at customer engagement.

A major challenge faced by the hospitality industry, is adapting to the way consumers are responding to the fast-evolving technology landscape. Before the turn of the new millennium the industry could predict and manage the way consumers use technology. Today, however, customers are spoilt for choice and they are adopting and using a range of products and services. Technology has become exponentially more flexible and so has the consumer.

Given the fact that the consumer is at the nerve center of this technology storm, it is imperative for a hospitality technology service provider to understand the consumer from multiple vantage points.

In this study, we will analyze consumer behavior from the stand point of on-premise engagement, to identify behavioral preferences and consequently, to discover unfulfilled opportunities. With these insights, hospitality service providers can elevate customer engagement to the next level. This consumer-first, technology – second philosophy is the foundation of Mindtree digital’s problem discovery and solution approach.

Mindtree research indicates that although hotel guests have a strong preference for digital tools while making reservations, they prefer face to face interactions, both while making last minute reservations and once they check into a hotel.



The need for elevating engagement

From smartphones to tablets to NFC technology, digital tools are fast becoming the dominant medium of customer engagement in hotels. This is a direct result of two factors – the ubiquitous presence of digital consumer devices and the rising comfort level of customers with digital tools.

However, some fundamental questions need to be asked:

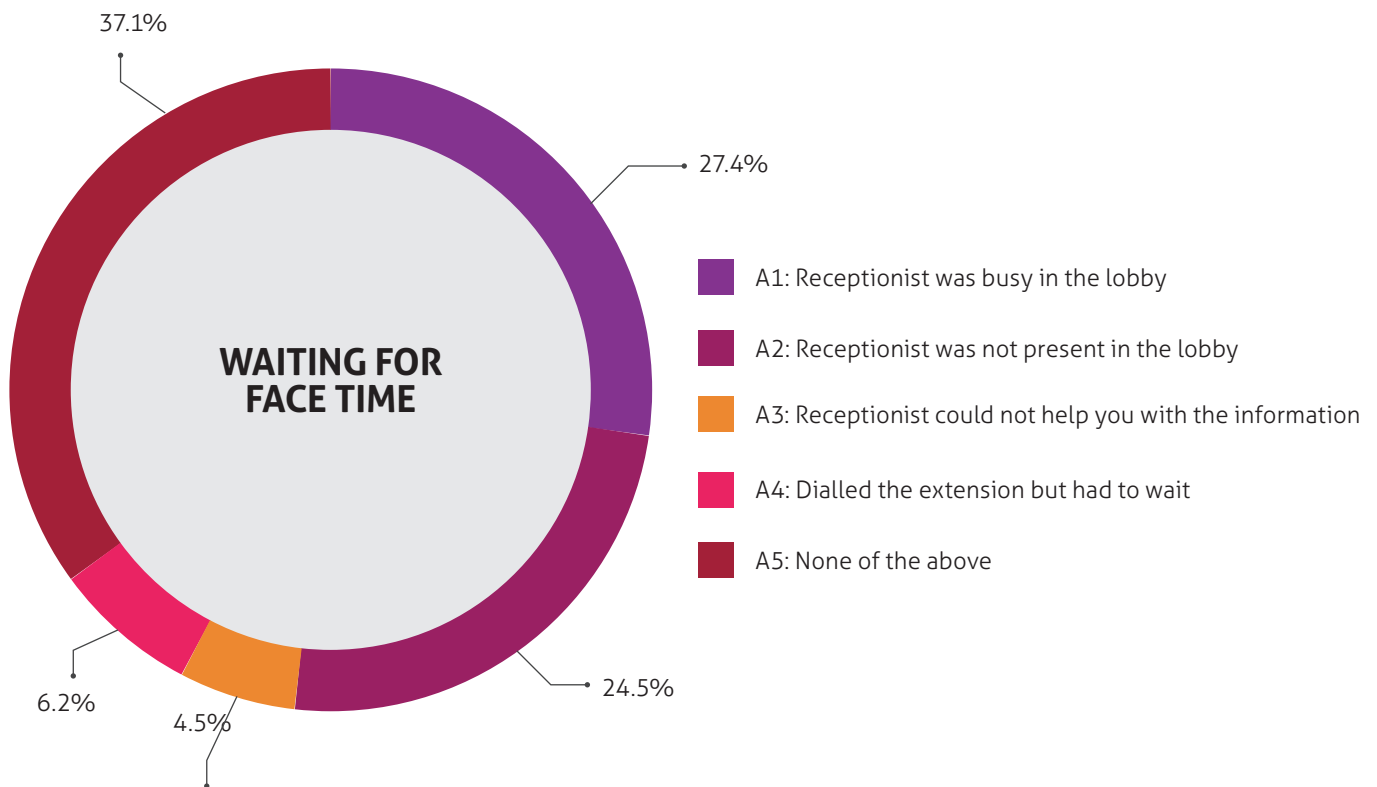
- Is automated digital interaction preferred by hotel customers in all contexts?
- Are customers really happy to inhabit a fully automated digital world of mobile reservations, self check-ins and tablet apps for room service?
- Is the average hotel guest happy with the level of engagement on offer?

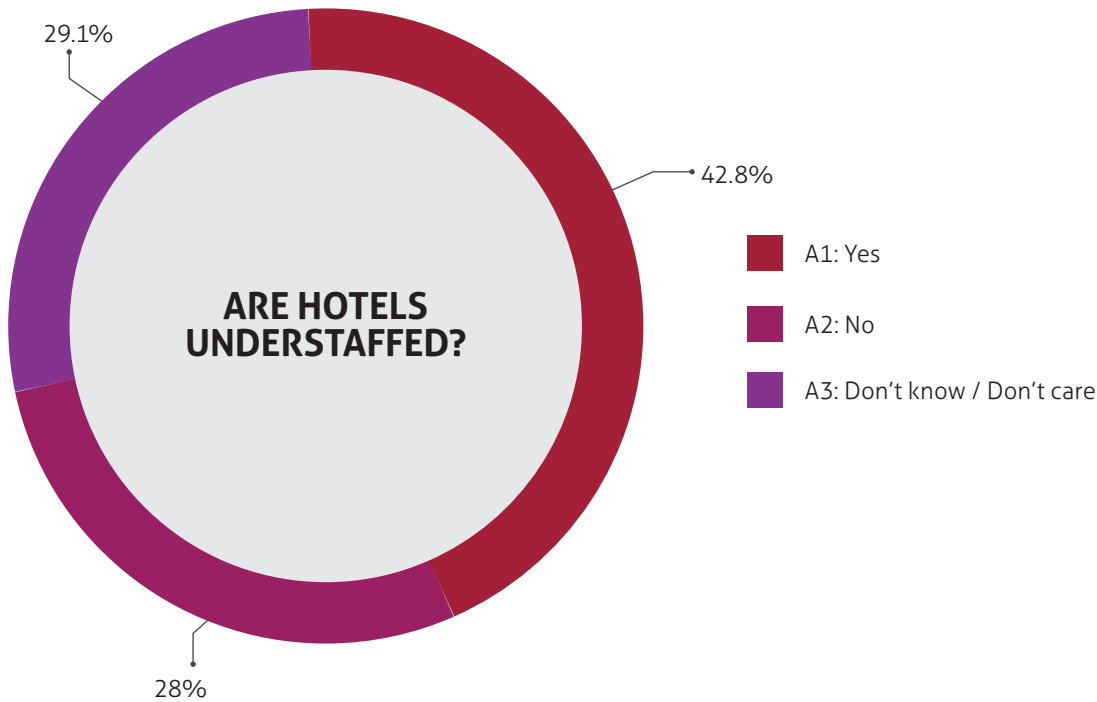
42% of respondents felt that hotels were usually understaffed.

63% of respondents were frustrated at having to wait for face time with the hotel staff.

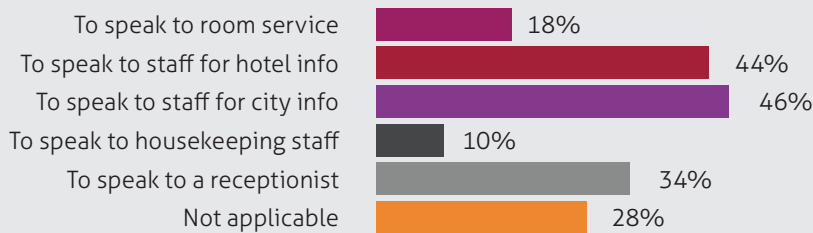
Our primary research threw up interesting answers. Despite a high level of digital automation and a wide array of digital touch points introduced in hotels, guests still chose to interact extensively with hotel staff. They were also unhappy about waiting, on several occasions, for face time with the hotel staff. There was a common perception among guests that the hotels were understaffed.

In conclusion, guests wanted more human interaction with the staff in public spaces within hotels.





WHILE IN A PUBLIC SPACE INSIDE A HOTEL, GUESTS HAVE FELT THESE UNFULFILLED NEEDS:



58% of respondents felt that there was a an unfulfilled need to interact with hotel staff in public spaces inside hotels

On premise engagement

Having discovered an unfulfilled consumer need for on-premise engagement, we seek to understand specific locations where such a need exists. The top spots for engagement deficit are the lobby, dining, parking, pool and corridor, in that order.

It emerged that the top spots of engagement deficit are strongly correlated with customer footfalls. The more numbers of customers occupying a space, the more the likelihood of a customer being unhappy with the engagement.

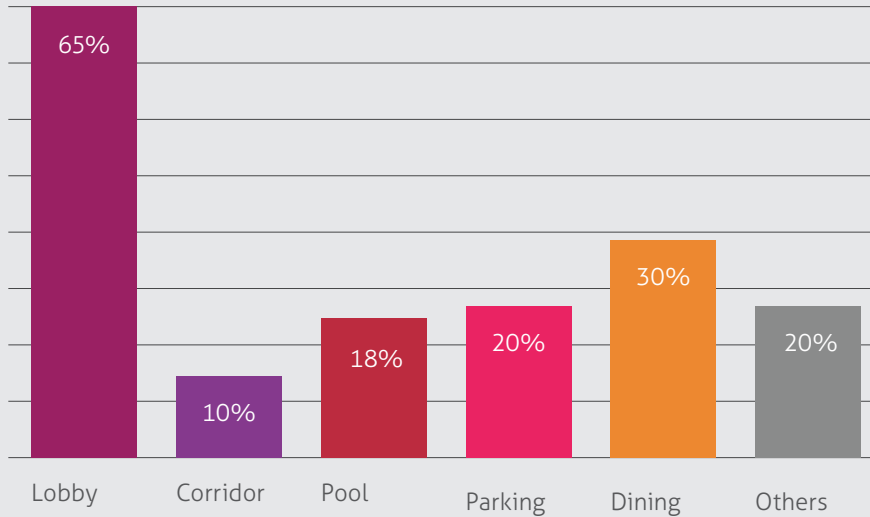
65% of respondents felt that they needed hotel staff in the lobby.

20% of respondents felt a need for face to face communication with hotel staff, in the parking area.

30% of respondents felt a need to make general enquiries at the hotel reception desk while in the dining / drinking area.

18% of respondents wished there were more hotel staff present by the poolside to help with general enquiries.

WHERE DO YOU MISS HOTEL STAFF PRESENCE THE MOST?



Off premise engagement

An interesting tangential exploration revealed a key insight into the purchasing behavior of a sizeable category of hotel customers – last minute travelers. Almost half of the total respondents made last minute hotel reservations at least once a year. Although a majority of them preferred to use the digital medium, a sizeable chunk of last minute travelers preferred face to face assistance while making last minute bookings.

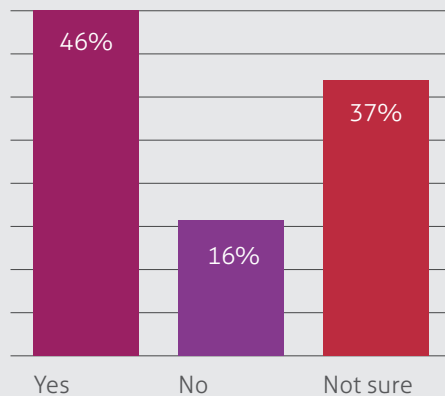
49% of the respondents made last minute hotel reservations (on the same day of travel) at least once a year.

This insight points towards an opportunity to insert face to face engagement interventions in the journey of last minute travelers.

An example of such an intervention could be a hotel assistance kiosk at a transit point like an airport.

NEED HOTEL BOOKING ASSISTANCE AT AIRPORT?

Only 19% of respondents prefer face to face interaction for making hotel reservations.



However for last minute reservations during travel, face to face interaction is preferred by 60% of consumers.

Designing context sensitive interactions

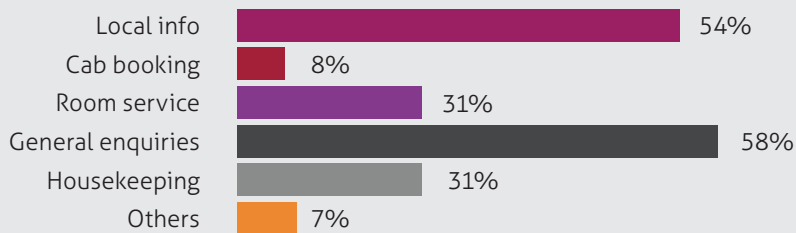
In order to optimize satisfaction in the consumer engagement, interaction experiences have to be designed for specific contexts. The one size fits all approach inadvertently leads to several pockets of discontentment.

In the retail industry For example, digital has become the medium of choice for several product categories

like electronics and video games, while there is marked reluctance to purchase household items and groceries online.

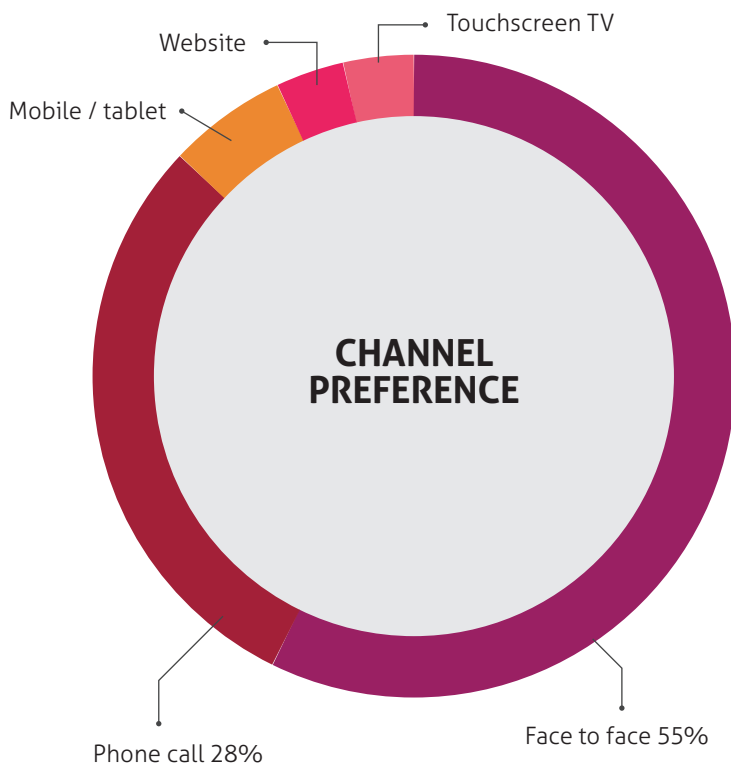
Similarly in the context of hospitality we discovered that certain interaction contexts which necessitate casual, unstructured communication do not lend themselves easily to automation.

FACE TO FACE INTERACTIONS PREFERRED FOR:



Within hotel premises, consumers prefer face to face communication mostly for casual, unstructured interactions like soliciting local information, events, directions and other general conversations.

Transactional and well defined interactions like reservations, placing orders and cab bookings lend themselves more easily to automation via tablet apps and touchscreens.



AGE GROUP



Preference for face to face communication in specific contexts is prevalent across all age groups.

Key research insights

Hotel technology is gravitating towards the use of digital devices for self service. Mobile apps are becoming ubiquitous. Many hotel chains have introduced tablets on their premises for check in, check out, interaction with room

service, housekeeping and concierge services, local info and the printing of boarding passes. The overall movement seems to be in the direction of replacing human interaction with automated digital solutions across the board as a mechanism for information capture and dissemination.



- Unfulfilled customer need for conversational face to face interaction within hotels
- Opportunity to influence last minute purchase decisions at transit points

Hotel technology is moving towards automation of all consumer interactions. Mindtree's primary research however indicates that the hotel consumer prefers face to face interaction in certain contexts. Leveraging digital technology to introduce cost effective human interaction in these specific contexts can add to top line as well as lead to increased customer satisfaction.

Our solution: Mindtree Virtual Assistant (VA)

Mindtree's VA solution allows customers to interact with a hotel representative via video chat to make reservations, general enquiries, room service and housekeeping requests. The backend of the solution is integrated with the hotel's call center operations, thereby bringing a level of scale hitherto achievable only by the more expensive option of increased staffing. The solution is an elegant confluence of face to face human interaction and the scalability offered by digital technology.



The interface is motion sensitive and the customer interacts with the customer service representative, browsing through the menu on the screen with simple hand gestures.

The solution is installed in a public place within a hotel, where customer footfalls are expected to be high. As indicated by our research these are the hotel lobby, dining area, parking area, poolside and corridors, in that order.

The VA console can also be leveraged to influence last minute purchase decisions by installing them in transit points like airports.

51% of respondents indicated an intention to use Mindtree's VA solution for general enquiries, room service and house keeping requests in a hotel's public space.

59% of respondents indicated an intention to use Mindtree's VA solution for making last minute hotel reservations at transit points like airports.

About the authors:

Visakh Sakthidharan is a Senior Consultant with the Mindtree digital practice and is focused on consumer research initiatives and insights for digital innovation. He can be reached at visakh_sakthidharan@mindtree.com.

About Mindtree

Mindtree is a global information technology solutions company with revenues of over USD 430 million. Our team of 12,000+ experts engineer meaningful technology solutions to help businesses and societies flourish. We enable our customers to achieve competitive advantage through flexible and global delivery models, agile methodologies and expert frameworks.