HOSPITALITY INDUSTRY TRENDS FOR 2021
The Road to Recovery Through a Digitally-Enabled Frontline Workforce
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2021 will bring many changes to the way the hospitality industry operates, but not in ways we expected just a year ago. Like a sudden blackout, COVID-19 disrupted every aspect of modern life at the end of Q1 in 2020 and our day-to-day lives have yet to return to normal.

Hospitality has been hit especially hard. Stay-at-home orders and restrictions on business operations have limited the public’s ability to spend money on travel and leisure activities at hospitality businesses like restaurants, hotels, spas, cruise ships, music venues, and sporting events.

**Hospitality, Interrupted**

After 10 consecutive years of growth, the hospitality industry was on a positive trajectory at the start of 2020. Then:

- In March, air travel dropped by 50%.
- By June, food service establishments had already lost $120 billion.
- In November, hotel occupancy in the U.S. was still down 34.5% from 2019 (although it was even lower in the spring)

Disneyland closed its doors in March and doesn’t have a definite reopening date. Hilton, a global brand with over a million rooms, saw its RevPAR drop by 81%. And who could have predicted an NBA season with no courtside crowds?

But it’s not all dire news.

**This disruption is also an opportunity.**

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**The Great Reset and the Dawn of a New Age in Hospitality**

The World Economic Forum has dubbed this period “The Great Reset.” It is a chance for leaders to reevaluate their business models and leverage technology to become more equitable, sustainable, and prosperous. In fact, just before the pandemic, research firm Accenture found that the companies in the top 10% of digital transformation increase revenue twice as fast as the companies in the bottom quarter.

Companies in the hospitality sector can seize this opportunity by embracing digital as their way forward to emerge out of this crisis stronger than before. With a more agile foundation, companies can pivot to new business models and tackle new priorities, like:

- Keeping their current workforce safe, healthy, and engaged
- Staying in business despite revenue loss
- Implementing lean business practices and finding new ways to cut costs
- Developing operational resilience

In the face of a new normal, hospitality companies are embracing mobile-first digital strategies for their recovery and beyond.
The Top Hospitality Trends in 2021

We’re starting to see trends emerge that will shape hospitality throughout its recovery and beyond. Experts predict the industry won’t fully recover until 2023.

The coronavirus accelerated a trend in hospitality that had already been in motion for years — workplace digitization. One very unique trend we can expect to see in 2021 is the digitization of the frontline hospitality workforce.

We expect to continue to see companies adopting new technologies to enable these mission-critical workers over the coming years.

Agility, resilience, and a commitment to your frontline workforce will be crucial to the recovery process and the hospitality industry rebuilds and navigates the complexities of the new normal in 2021.

At Beekeeper, we’ve identified four steps companies must take to create a digitally-enabled workplace of the future:

- **Reach and connect** with their entire workforce with important information, company news, real-time alerts, and facilitate two-way communication
- **Digitize** time-consuming, inefficient, expensive paper-based processes, and critical documents for employees to access no matter where they are
- **Automate** workflows and business processes, saving time and money
- **Optimize** business practices and organizational processes based on meaningful data

In 2021, hospitality companies will fast track their digital transformation, both on the customer-facing side, and employee-facing technologies. As companies transition into the next normal, they will also continue to make safety a vital part of their workplace culture and guest experience.

They will leverage technology and communication strategies to shift to new ways of operating and become more resilient. This includes becoming more cost-conscious and finding new ways to go lean.

In 2021, we’ll see hospitality take charge of their recovery, using digital strategies to pave the way.
ACCELERATING DIGITAL TRANSFORMATION

While digital transformation in hospitality is already well underway in customer-facing technologies (i.e. digital check ins, digital keys, ordering online for restaurants, booking tickets to theme parks in advance online) the need to improve communication with staff will accelerate the digitization of the employee experience for hospitality workers in 2021.

In 2021, we can expect to see more hospitality companies invest in digital transformation and digital enablement of frontline workers. With mobile collaboration and productivity tools, hospitality companies can embrace bottom-up communication and discover how a fully-connected frontline workforce can make their entire organization more resilient.

Digital transformation in hospitality was well underway before the pandemic struck. But now, the need for instant, enterprise-wide connectivity is critical.

Frontline workers are the heart and soul of the hospitality industry. But historically, companies have dedicated very little of their technology budget towards empowering this population, relying on slower and less reliable cascading communication strategies instead. But now, with frontline workers in the public spotlight, companies will invest in mobile technology to ensure these valuable workers are connected to the rest of the organization, and are empowered to do their job to the highest standards of customer satisfaction and safety.

As a company dedicated to the frontline workforce, Beekeeper published our own Frontline Worker Technology Report. We discovered that now is the perfect time for companies to leverage mobile communication tools to connect with their workers, because:

- 72% of companies with mobile-first communication saw an increase in productivity when they empowered frontline workers.
- 96% of younger workers in the U.S. own a smartphone and uptake continues to go up around the world.
- 22% of young adults rely solely on smartphones for internet access.
- Mobile connectivity among frontline workers reached an all-time high in 2020, jumping by 70%.
- 85% of hospitality workers access workplace tech through a mobile device.
There’s also been an acceleration in the adoption of cloud technologies during COVID-19. Today, 20% of our computing and communication uses the cloud. **Companies are accelerating their move to the cloud and in only five years that number will jump to 80%.**

In the coming year, hospitality leaders will continue to invest in secure, cloud-based mobile technologies that give hospitality companies more flexibility and are more cost effective.

In 2021, hospitality companies will continue to add to their customer engagement tech stack for more **touchless transactions**. That means we’ll see more smart hotel rooms. From digital concierges and keyless entries at hotels to online tickets for movie theaters, companies are leveraging mobile technology, online apps, and voice-command platforms so customers can relax and enjoy their experience or stay with minimal physical contact in their transaction (or none at all).

Some of these tools are aimed especially at enabling frontline workers and will allow these mission-critical employees to:

- Collaborate directly with their peers which reduces coordination time for frontline managers
- Provide valuable feedback through surveys and direct communication
- Have direct access to tools and information to create a superior guest experience
- Utilize digital checklists for better time and task management for more efficient workflows
- Notify coworkers and managers of hazards and contribute to overall workplace safety
- Have more control over their own shift schedules
- Resolve issues in real-time with access to workplace documents

Source: Beekeeper research July 2020
Connecting Dispersed Organizations

With some workers at home, others on site, and others furloughed, hospitality companies have an immediate need to easily connect their entire workforce through a single hub.

That’s what happened at the Morongo Casino Resort & Spa just north Palm Springs and one of the largest tribal gaming facilities in the United States. When the pandemic forced them to shut down their operations temporarily, they needed a way to stay connected with their 1,850 employees.

Now, with Beekeeper, they’ve managed to connect their workforce through a single, unified hub for information and collaboration. After achieving a 92% activation rate, they’ve been able to keep the majority of their frontline workers connected, regardless of their physical location. With a connected workforce, Morongo Casino has seen engagement rates jump from employee shout outs and fun competitions that have boosted morale during the pandemic.

“As the operators of one of the oldest and most successful tribal casinos in the nation, the Morongo Band of Mission Indians places a tremendous value on our team members and their well-being. When COVID-19 hit, the Tribe wanted to make sure its team members were taken care of and finding a way to communicate consistently with the community and its employees was of critical importance.”

– Sarah Sorbel, Human Resources Manager, Morongo Casino Resort & Spa
Leveraging Mobile Tools to Rebuild a Resilient Workforce

In January 2020, 16,808,000 people worked for U.S. hospitality companies, yet it still faced a labor shortage with a million job openings and a high turnover rate of 74%. In Quick Service Restaurants (QSRs) alone, turnover costs a cumulative $3.4 billion each year.

Then, hospitality took another hit. In April, the number of workers plummeted by 50%, to 8,549,000 as companies had to lay off and furlough employees. The unemployment rate among leisure and hospitality workers rose to a deeply troubling 39% just one month into the shutdown.

2021 will be a critical time for rebuilding the hospitality workforce. With vaccine distribution beginning and restrictions eventually easing in 2021, companies will be allowed to open their doors at full capacity, but they’ll need to rehire and retrain their staff. The competition will be stiff as organizations race to secure talent.

Hospitality companies are finding ways to be proactive in retaining their talent, using this time to stay connected with furloughed workers. Using a mobile tool will also give them an advantage in attracting new talent. Millennials and Generation Z make up the largest segment of the world’s workforce and they want digitally progressive employers who connect with them where they’re at—on their mobile device.

But leaders need more than just a good platform to build a loyal workforce. They need authentic and transparent communication and an ability to listen. The hospitality industry is taking a cue from Marriott CEO Arne Sorensen. His empathetic and transparent video message to the hotel chain’s thousands of workers at the start of the pandemic eventually went viral.

Emphasis on Employee Wellbeing

The pandemic has put an unprecedented amount of stress on frontline employees — especially those who work in hospitality. Whether they’re grappling with the uncertainty of an indefinite furlough, or navigating new processes and procedures while working on-site, frontline hospitality employees need support.

That’s why supporting employee mental health is another top priority for hospitality companies in 2021. Many hospitality leaders are turning to workplace digitization to help combat stress and support their team’s mental health. An employee communication platform is proven to boost associate morale and motivate teams, fostering employee retention. When hospitality leaders take care of their employees, they will in return take care of your customers.
Cleanliness and guest/employee safety have always been a top priority in hospitality, but with the events that transpired in 2020, the emphasis on safety and hygiene is more prominent than ever. In 2021, hotels, restaurants, and other hospitality verticals will be looking to technology to support new safety initiatives for both guests and employees to comply with new labor laws and regulations.

Building Safety Into Workplace Culture

Frontline teams are the backbone of the hospitality industry, making up 80% of the workforce. Companies are kicking off the new year with a commitment to protect these valuable workers.

Up-to-the minute communication is paramount to any successful safety campaign. According to Edelman Trust Barometer, 63% of workers want daily updates on COVID-19. Companies are complying with this need while also weaving safety into their core values and culture, especially for frontline workers who interact directly with the public.

At the Mandarin Oriental Hotel Group, documents like house cleaning checklists and SOPs, are now digitized so employees can access them from their own mobile device without colleagues having to pass around actual paper. Having a mobile communication tool has also enabled each Mandarin property to comply with evolving regulations and laws specific to their region.

“We used Beekeeper to facilitate learnings around new procedures for employees coming back to work at the hotel. As we reopened, each hotel had different policies around how to enter, how to do temperature checks, etc. Beekeeper really helped us to do that.”

– Tavya Change, Corporate Director of Cultural Development, SH Hotels & Resorts

[Box: Hospitality companies are enhancing workplace safety with new policies like:
• Providing workers with PPE
• Keeping employees up-to-date with the latest information about COVID-19
• Ensuring employees have a safe space while interacting with guests
• Training employees on effective cleaning procedures]
Creating a Safer Guest Experience

As travel screeched to a halt this past year, nearly a billion hotel rooms went unsold by the end of 2020. As eager as people are to return to travel and leisure, there will be a period of readjustment.

While the pandemic will recede, consumers will carry lingering fears about doing the simple things they once enjoyed without a second thought, like grabbing a bite to eat, going to the movies, or booking a hotel room. It will take time for the public to resume their pre-pandemic spending habits.

Looking towards the future, companies have already taken proactive measures to encourage guest engagement. They’re creating safer spaces, adopting new cleaning protocols, and accommodating guests at greater distances.

Marriott was one of the first big hotel chains to announce a safety plan and protocols with its “Commitment to Clean.” With mobile check-ins and digital keys, the chain quickly moved to contactless accommodations. At the Marriott’s Westin Houston Medical Center, they’re even using virus-killing robots to provide a deeper clean and keep workers safe.
If 2020 has taught companies one thing it’s the need for adaptability. Businesses that have been able to pivot to new operating models during the crisis have fared better than others. Hotels are catering to local clientele and making rooms Zoom-ready for people who want to work outside the home.

Some restaurants are using commissary kitchens to cut operating costs as they switch to delivery-only models. Business agility will define success in this next normal, and it will rest on how hospitality companies reach and connect with their workforces.

Centralizing Communications
Today, a single workforce might be spread out far and wide. With frontline workers still on site, and administrative teams mostly working remotely, a company’s ability to quickly mobilize their entire workforce depends on how effectively they can reach every single employee.

This past year, centralized communication has allowed companies to rise to this unprecedented challenge by aligning their employees to new (and evolving) operating procedures with little if any disruption to service. For example, restaurants—from QSRs to upscale eateries with Michelin stars—switched to take-out and delivery when they could no longer accommodate dine-in guests. Some restaurants have even started to sell signature food items in bulk.

In 2021, the need to centralize communication will continue to gain traction even as things stabilize. Why? Because the nature of work is changing for good. Having a single, digital hub of information will help build an efficient workforce by streamlining processes and integrating multiple systems into one. A unified platform creates a consistent source of information so employees don’t get overwhelmed navigating numerous workplace apps.

Common Reasons Companies Seek Out Digital Workplace Apps

- 62.7% – Centralize Communication
- 16.7% – Low Engagement
- 2.9% – Change Management
- 2.9% – Company Growth
- 2.9% – Security Concerns
- 5.9% – Event/Crisis
- 5.9% – Innovation

Source: Beekeeper research July 2020
Equipping employees with information is just the first step in the process. After the year we’ve all just had, it’s more important than ever to keep your hospitality teams motivated and engaged, especially when we require so much from them. The jobs that your associates, servers, and customer service reps have today are very different from what they initially signed up for.

Customers can be more difficult and demanding. Tensions are at an all time high. The stressors of working on-site and with the public are massive. Keeping your team’s spirits up and morale high will be critical in your road to recovery.

A Bottom-Up Approach to Leadership

In 2021, we’ll see more hospitality companies realize the need for a 360-degree view of their organization, with a more focus on gaining insights directly from their frontline workers. Companies with an inclusive and digital internal communication strategy that starts with their frontline workers are more agile and will be among the first to recover. For this reason, we’re predicting that more hotels, restaurants, and venues begin to take a bottom-up leadership approach.

In fact, a recent Harvard Business Review survey found that 86% of companies believe frontline workers need better technology to make good decisions in the moment.

Digitally-enabled workers are also:

More engaged. Connected workers are happier, plain and simple. They feel valued and trusted, and are more happy to connect and collaborate with colleagues, and often stay with their company longer.

More innovative. A collaborative community of frontline workers can provide valuable feedback, solve problems, and contribute ideas to expand guest offerings that support revenue growth.

Aligned. When everyone in an organization is unified through one communication platform, a company can switch gears and shift operations with less lag time.
At Mandarin Oriental, leaders found that employees were organically submitting ideas on ways to improve the guest experience. So they made this an official part of their digital content in Beekeeper called the “Innovation Stream.”

**Building Crisis Preparedness Into Communication**

According to a 2019 Deloitte report, almost half of CEOs in the United States felt unprepared in their “crisis response capabilities.” After this past year, hospitality companies will have more comprehensive risk management plans than ever before, which will include their entire workforce.

Going forward, we can expect to see hospitality leaders being highly proactive in their crisis planning, adopting an “always ready” mentality supported by mobile communication tools that will help them:

- Distribute real-time, company-wide information through campaigns for urgent announcements to keep employees safe
- Gain feedback through pulse surveys for valuable insight from all levels of a company, especially frontline workers, that can help guide crisis response
- Form dedicated group chats to convey crisis information that allows employees to ask questions (some companies have deployed chatbots which instantly answer frequently asked questions to streamline this process)
- Create confirmation campaigns that ensure urgent messages are received and read
Finding New Ways to Build Customer Loyalty

Hospitality companies rely on the strength of their customer relationships. This past year they’ve had to provide services and offer goods in new ways to navigate safety regulations. But even with physical doors shut, people are attending lectures, enjoying the symphony, and visiting museums, all virtually.

In their quest to be more resilient, organizations will offer a multi-dimensional approach to engaging with guests that extends beyond the walls of their physical space. Those new opportunities to engage with guests will build customer loyalty and create new revenue streams.

Moving forward, companies will also re-examine long standing policies and have more flexible arrangements for their customers.

Customer relations trends for 2021, will include:

- More capacity planning at all attractions, as space will be limited and visitors will need to reserve their spot in advance online
- More flexibility in cancellation policies
- A greater number of ways for contactless interactions and online guest engagement

The lessons we learned from COVID-19 will push companies to adopt digital strategies that allow them to anticipate, react, pivot, and recover from business disruptions while staying focused on delivering exceptional service.
Hospitality Industry Trends for 2021

The cumulative impact of 2020 has made companies even more resolute in their quest to be cost-conscious.

In 2021, there will be a move towards lean operations management across the hospitality industry. Organizations will look for ways to increase productivity, efficiency and revenue and decrease waste and spending, while maintaining a commitment to customer service.

EMBRACING LEAN OPERATIONS MANAGEMENT

The cumulative impact of 2020 has made companies even more resolute in their quest to be cost-conscious.

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Real-Time Communication for Greater Operational Efficiency

Companies have realized that their weakest operational areas stem from siloed systems, informational hierarchies, and slow communication.

We discovered these operational inefficiencies lead to costly results like the following:

Hospitality companies will:

1. **Assess their organization** to find where there is excessive spending

2. **Implement new** processes that are more efficient and will ultimately improve customer satisfaction

3. **Streamline communication** with mobile-first tools that include everyone and empower frontline employees to implement company priorities and processes

4. **Do more with less** by having more flexible jobs and leverage labor management tools to optimize staffing levels

5. **Automate** more tasks through a digital workplace to eliminate costly errors, speed up workflows, and reduce paperwork

On average, frontline workers spend three hours each week looking for information.

Frontline managers spend 60% of their time each week relaying communication between their supervisors and their frontline teams.

Companies spend more money on desktop applications that have a limited reach than mobile tools that could include every worker.

Fewer than 20% of workers are reachable within five minutes.
By enabling enterprise-wide and real-time connectivity within an organization, there are fewer operational roadblocks that can lead to fragmented communication, slower workflows, and costly miscommunication.

Also, maintaining continuity between shifts has long been a thorn in hospitality’s side, often resulting in a downgraded customer experience. Through mobile connectivity, shift workers can connect and communicate, passing digital batons for seamless workflows while maintaining quality and continuity of service.

Mobile tools that facilitate fast, direct communication can help companies become leaner in ways like:

- Integrate multiple systems and workplace apps to support collaboration and productivity
- Create a frictionless, silo-free flow of digitized information with features like a document library
- Eliminate information hierarchies and give frontline workers access to tools and knowledge their desk-based counterparts use
- Prioritize information for frontline workers through custom Home screens
- Automate processes and streamline information through one hub for paperless workflows

Reduce Labor Turnover Costs

Hospitality has long had one of the highest turnover rates of any industry with restaurants at the head of the pack with a staggering 70% to 100% turnover rate. 2020 compounded the problem with millions of workers furloughed or let go who will need to be retained or rehired as hospitality companies ramp back up to full capacity over the course of 2021.
It costs companies $2,000 to replace every worker and $15,000 to replace a manager. But a digitally-enabled workforce is more engaged, more productive, and more innovative. They’re also more likely to stay with a company longer.

In 2021, the hospitality industry will focus its efforts on digital employee engagement strategies that will:

• Empower workers by including them in communication that can help them provide better customer service and make on-the-spot decisions to remedy guest experience issues
• Give workers more autonomy with greater control over their shift schedules for a more compatible work-life balance
• Create a feedback channel through direct messaging and surveys for workers to share their insights and ideas
• Create an employee-centric culture that boosts morale
• Upskill workers for professional growth opportunities within the organization

Automation and Digitization for More Cost-Efficient Operations

Hospitality companies have made great strides in automating guest-facing interactions, like the hotel industry’s focus on online reservations and mobile check-ins. In 2021, they will grow those offerings at an accelerated pace.

For example, there will be a greater move towards smart restaurants to create a more efficient customer engagement platform. Right before the pandemic, DoorDash began experimenting with its initial fleet of food delivery robots, a trend we’ll see more of in the next few years.

Companies will also apply these same strategies to internal operations and processes like onboarding. We’ll see more workplace chatbots being deployed to help staff find the information they need. HR will need additional support from technology to complement the work they’re doing with employees in person.

This digitization can also help hospitality managers lead their teams more efficiently. For instance, instead of spending hours on the phone calling employees about schedule and reopening updates, managers can simply send a group message or a confirmation campaign to their teams.

Checking in with team members and staying on top of employee wellbeing is also made significantly easier if done digitally rather than over the phone. By automating certain trivial tasks, managers can spend more of their time on value add actions that have a direct impact on guest satisfaction and employee engagement.

According to McKinsey, digitizing processes and paperwork can help companies cut costs by up to 90%.
Digitally-Enabled Companies Waste Less
As companies look to cut costs the first place they’ll look is where time, money, and energy are wasted through inefficient processes.

A few ways companies will begin to reduce waste include:

- **Labor Management:** Venues, like golf courses and movie theaters, offer online portals for guests to schedule specific viewing and tee times instead of making in-person trips only to be turned away. This allows companies to know exactly how many employees to have on any shift and eliminate customer wait times.

- **Inventory Management:** Each year, 22 to 33 billion pounds of food goes to waste in the restaurant business, a huge impact to a company’s profit margin. Food service businesses can track and manage their inventory digitally to eliminate waste. The system can automate ordering to restock as needed and based on what menu items customers are ordering.

- **Logistics management:** Transporting goods based on more accurate data, predictive management, and exact units.

In their strive to become leaner, companies will track their internal analytics and continually monitor them to optimize processes and find new ways to be more efficient and increase their profit margins.
In 2021, the hospitality industry will begin operating in new ways in this next normal after the major disruption of 2020 that cost the industry billions of dollars and millions of workers.

Rebuilding and reinventing the hospitality business will be a top priority for leaders in 2021, with a focus on bringing guests back and fortifying a skilled workforce. We can expect to see hospitality leaders across all verticals leverage new and existing digital technologies to attract new talent and retain their current workforce. Industry leaders will also emphasize safety as a mainstay of their culture and core values for both employees and guests.

Finally, hospitality companies will begin to adopt lean management strategies to cut costs, reduce waste, and run their hotel operations more efficiently in an effort to be more agile as they rebuild and recover in 2021 and beyond.

Beekeeper as a Mobile Solution for Hospitality Workers

Beekeeper’s mobile collaboration and productivity platform is the single point of contact for your frontline workforce. With all communications and tools in one place, employees are more agile and productive so they can focus on providing an exceptional customer experience.

Deskless workers can check resources and share best practices in real time. Managers can resolve issues quickly, handle non-routine work efficiently, and motivate customer-facing teams. Executives can increase business resilience and agility in uncertain times.

Our secure platform offers a consumer-grade employee experience at the scale you need. Integrate seamlessly with your existing systems to create the future, now.

Get Started

For more information, visit beekeeper.io or follow us on LinkedIn.