MOBILE HOSPITALITY

Towards a touch-free travel experience

Ipsos

AERO GUEST

MOBILE DIGITALISATION IS NO LONGER AN ACCESSORY IN THE HOSPITALITY INDUSTRY, BUT A NECESSITY FOR GUESTS' AUGMENTED TRAVEL EXPERIENCE

ABOUT THE REPORT

The adoption of mobile technologies has taken the fast lane ever since the worldwide outbreak of COVID-19 has halted the industry. As a response to the challenges of the pandemic, touch-free travel solutions have emerged as an appealing option to re-affirm consumer confidence that safety can be maintained when travelling. It seems that the adoption of both effortless and touch-free mobile solutions will have a lasting impact. Even though the need for safety takes precedence during these times of fear, the need for convenience is the main driver and will last beyond the hype of the pandemic.

To determine which path the industry should take, AeroGuest asked Ipsos Denmark to create a piece of research compiling what hotel businesses need to know about the future of Mobile Hospitality.

This collaborative report will guide the hospitality industry throughout the mobile digitalisation path as a solution to enhance guests' travel experience while meeting their demand for convenience and security.

What you can learn with this report:
1. Why you need a mobile digitalisation strategy
2. What are the benefits for hotels owners from having a mobile hospitality service
3. What challenges the hotel industry faces in the digitalisation journey
4. What are consumers' perceptions of seamless and touch-free travel experiences
5. What consumers value the most in mobile hospitality services and how you can package the best deal

This report is founded on consumer-based research but is addressed to hotel businesses in a B2B mobile digitalisation context. We have gathered inputs from a total of 500 online interviews in the United Kingdom, among hotel guests aged 18 to 65 years old.
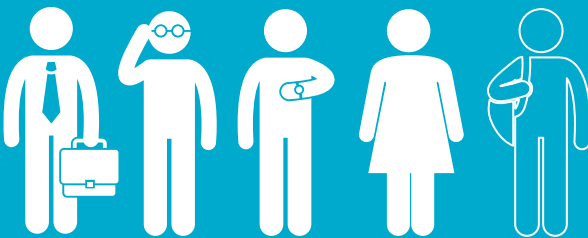
We found out that ...

55% of British guests use their **smartphones for booking hotel** stays
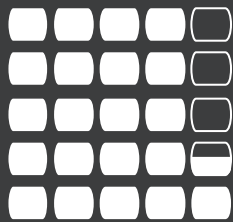
47% of the bookings made on the phone are **made in-app**

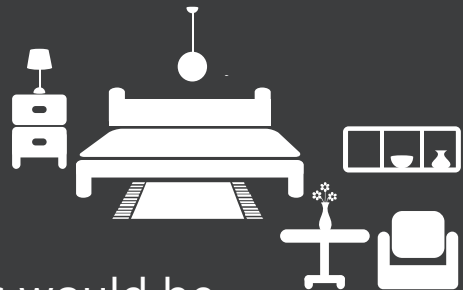**4 in every 5** guests say **AeroGuest's** mobile hospitality service **is attractive**

85%

of guests would be **reached if Hotels added a seamless mobile app** service (incl. early check-ins, late check-outs, room or view selection, etc)

59%

of **business** guests would be **willing to pay for** choosing their **hotel room**

And willing to pay # 7%

more of the room price in order to choose their room

WHERE IS MOBILE HOSPITALITY HEADED FROM HERE?

Mobile-enabled services are no longer an accessory in the hospitality industry to satisfy a niche need for speed or convenience for a narrow group of guests, but rather a necessity that enhances any guest's travel experience. With or without a mobile strategy, every hotel owner should ask the following questions:

What benefits are the growing mobile-centric hotel guests driven by?

How should hotels adapt their services and where should they focus their attention to meet consumers' expectations and needs in the hospitality service?

Why should hotels even consider going mobile?

Mobile hospitality is a win-win for both hotels and guests

The main reasons why hotel owners should consider a mobile strategy is to give the business more operational efficiency and to offer guests a more customer-focused experience, while saving time and space for higher value tasks and strategic revenue management. For guests, mobile hospitality rests on two benefits, the increased convenience of effortless travel and touch-free experiences.

Mobile-centric services make stays effortless and streamline the whole journey, thus improving the guest experiences

First and foremost, an **effortless journey** will directly impact guests' experiences and satisfaction. Regardless of being a shorter or longer stay, for business or leisure, hotels work as an extension of our home. Likewise, to the same extent that we have the need to make our home lives convenient, functional and comfortable, as hotel guests we expect just the same level of easiness. Mobile services are not only more streamlined than more traditional services,

but they also have the power to connect the whole journey and several experiences seamlessly.

Mobile hospitality transforms the journey into a more touch-free experience, providing safety in times of fear

Some hotel chains are already adding convenience to their experiences such as streaming movies directly from our phones to the TV screen in the room or allowing self-check-in and check-out in the reception area of the hotel. But why wait until guests set foot in the hotel to do so?

This brings us to the second benefit of mobile-enabled services: the faster and undemanding aspects of **contactless or touch-free** journeys, which may entail having guests do your tasks for you in advance, for example, allowing guests to cut the check-in queue by asking them to fill in the relevant information details before arrival. It took a pandemic to capture the attention to the "touch-free" opportunity because contactless services provide the needed sense of safety during times of fear. Needless to say, safety will continue to be a concern during the period of pandemic. However, despite the fact that health concerns dissuade some people from traveling, only 2% of Brits state that there is nothing that can convince them to book a hotel before

42[%]

Minimised contact with hotel personnel and guests (e.g. no crowds or reception queues)

34[%]

Minimised touch of surfaces (e.g. room key, door handlers, etc)

37[%]

Changes in travel restrictions from the authorities (don't advise against travelling)

42[%]

Enhanced, hospital-grade cleaning of rooms

46[%]

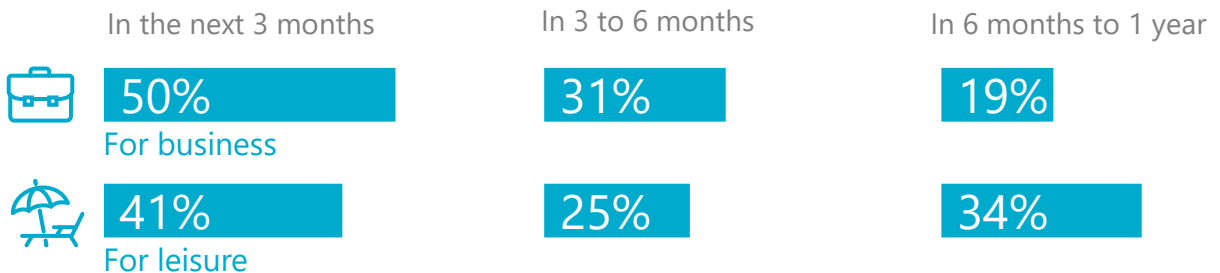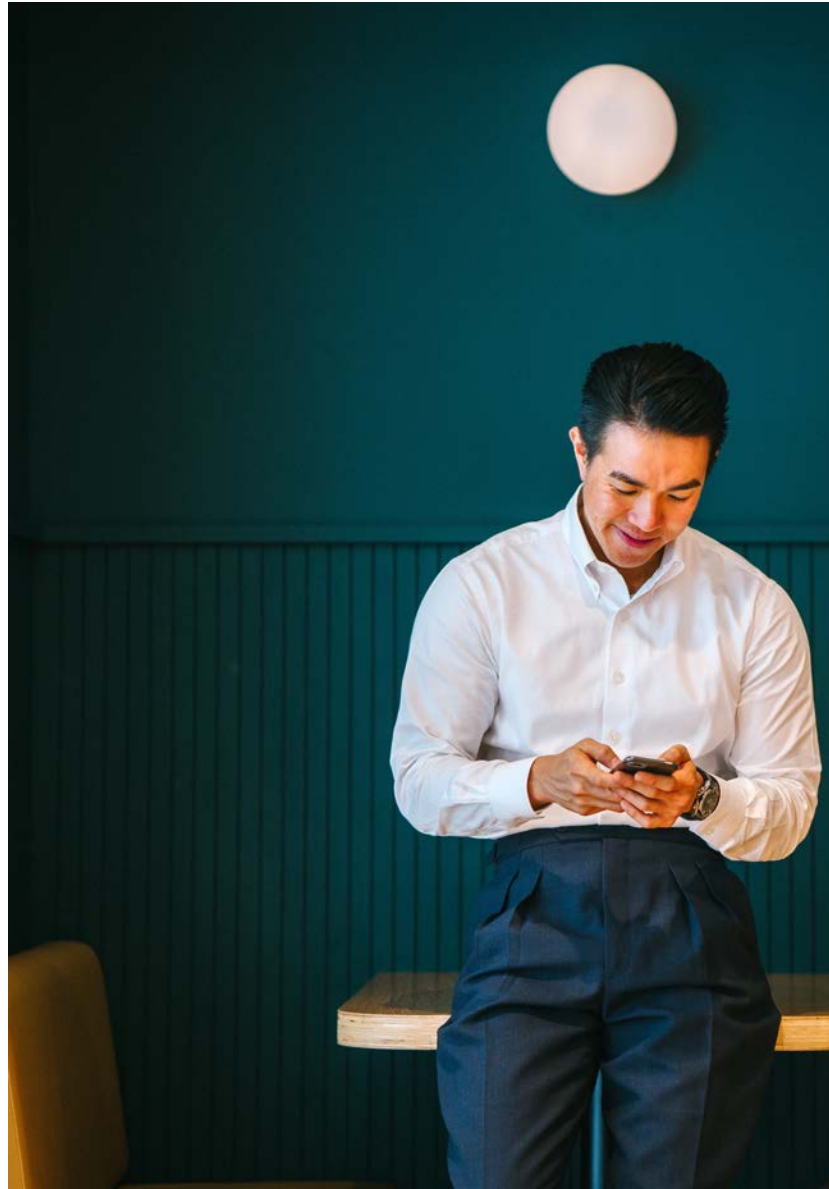Free sanitiser, wipes and masks in the rooms

the end of the 2020. Hence, our Ipsos study suggests that consumers expect to consider hotels once there is a greater confidence that security can be ensured for the whole travel journey. This includes both health and uncertainty concerns (e.g. with flexible and free cancelations to cope with the risk of the unidentified development of the pandemic). This scenario will certainly create a lasting impact in the digitalisation development of the industry.

Although already more than 55% of Brits (data from May 1st-3rd) mention to go back to what they used to do before the outbreak, including vacation and travel, this is unlikely to carry over to all areas of daily life. For instance, 31% would feel comfortable staying in a hotel at some point in 2020, but only 19% would feel comfortable taking a plane (metrics from Jun 18th-21st).[1]

QUESTION:
WHEN WOULD YOU CONSIDER STAYING IN A HOTEL AGAIN?
in % of next year Hotel Guests

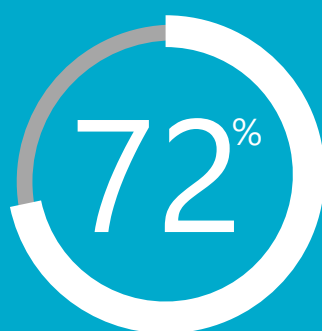|	In the next 3 months	In 3 to 6 months	In 6 months to 1 year
For business	50%	31%	19%
For leisure	41%	25%	34%

[1] Ipsos Mori, Jun 2020, *Hospitality post-covid-19: Implications and Solutions for the Hotel Industry*
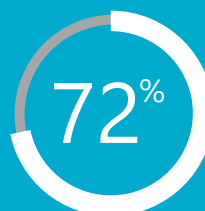
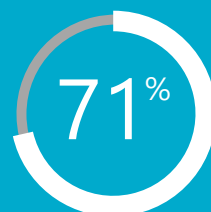# 72% of British hotel guests consider an in-app service like AeroGuest to be attractive or very attractive

All guests

72%

Business travellers

72%

Leisure travellers only

71%

AeroGuest is an example of an attractive mobile solution that addresses the need for more convenient, effortless and touch-free experiences

Some major hotels chains have understood that the future of hospitality is mobile. Some hotel apps are not solely for booking and are developed to deliver on both benefits: effortless convenience and contactless/touch-free. For instance, some hotel chains like Hilton Honors and Marriott Bonvoy have their own branded apps, but one firm does not have to develop its own app to live up to the competition.

There are also third-party software developers that can brand their apps to the partner hotel, or software providers, like AeroGuest, that concentrate in one single app several brands/hotels across borders, thus streamlining guests' experiences and helping them to avoid having to download different apps and manage a new account every time they try a different hotel.

Mobile services such as AeroGuest facilitate the registration process and check-ins by cutting the queues in front of reception, allowing guests to add extras to their reservations on-demand, paying in-app, and giving the option to open their hotel room doors with a digital key, thus supporting and easing the entire journey seamlessly.

Not all hotel chains or businesses have the same scale as Hilton or Marriot, and even if so, a single company does not have to do it all. **A solution like AeroGuest takes on the development of the mobile product, while the hotel can concentrate on selling its higher-valued service, each one according to its expertise and what it does best.**

HOW CAN HOTEL OWNERS BENEFIT FROM MOBILE HOSPITALITY?

Mobile digital services improve operational efficiency while improving guests' travel experiences

Firstly, mobile services allow hotels to improve their operational efficiency. Mobile digitalisation facilitates the automation of tasks that otherwise have to be performed manually by hotel staff. These can be eliminated by having guests do it themselves in advance (e.g. fill in information, check in and out, online payment, choosing and allocating rooms, booking spa, dinner, or golf reservations, etc). Besides requiring fewer human resources from the hotel that could be spared or employed in other higher value tasks, the best part of this self-administrated service is that by transferring the tasks to the guests, it further improves their experience and satisfaction. Mobile digitalisation gives freedom for guests to find their own convenience.

Connect with guests on-the-go and extend the relationship beyond the duration of the stay

Secondly, mobile services lead to a more customer-focused service and create a more personalised and on-premise accessible experience. For instance, more than 50% of American leisure travellers would use an app to add extras on-the-go during their hotel stays[2]. Mobile services also help to maintain long-term relationships and two-way communication anytime during the guest's journey, and better manage loyalty programs.

Optimises the value per guest and targets their specific needs

In turn, this widens the opportunity to target guests' specific needs, hence allowing hotels to focus their strategy on optimisation of each guest's value. Mobile apps have an additional advantage, they work as direct channels to guests by integrating with customer support and feedback systems, as well as with broader online review platforms.

Lastly, mobile apps can potentially capture late bookers. Over 70% of same-day hotel reservations are made on smartphones, thus, an optimised mobile experience can be the key to unlock the value of late bookers[2].

In sum, **mobile services not only yield operational efficiencies but also allow to upsell some services such as room selection and adding extras during the stay** and to better capture late bookers.

[2] Slesar, M. *The Benefits and Features of a Branded Hotel Reservation App*, in Onix

CAN MOBILE HOSPITALITY WORK AND IS IT HERE TO STAY?

More than 1 in every 2 guests uses their phone to book hotels already, and this is just the start

Already 55% of British guests use their phone to book hotels, and 25% use an app to book their stay. While its not surprising that the tech savvy consumers (almost 14% of the Brits) have a much higher propensity to use their phones to book hotels (80%) versus non-tech savvy (50%), it is rather interesting that no difference exists between business and leisure travellers in respect to using smartphones for booking hotels. This trend is also undifferentiated among gender and age groups, except for the lower incidence among older age groups (55yo +). The same conclusion can be drawn about booking flights on mobile, since smartphones are already a key part of our lives.

The airline industry is the most progressive example and a frontrunner in integrating mobile-centric consumer services from end-to-end. The fact that the consumer profiles of those booking flights and of those booking hotels on mobile are homogeneous further shows that the mobile digitalisation of the hospitality industry can work. If so, why are the solutions provided by the two industries still not at the same level of development?

Most guests travel with their mobile devices

Smartphone users, app users and hotel guests are one and the same. Smartphone users make up 83% of the population in the United Kingdom, one of the highest in the world, and the number is growing according to Worldatlas.

BROWSERS VS APPS: HOW DO THEY CHALLENGE THE DIGITALISATION JOURNEY?

Where do guests book their hotel stays?

Guests can be divided in respect to browsers and apps

Apps are for all, but not all apps are the same. App adoption is ultimately dependent on the underlined utility and usage frequency. While mobile web browsing is still incredibly popular, apps also play an important role in consumers' mobile experiences. Our Ipsos study suggests that browsers and apps are dividing consumers equally in respect to what interface they used for booking their most recent stay and what they prefer (only around 10% mismatch between what consumers mention to have done most recently and what they claim to prefer). However, if we try to break down the hospitality journey, we can see where preferences part ways.

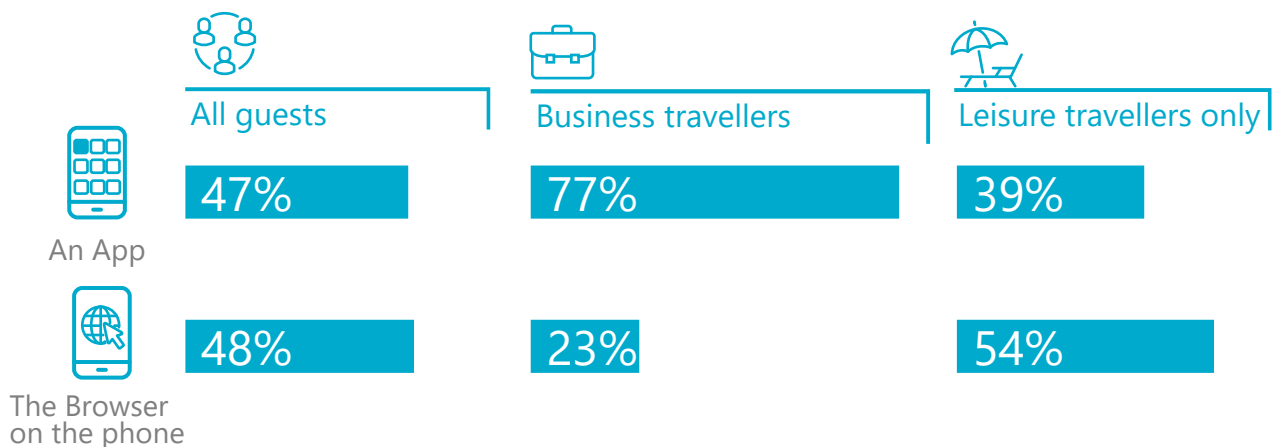## Most prefer browsers for searching for the right room and price

Hotel aggregators, hotels' own websites and travel agencies are still among the most used channels, while hotels' own apps struggle to grow in popularity. One of the main reasons why browsing maintains ground is due to the fact that consumers need fulfilment of having chosen the best deal, and so they access different channels, compare all relevant options and search for details before reaching and committing to a decision. Even with the existence of hotel aggregators whose business model is rooted in an all-in-one stop to make the job easier and less time consuming for bookers, consumers still feel the obligation to compare rates and deals across different channels to outmanoeuvre the industry's marketing gimmicks. In guests' own words the biggest pain point is to *"find the best deal, different sites offering what appear to be different prices but are similar with just different bits included, e.g. breakfast, taxes, etc..".* Our Ipsos study indicates that most guests are likely to visit more than one channel before booking their hotel stay.

QUESTION:
HOW DID YOU BOOK YOUR LAST HOTEL USING YOUR PHONE?

Guests can be divided in respect to browsers and apps. Browsers are better for searching for the best deal, but apps are preferred once the reservation has been made.

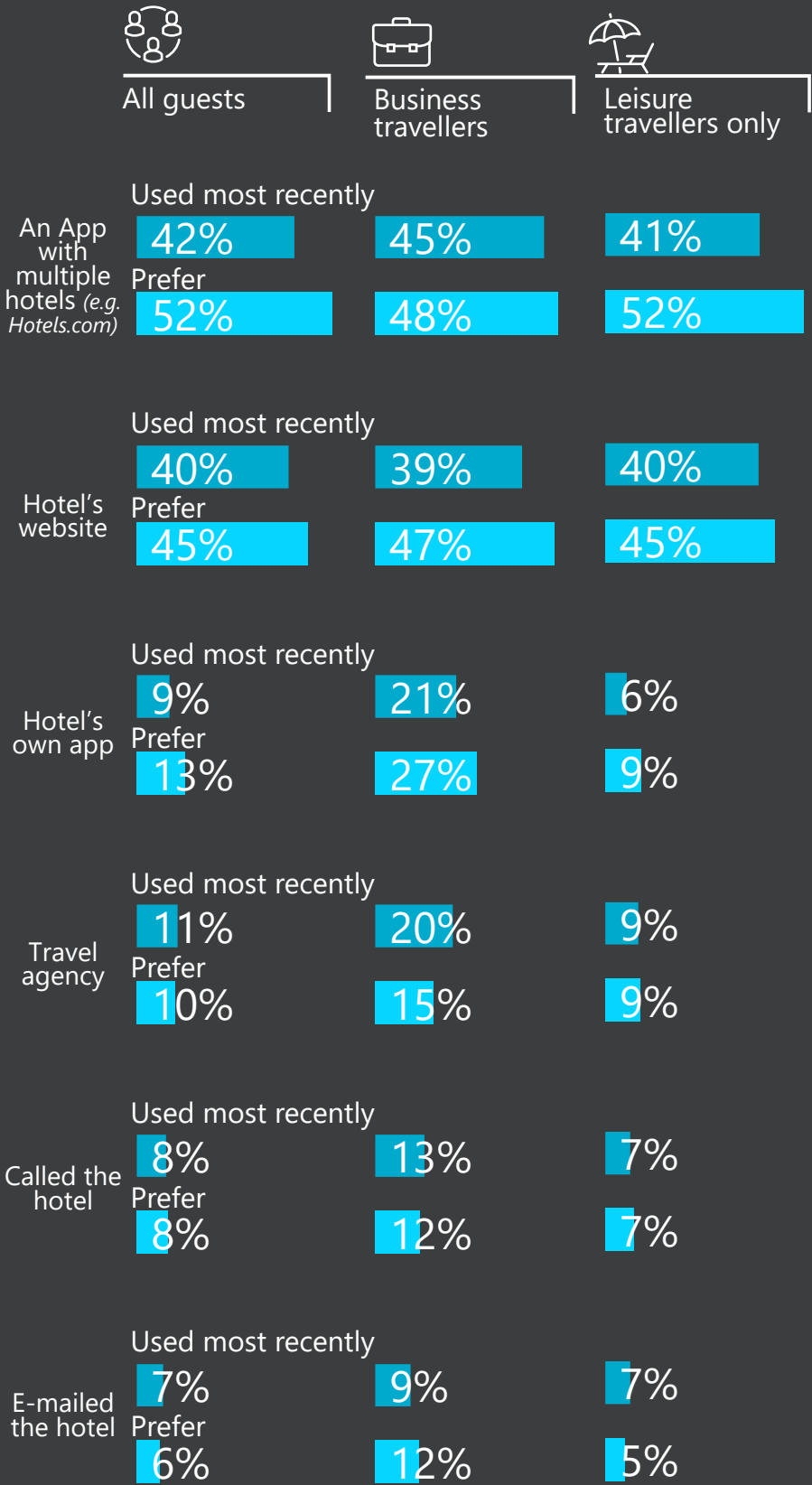|	All guests	Business travellers	Leisure travellers only
An App	47%	77%	39%
The Browser on the phone	48%	23%	54%

But apps are preferred once the reservation has been made, thus expanding and improving the overall travel experience

It is a big challenge for brands to capture omnichannel guests that jump between desktop, mobile browsers and apps. However, a better understanding of consumers' needs throughout the different steps of the journey helps to explain guests' divided preferences. The browser is favoured for early stages of the journey to satisfy the primal need state - the best deal. Browsing gives consumers more control over the search and comparison of the different options across different channels. **Once the reservation is complete, or in case guests have a favourite or frequent hotel, then in-app processes are preferred**.

Even though searching for the best deal is indeed the most annoying part for consumers, they are willing to put in the time and effort. Then, they expect no more than smooth sailing for the remaining part of the journey. Accordingly, British guests claim that apps are leaner and more intuitive, since the process becomes more fluid and tends to run quicker because there is less to read and is more straightforward than when using the browser. "(...) *Apps are generally more streamlined and designed to be used with the phone*".

QUESTION:

HOW DID YOU BOOK YOUR LAST HOTEL USING YOUR PHONE? / WHAT DO YOU PREFER?

	All guests	Business travellers	Leisure travellers only
An App with multiple hotels *(e.g. Hotels.com)*			
Used most recently	42%	45%	41%
Prefer	52%	48%	52%
Hotel's website			
Used most recently	40%	39%	40%
Prefer	45%	47%	45%
Hotel's own app			
Used most recently	9%	21%	6%
Prefer	13%	27%	9%
Travel agency			
Used most recently	11%	20%	9%
Prefer	10%	15%	9%
Called the hotel			
Used most recently	8%	13%	7%
Prefer	8%	12%	7%
E-mailed the hotel			
Used most recently	7%	9%	7%
Prefer	6%	12%	5%

Our study uncovers that guests would consider using an app if their favourite hotel had one.

Mobile hospitality can also become effortless and contactless without the use of a mobile app

Even though apps can and do reach a broad audience, the reach potential for apps is tied to the app's perceived utility. Even if consumers prefer the app, most might end up sacrificing convenience, functionality and ease of app-enabled services in favour of browsers, even after the reservation is confirmed, due to the low expected usage of the app. For instance, guests say, *"I don't use it often enough to be worth downloading a dedicated app that occupies a lot of space on my phone"*. Accordingly, mobile apps that gather multiple hotels in one interface, or apps that belong to hotel chains that are already the favourite choice or are expected to be repeated/ reoccurring stays will have a higher utility.

Nevertheless, mobile hospitality service does not have to include an app-enabled service, and this Ipsos study confirms that even without an app, **79% of guests would like an effortless and contactless mobile hospitality service, with only 4% disliking it**. For example, AeroGuest has developed a digital service that still allows the unconvinced guests to benefit from an effortless and touch-free journey

without downloading an app. Guests can still check in and out digitally via a link received by email, select their desired room and fill in their personal information in advance. Waiting time and contact with personnel is still minimised to the extent possible, and guests would just have to pick up their key in the reception.

WHAT ARE GUESTS' PERCEPTIONS OF SEAMLESS & TOUCH-FREE TRAVEL?

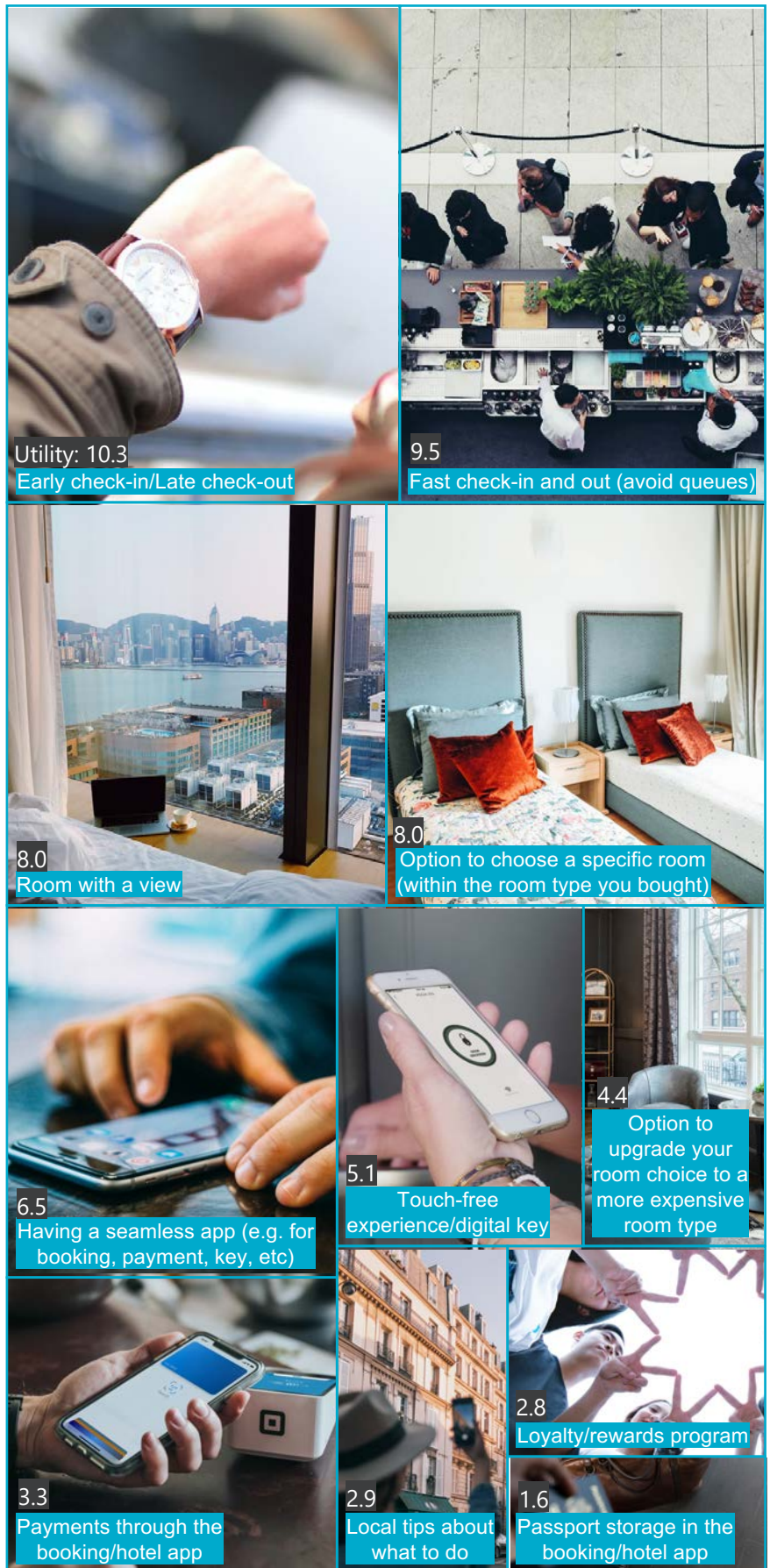# What are guests really expecting from mobile hospitality?

Guests want flexible check-in and check-out times, and to avoid reception queues

Ipsos asked British guests what characteristics they would value the most in their hotel experiences. We found out that Wi-fi and breakfast are essentials for every stay and in most cases could be deal breakers. However, if we look into what mobile hospitably can add to the stay, then the best experience includes being able to check in earlier, check out later and cut these two steps shorter by avoiding queues and crowds in the reception, thus supporting a more convenient and contactless hotel stay. These are also the top two benefits that both business travellers and tech savvy hotel guests are hoping their hotels will make available.

QUESTION:

CHOOSE THE MOST & LEAST IMPORTANT FEATURES OF MOBILE HOSPITALITY
the size of the picture is proportional to the utility level (only 11 features shown, total utility sums to 100%)

Utility: 10.3
Early check-in/Late check-out

9.5
Fast check-in and out (avoid queues)

8.0
Room with a view

8.0
Option to choose a specific room (within the room type you bought)

6.5
Having a seamless app (e.g. for booking, payment, key, etc)

5.1
Touch-free experience/digital key

4.4
Option to upgrade your room choice to a more expensive room type

3.3
Payments through the booking/hotel app

2.9
Local tips about what to do

2.8
Loyalty/rewards program

1.6
Passport storage in the booking/hotel app

43%

of British guests would be **willing to pay for** choosing their **hotel room**

guests would pay # 7%

extra of room price

if given the option to choose their own hotel room

Guests are willing to pay to select their own room

Having a room with a view and being able to select a specific room within the desired room type are also among the most valued features.

This capability directly addresses another aspect that this study found guests to be unsatisfied with in their hotel experiences - *"When I book a room, I want to know what I am getting"*.

This feature breaks the uncertainty factor and provides the choice and transparency needed when evaluating which hotel room to pick. Guests will know if the room meets their needs, where it is located, what view it has from the window and if the requested extras have been acknowledged.
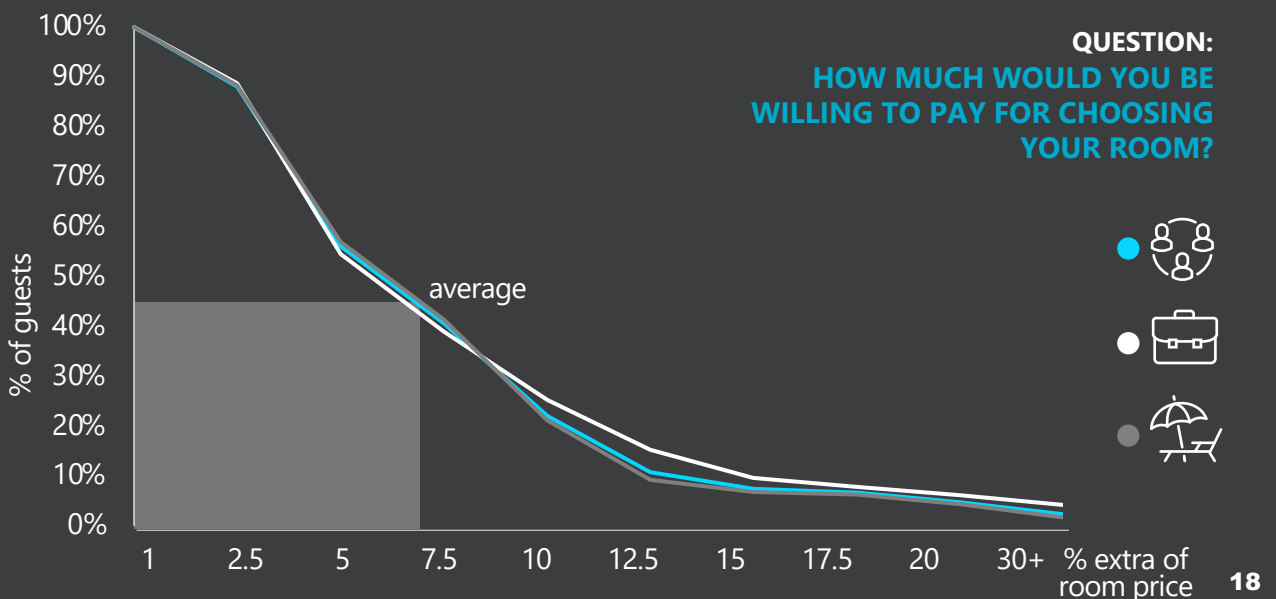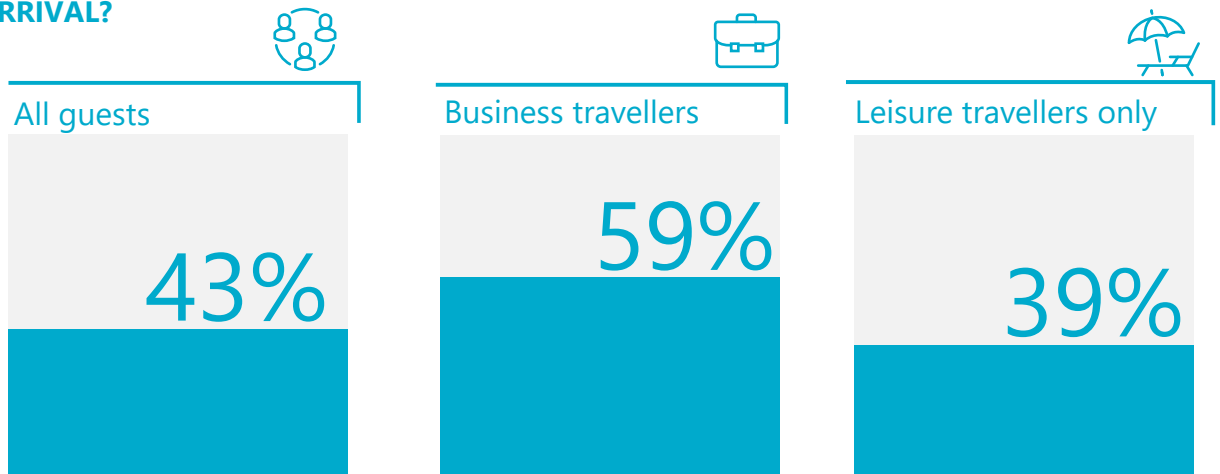
This is another feature that mobile hospitality providers such as AeroGuest support, but not all hotels and apps

give this opportunity to guests.

An even more relevant aspect though, is that hotel guests are willing to pay to select their own room. **42% of hotel guests and almost 60% of business travels would be likely or very likely to pay for choosing a specific room**, and these would be willing to **pay, on average, an extra 7% of the room price to choose their ideal room**.

QUESTION:
HOW LIKELY WOULD YOU BE TO PAY EXTRA FOR CHOOSING A SPECIFIC ROOM BEFORE ARRIVAL?

All guests	Business travellers	Leisure travellers only
43%	59%	39%

QUESTION:
HOW MUCH WOULD YOU BE WILLING TO PAY FOR CHOOSING YOUR ROOM?

average

% of guests

% extra of room price

1 2.5 5 7.5 10 12.5 15 17.5 20 30+

Nearly 2 in every 3 hotel guests

(61%) would be reached if their hotel offered a mobile hospitality service like AeroGuest, without accounting for price and travel destination.

This includes: early check-in and late check-out, a fast check-in to avoid queues, the option to select a room with a view and having an app bringing together the experience seamlessly.

If the hotel stay also includes the two essentials, Wi-fi and Breakfast, reach would **increase from 61% to**

85 %

This presents a great opportunity for hotel businesses.

WHAT DO GUESTS' THINK ABOUT AEROGUEST'S MOBILE SERVICE?

What do guests think about AeroGuest's effortless and touch-free mobile hospitality service?

"(…) why hasn't this been thought about sooner!"

We asked British guests what their thoughts were about AeroGuest's digital/mobile services. **72% think that AeroGuest's app service is attractive or very attractive**. In their own words, *"Brilliant! I hate the fact that you book a hotel and then have to spend ages at the front desk giving information that could so easily have been acquired earlier."*, and, *"is a very quick and efficient way, and*

means you don't have to spend ages queueing at the desk."

AeroGuest's service packs together an effortless and touch-free experience that guests are looking for to make the best out of their travel experiences. For guests, the perfect hotel stay is a conveniently pleasant and touch-free experience, with flexible and contactless check-in and out, with the option to select their own room or view and add extras on-demand, thus transforming and augmenting the experience into a more personalised one.

Yet, **74% of the guests would find it appealing or very appealing to have an effortless and touch-free experience even without downloading the AeroGuest's app.** Thus, guests give up an entirely seamless journey, but enjoy the key benefits, namely check in advance and selection of their desired

room or view, with the difference of having to pick up a physical key upon arrival.

↗ Check out more in: http://flow.aeroguest.com/

Effortless and touch-free are the future of mobile hospitality after having addressed the security and privacy issues

Regardless of the mobile service adopted, there are a few aspects that hotel owners moving into a mobile digitalisation path should guarantee and address in their communication: (1) ensure that the privacy and security of guests' information being shared on mobile-enabled services is protected and being looked after, and (2) that a contactless service does not lose the human connection.
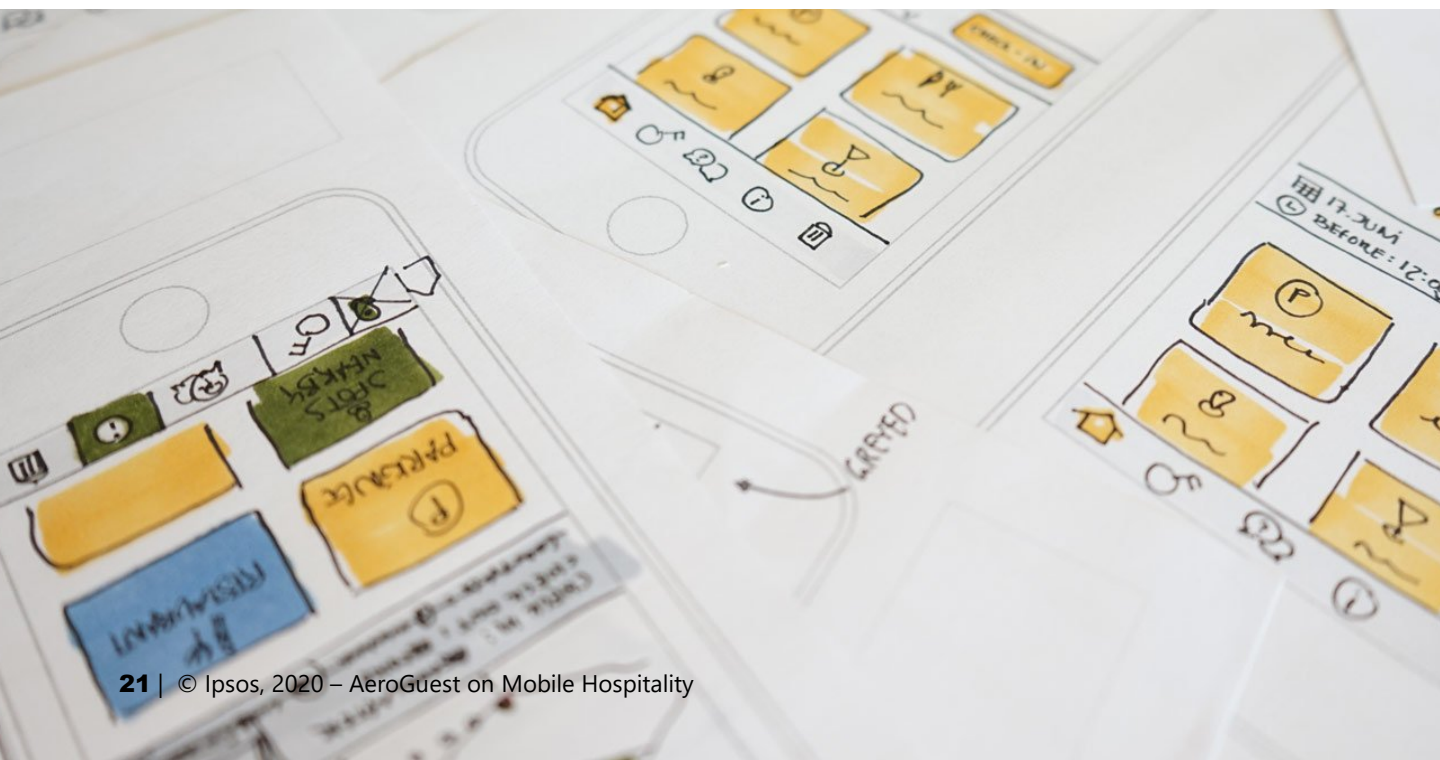
Even in a digital world, every guest has their own digital threshold

Even though the whole concept of seamless and touch-free travel experiences appeals to most consumers, **the protection and handling of personal or financial details digitally raises doubts for most guests, but this should not be a concern if you are using AeroGuest**.

Then, it becomes a matter of communicating and conveying the security message to guests.

From this study we can see that more guests would be willing to share their personal information to make a hotel reservation via a link received by email, than to do it by downloading an app. However, the expected utility and usage frequency

of the service increases the willingness to adopt the respective app, once security concerns have been covered and communicated.

Similar concerns apply to the digital key: Can the doors been hacked? If a stranger enters and robs my room, whose responsibility is this? What if my phone dies? These are matters that must equally be answered to establish confidence in

AERO GUEST

DURING STAY

AeroGuest Flow
is your Guest Management System (GMS). You can track all guest journeys and see their communication threads.
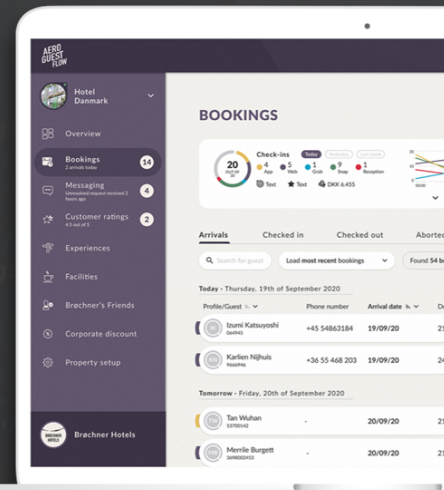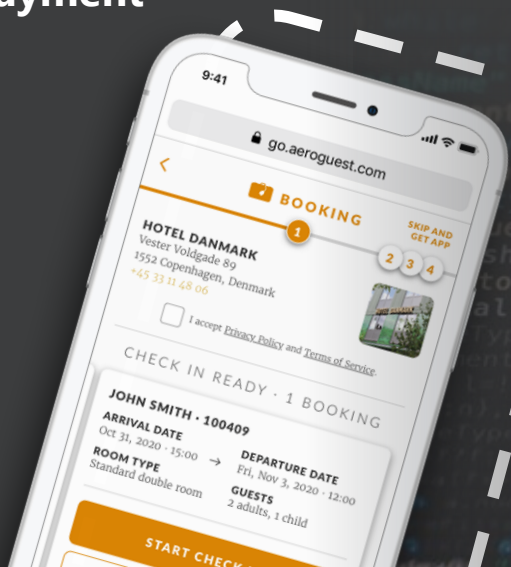
BEFORE STAY

With 100% guests' digitalisation
Web check-in
Choose room
Sign terms for stay
Payment

72%

of Guests think that AeroGuest is an attractive solution

the service. This can be overcome by conveying trust in the security procedures set in place with the right communication and providing alternatives when technology deceives, as well as giving the option to the more hesitant guests to make their stay tailored to their own digital threshold.

The need to preserve the human touch in the touch-free experience

A mobile-centric experience does not necessarily mean that a robot will be as real of a human interaction one should expect, and this is an aspect that hotels going contactless ought to imprint in their communication as

well. While some hotels might have a fully digitally administrated stay, most hotels will not, and most guests do not want them to. Human beings want human experiences, and they surely appreciate knowing there is someone with flesh and bones to whom they can reach out to throughout the journey.

DURING STAY

**Digital Key
Chat communication
Content experiences**

AFTER STAY

**Check-out
Join hotel reward programs
Rebook Stay
Direct Booking**

61%

of Guests could be reached with AeroGuest's solution added to the service

The future of hospitality is convenience driven

Our Ipsos study confirms that the future of hospitality is seamless and touch-free. While the term "seamless" and "effortless" have been behind the promotion of the digitalisation trend in the industry, the recent health concerns caused by a worldwide pandemic have shifted the attention to "contactless" or "touch-free" experiences.

"I really like the convenience of this idea, your break can begin immediately with less hassle, and the hygiene benefits of less queues and interaction with people is a big plus these days" (...) " fits in with the way I want to use hotels during the pandemic."

While both effortless convenience and touch-free benefits co-exist in the same mobile service, the communication to guests should feature the benefit that addresses guests' driving needs at that time. This Ipsos study suggests that even though the need to assure safety has priority during these times of health concern, the need for easiness and convenience will outlast beyond the hype of the pandemic.

Both heath and information protection are boxes that the service must tick, but convenience is and will be the strongest driver of mobile digitalisation demand in the hospitality sector.

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Whether you are looking for a deeper dive into this report, seek inspiration, assistance, or simply a mean to satisfy your curiosity, please do not hesitate to get in touch.

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ABOUT IPSOS

In our world of rapid change, the need for reliable information to make confident decisions has never been greater.

At Ipsos we believe our clients need more than a data supplier, they need a partner who can produce accurate and relevant information and turn it into actionable truth.

This is why our passionately curious experts not only provide the most precise measurement, but shape it to provide a true understanding of society, markets and people.

To do this, we use the best of science, technology and know-how and apply the principles of security, simplicity, speed and substance to everything we do.

So that our clients can act faster, smarter and bolder.

Ultimately, success comes down to a simple truth:
You act better when you are sure.

AERO GUEST

ABOUT US

We digitalise all hotel guests

AeroGuest is the mobile travel platform of the world. We believe the best hotel stays occur when booking, check-in, payment, hotel experience and personal service come together seamlessly.

With our thoroughly developed conversion engine, we are capable of targeting 100% of hotel check-ins. The first 20% through automated digitalisation via text and e-mail – an AI optimised system superior to the competition.

GET IN TOUCH
WITH US!

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