



Top Hospitality Industry Trends

# **Redefining Travel and Entertainment for a New Era**

## Table of Contents:

Hospitality is back and demand is bigger than ever .....	3
The hospitality forecast: trends shaping the coming years .....	5
Personalization must be a priority .....	6
ESG strategies are good for business and the world .....	8
Digital transformation continues .....	9
A digitally-powered approach to frontline retention .....	11
Conclusion .....	12



# Hospitality is back in business. Consumer demand and expectations are higher than ever.

And just like that, the hospitality industry is back.

With tough lessons learned during the pandemic, and evolving consumer demands shaping the future, hospitality is making up for lost time and reshaping its collective strategy.

The changing demographics of the global population are a primary driver of current trends.

But while they strongly influence the industry, everyone is traveling, dining out, and returning to pre-pandemic recreational activities. Boomers are visiting their adult children, families are taking overseas trips, and business travel is roaring back.

The future for hospitality is bright. **And front-line workers are the heart of the industry.**

**Millennials are now 33% of the population and spend more time traveling than any other demographic.**





# The hospitality sector employs over 16.5 million people – more than 10% of the country's workforce.

Most of these are frontline positions, jobs that are mobile and deskless.

**Frontline workers make up 80% of the global workforce.** These essential teams are instrumental to the economy. But during The Great Resignation, they were among the first wave of employees to quit their jobs. This led to a widespread labor shortage that would become one of hospitality's biggest challenges.

Hospitality accounted for 34% of all pandemic-related job losses and the industry still hasn't fully recovered its workforce.

But from the customer viewpoint, business is back to pre-pandemic levels. And in some cases, it's surpassing them.

Despite higher airfares and rising inflation, the desire to travel, dine out, and enjoy leisure activities is stronger than ever.

A recent Travelzoo survey revealed that 78% of respondents plan to spend their disposable income on vacations, though they'll be more budget-conscious than in previous years.

**1.3 billion** projected hotel night bookings for 2023.

**+14 % tax revenue.**  
Expectation of \$46.71 billion in 2023 – federal and state combined vs. four years ago.

**98%** of 2019's business travel expected.

But as millions of people make travel plans, companies must find a way to deliver stellar service despite ongoing staffing shortages.

But despite these obstacles, hospitality is charging ahead. While pandemic-era issues like health and safety are still important, companies are embracing new trends and technologies.

# Hospitality forecast: **Emerging trends redefine a legacy industry**

Before 2020, hospitality was enjoying an upward trajectory with ten straight years of growth.

Now, the industry is roaring back, and it's laser-focused on growth. What's more, the pandemic accelerated existing trends, like digitalization, that will help the industry grow by leaps and bounds.

Learn more about the top hospitality trends that will impact the industry in the coming years.



# Personalization: Consumers want customization

Travel and hospitality is no longer a “one size fits all” industry. Customers want to cherry-pick their experiences and amenities.



**They want trips and entertainment curated to fit their lives.** One sign of this is the rise of Attribute Based Selling (ABS), a model which allows guests to have an a la carte experience by picking and choosing the amenities they want to create a completely customized stay.

Hospitality companies are increasingly offering more personalized service to guests in the hopes of creating a loyal customer base and higher revenues.

## Consumer data takes personalization to new heights

How will they do this? Data. So many guest interactions happen digitally, on computers, apps, etc., that companies have the perfect opportunity to curate guest experiences based on data-driven marketing.

For instance, cruise ship guests can customize a menu based on a customer's dietary preferences. Hotels can customize room amenities and recommend personalized outings during a stay. The rise of big data to improve the guest experience has begun.

**Personalization is a two-step strategy:** first, companies must collect the data. Then, they must share that data with their frontline staff who will be responsible for delivering that personalized experience. **Hospitality companies that have a frontline success system in place will have a clear advantage** over their competitors in being able to rapidly respond to the needs of their customers.

## Quick stats on big data in hospitality

More than **50%** of travel brands will supplement their personalization capabilities and acquire the tools to create deeper customer profiles to curate customer-specific engagement strategies.

**89%** of companies are investing in personalization strategies

Companies that personalize customer experiences see

**40% higher revenue** than competitors.

**88%** of hotel guests say the staff is one of the top reasons they will make a repeat visit to a property

**83%** of consumers are okay with sharing data in order to get a more personalized experience

# ESG strategies are good for business and the world

Environmental, Social, and Governance (ESG) has gone from a niche business strategy to a must-have core value across industries. It is a guidepost to help companies do their part in creating a better, more sustainable world.

Why is this important? First, companies that authentically implement ESG goals positively impact the world. Second, consumers want to support companies that make more climate-friendly, socially responsible decisions and investments, and employees want to work for companies that share their values.

## Recent statistics show an uptick in ESG strategies in hospitality.

- [According to Cornell University's Center for Hospitality Research](#), hospitality companies that implement sustainability strategies boost engagement that can deliver up to **21% higher profits**.
- States are pushing the sustainability agenda in the industry. [California](#) passed a law that will reduce the use of single-use toiletry bottles.
- The [Sustainable Hospitality Alliance](#) has a growing membership with **50,000 member hotels** that represent over seven million rooms around the world.
- Hospitality companies are getting recognition for their efforts to influence change in the world. **Wyndham Hotels & Resorts was named one of the most ethical companies in 2023.**

- Hospitality leaders are setting the trend in sustainability. In 2021, Hilton reduced carbon emissions across all properties by [43%](#). MGM Resorts eliminated [263,000 tons of food waste](#) by using it for biofuels and animal feed.

Operating a sustainable and ethical hospitality organization is more than just a trend. It has become a critical business strategy that can attract and retain both customers and talent.





# Digital transformation will skyrocket

Even before the pandemic, hospitality companies were incorporating more technology to optimize both the guest and employee experience.

When the pandemic began, companies had to shift into high gear to incorporate technology that ensured the safety and well-being of guests and staff alike. Now that they've started, they'll continue this digital transformation journey.

Becoming a more digitally-driven industry was already occurring — but the recovery process spend it up significantly.

## Meeting the demands of digital natives

Millennials make up a third of the population and travel more than any other age group.

**55% of them post their images on social media**, influencing others on travel destinations and accommodations.

Consumer-friendly technology is a top priority for these tech-savvy travelers.

**70%**

of hoteliers surveyed in 2021 planned to digitize hotel information

**57%**

planned to digitize check-in and check-out processes

EXPEDIA

Up to **50%** of Millennials and Gen Z populations will make travel decisions based on social media posts.



From contactless check-ins to keyless entries to mobile payments, hospitality is accelerating its digital transformation journey. Artificial intelligence will also be a big part of that journey.

[Chatbots can serve as virtual booking agents](#), take maintenance requests, and act as 24/7 concierges. It's fast, easy, and it can all happen through the guest's mobile device.

- Contactless technology in hospitality [jumped 66%](#) during the pandemic
- By 2028, the global smart hospitality revenue will [surge by 28% to \\$58 billion](#)
- Hotels are thinking virtually to attract customers. When Radisson started giving virtual tours of 86 of its properties, it [boosted its click rate by 279%](#)
- Airports are getting digital upgrades with the use of biometrics. Currently, there are [16 airports are testing facial recognition](#) to speed up security lines without sacrificing safety

Having said this, it's worth noting that despite these digital adjustments, consumers still want good old-fashioned customer service too. So companies will also be developing new strategies to ensure they rebuild a solid frontline workforce.

# A digitally-powered approach to frontline retention

While the industry must focus on providing great service to customers, there is no avoiding the labor shortage that looms over the industry.

In 2022, 94% of hotels were understaffed, and 47% were severely understaffed.

This means extra work falls on the current employees who must pick up the slack.

When workers were laid off or furloughed during the first part of the pandemic, many re-evaluated their jobs and moved to higher-paying careers with greater flexibility. Beekeeper's **Frontline Trends Report** surveyed 6,000 frontline team members to learn more.

It revealed a few big issues that companies need to address to better manage their frontline teams:

- There is a disconnect between frontline workers and managers
- Frontline workers are stressed about the rising costs of living
- They are worried about their well-being and the well-being of their family
- They want more predictable shifts
- They don't want to work in an understaffed environment



Hospitality isn't the only industry that has to contend with what's become known as the Great Resignation. But it has one of the highest rates of employee loss and **45% of job openings remain unfilled according to the [World Economic Forum's Future of Jobs Report](#) from May 2023.**

Some establishments, particularly in the restaurant sector, are [turning to robots](#) to offset the workload. But at the end of the day, hospitality relies on that human touch. Companies are recognizing that they must develop new strategies to attract and retain talent.





## Here's what we're seeing

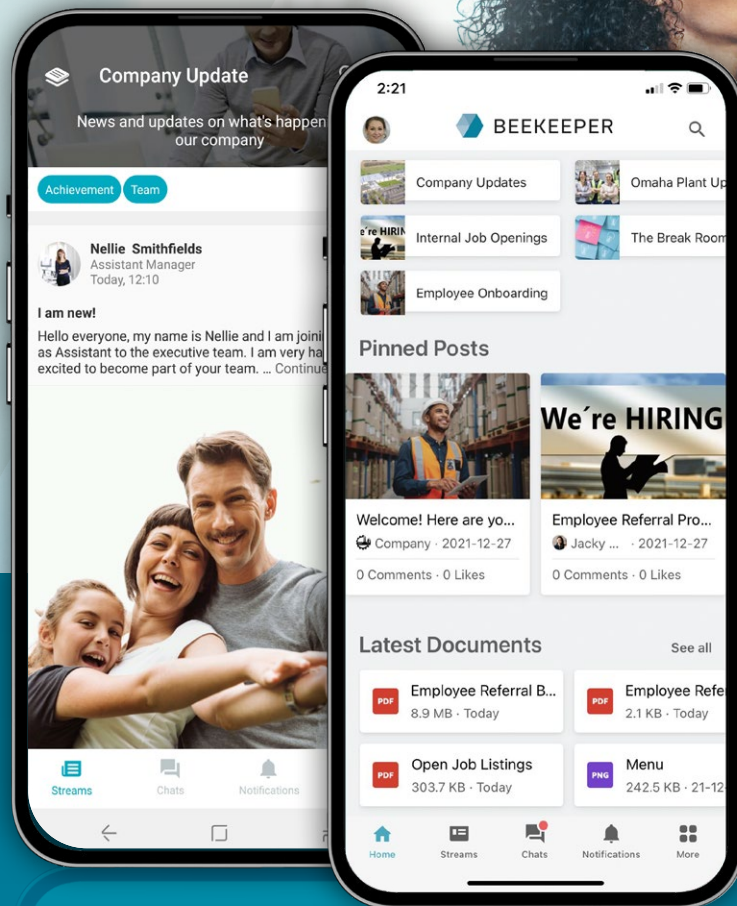
**1. Mobile frontline success solutions** ([like Beekeeper!](#)) to empower and retain frontline teams. [91% of Gen Zers](#) say technology is a major factor in choosing where to work.

**2. Opportunities for professional growth.** Gallup found that [59% of HR teams are prioritizing upskilling](#) to create pathways for frontline teams to learn and train to grow within their companies.

**3. A focus on frontline managers.** A [Boston Consulting Group](#) study found that more than 11% of frontline workers cited a poor relationship with their direct boss as a primary reason for quitting their jobs.

It's a new era for the hospitality industry, and it's filled with opportunities to re-ignite growth and build resilience. **From customer-facing strategies to building an enviable employer brand**, companies are heading into the future with optimism, cutting-edge technology, and a renewed focus on both the customer and employee experience.





# This Is Beekeeper

Beekeeper is transforming the way frontline businesses work. Our mobile-first platform helps companies ditch paper and manual processes to improve employee engagement, retention, and performance.

Empower employees with direct access to the people, processes, and systems they need to do their best work. Companies around the world use Beekeeper to connect their teams, unify their systems and drive their businesses forward.

Learn more at [beekeeper.io](https://beekeeper.io)

