

Digitalization in the hospitality industry

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Abstract. As a result of the development of technologies and their active implementation in various sectors of the economy, there is an urgent need to study digitalization in the field of hospitality in order to create favorable conditions for the further improvement of the provision of quality services to tourists. This article examines the relevance of this issue, the global experience of digitalization and its role in the development of the hotel business.

Key words: industry, hospitality, digitalization, hotel, technology, smartphone, application.

INTRODUCTION

Currently, tourism and hospitality are not only fast-growing, but also highly profitable industries, an integral part of the global service market. According to statistics from the World Tourism and Travel Council (WTTC), the tourism industry contributes 10.4% to global GDP, with more than 313 million jobs created worldwide. In particular, the hospitality industry is now poised to hit a record \$ 170 billion in total bookings. Thus, this sector determines the conditions for the sustainable development of many national economies.

The digitalization of the economy in the Republic of Uzbekistan is supported by the Decree of the President of the Republic of Uzbekistan "On approval of the strategy "Digital Uzbekistan-2030" and measures for its effective implementation" No.DP-6079 dated 05.10.2020 [1]. Here is the necessity to study this topic in relation to one of the most demanded industries – the hospitality industry. In our country, great attention is paid to the development of the tourism and hotel business. In particular, legislative and regulatory acts are adopted, projects are developed, grants are provided for the study of this area. However, the digitalization of the hospitality industry requires deeper consideration and development. To achieve this goal, it is important to conduct a study of global digitalization experience, the results of which can be used to improve the local hospitality industry.

Many hotels are developing their own solutions based on unique metrics and methodologies to meet the technological requirements of serving today's guests. This has led to the emergence of a variety of approaches that, in fact, aim to provide a similar set of services. While these approaches may work well within a single hotel, the potential for a customer-centric combination of services is often lacking. This places restrictions on the use of guest preference profiles on a wider scale, in particular with the use of modern digital platforms.

MAIN PART

The way we buy and consume hotel services has changed a lot in recent years. Especially technological innovations have an important impact on the traditional hotel service process for both customers and hotel managers and employees. Technology is now defining the way services are delivered in every type of transaction. In particular, mobile devices play an important role as they have become indispensable in our daily life [2].

However, the hospitality industry lags behind other industries in terms of digitalization, so there is an urgent need to advance it. Since digital transformation is associated not only with the introduction of technologies, it should bring real benefits to customers and improve business results [3, p.81-85]. These transformations usually lead to changes in customer experience, digitalization of products and services, the creation of new economic models, and progress in operations.

Moreover, there is a flow of diverse guests not only in terms of demographics, but also in their expectations, so the universal approach needs to be replaced with more unique personalized experiences. Consumers have changed their behavior, have new demands and expect innovative technologies before, during and after their stay. To meet the needs of guests in the digital age and survive in an increasingly competitive market, it is extremely important for hotels to provide unique, personalized and high-quality services for guests leading to their complete satisfaction, added value and increased guest loyalty [3, p.91-103].

Deploying a hotel application, also known as a digital concierge application, can help solve these problems. It allows hotels to deliver a unique experience through a seamless and easy interaction between guest and hotel, and can help with the most important moments along the shopping journey. With this technology, guests can make all transactions through their own mobile device. This technology can increase guest satisfaction by delivering faster, more personalized and immediate service, as well as providing customer data to the hotel manager, which is essential to create such an experience in accordance with the wishes of the guests. In addition to more efficient operations and a competitive position, hotels can increase revenues through the introduction of a hotel application [4, p.124-135]. Since the installation of such a technology is costly, complex and technical, and effective only when used correctly, an optimal model of operation is essential. Thus, it becomes imperative to provide hotel managers with guidance on how to successfully implement and use a hotel app.

There are currently various hotels offering hotel apps from third party vendors or developed by the hotel itself. Each application differs in its functions and capabilities depending on technological innovations and developments. Thus, there is no prototype for all hotels.

As research into the revenue-generating functions of hospitality applications is still underdeveloped and plays an important role in digital transformation scalability and return on investment (ROI). Especially in terms of such a high investment, it is very important to learn the right way to operate and implement an application for the hotel in order to create additional revenue streams [5]. This will help get an idea of the likelihood of guests using the app and demonstrate an increase in the number of bookings for certain services made through the app. Basically, the study contributes to management practice. It presents and analyzes the main applications for hotels,

covering the hospitality industry and their various characteristics; it defines the additional features and benefits of each application.

Customer perspectives help managers design and use the application according to their needs and expectations in order to ultimately ensure a high level of use. Finally, since the mobile app market is very competitive and travel app adoption is very low and short-lived, it is important to offer a customer-centric app with a successful deployment and operation strategy.

To meet these challenging trends, remain competitive and meet the needs of today's digital clientele, the hospitality industry needs to invest in technology and understand how to use it correctly. The challenge here is to determine what type and level of technology should be used and to integrate them based on specific goals and different clients.

Self-service technology allows serving customers without direct contact with employees, which business people especially like because it is a faster and more productive approach. Typical self-service technology is kiosk systems in hotels, allowing guests to check in and check out on their own. They are usually located next to the check-in counter, and customers only need to enter their details, a key card is issued, and they can go directly to the room. While self-service technology does not live up to the values of luxury hotels, its adoption is inevitable, as the development of technology cannot be stopped.

In addition, mobile devices can be used as credit cards and room keys, and cameras can report who comes and goes using face-recording software [3, p.109-114]. The software is primarily designed to enhance security, but it also remembers and stores all kinds of customer personal information, which can facilitate the delivery of a personalized service.

Other new services that have emerged thanks to information technology are databases, for example, on previous requests for pillows, as special pillow menus are widely used in luxury hotels.

What's more, smart mirrors in hotel rooms can provide the guest with information about the weather, stock market, guest email, and it can even be configured to interact with guests' smartphones. In addition, connected smart home assistants such as Amazon Alexa and Google Home provide customers with convenience and real-time connectivity. Thus, customers can request concierge assistance and use their voice to more conveniently access services through new touchpoints.

Another emerging technology is robots. They are represented in major hotel chains in a variety of roles: bartenders, receptionists, room service, housekeeping, and also as concierges. Robots can move at the same speed as humans and can independently control the elevator using Wi-Fi sensors. They are based on a technology platform for cognitive computers, a combination of various APIs (dialogue, speech-to-text, text-to-speech and natural language classifier) and a travel recommendation engine. They can also meet guests upon arrival and answer questions about the hotel's amenities, services and opening hours. However, the degree of use should be carefully considered, as human interaction plays an extremely important role in luxury and is highly regarded in certain areas. The

challenge for hoteliers is to find the right balance between technology and targeted human interaction. All of these technologies are designed to provide new generations of customers with additional elements of experience that are characterized by a playful approach, as well as the variety and timeliness of the information provided.

The Marriott Rewards app, also called The Perfect Travel Companion, brings together 6,700 hotels and 29 brands in a variety of categories. Since it merged with Starwood Preferred Guest and Ritz-Carlton Rewards in August 2018, it is one of the largest hotel reward programs in the world. The Marriott Mobile App is a dynamic and personalized tool designed to meet the needs of guests before, during and after their stay. Through the loyalty program, guests can reach five Elite tiers, and the points earned can be redeemed for a variety of services. As far as the target group is concerned, the application should be attractive for both business and leisure travelers. A special feature of the application is a huge portfolio of hotels where one can use the application, and a loyalty program that includes various types of rewards. Additionally, Marriott is currently focusing on rolling out a mobile key that will become standard across all 6,500 hotels from January 2021. Mobile Places is another distinctive feature that sends push notifications to guests based on their location and is currently only available in the US and Canada.

The Hilton Honors App is an award-winning guest loyalty program with nearly 80 million members. The app works in nearly 5,500 hotels in 14 Hilton brands around the world. Hilton Honors members can book tickets directly through the app and receive instant benefits such as an exclusive member discount not found anywhere else. By collecting points, each member can achieve different levels of loyalty and subsequently use the points. Hilton's goal is to get 100% of guests to use the app (right now, 20-30% are interested in using the app). The app is also a tool for engaging young people and building lifelong relationships with them. Another new feature in the app is "Explore", a neighborhood travel feature that gives guests the opportunity to explore their hotel's surroundings with locally-based suggestions for dining, entertainment and more. In addition, the Hilton Honors App is currently the only app to offer floor preference and room layouts, subject to availability. What's more, the new Connected-Room feature is currently being tested in four hotels in the United States.

Marriott and Hilton are some of the largest hotel chains in the world and cover a significant portion of the luxury hotel industry, while the client base of featured third-party applications also includes luxury hotels such as "The Peninsula", "Waldorf Astoria", "Shangri-La", "Grand Westin", "Four Seasons", "Jumeirah" and many others. Therefore, the above applications for hotels are a representative sample of the entire market [6]. The following functions can be found in the most analyzed applications and are therefore referred to as core functions:

Mobile check-in/check-out. Along with the possibility of booking a trip through the app, in the next step it can be used for mobile check-in and check-out at the hotel. As soon as the room is ready, the client will receive a notification. This option offers the buyer additional value as it increases customer control and allows access to booking information from a smartphone for transparency, confidence and responsiveness. In addition, late check-out requests can be made through the app

rather than at the front desk, and customers can digitally receive their bill on their phone.

Mobile key. App users can use their smartphones to open the door to their room after completing mobile check-in. This allows the guest to skip the line at the front desk and head straight to their room for a seamless journey.

Chat in the app. With automation, hotels can use in-app messaging to connect with their guests before, during and after their stay, and provide a simple and immediate response to frequently asked questions. In this way, employees can be freed from having to answer the same questions over and over again, and valuable time can be saved to complete more meaningful tasks. For special requests requiring personal assistance, guests can speak directly with the hotel staff. The upcoming "chatbot" technology will further automate this and reduce human intervention.

Special requests. Most frequently requested services or amenities, such as extra pillows, new towels or another shampoo, can be selected via the app before or during your stay.

Loyalty program with a personal account. A dashboard is critical to building loyalty and increasing traffic to your app. With the accumulation of loyalty points, special rewards and discounts, guests want to book another stay.

At the Mandarin Hotel, all divisions operate on the Edelweiss automated control system developed by Edelink, which provides a wide range of functional modules for hotels and cooperates with more than 500 hotels in Russia. Another company (hiinc) started working with the Mandarin Hotel in 2018. This company provides handy smartphones that help the hotel collect complex big data analytics. The convenient system works as follows: to unlock the phone, the guest needs to enter his last name, first name, patronymic, date of birth and room number. Thus, the hotel can receive the guest's personal data immediately after unlocking the smartphone [7, p.310-326].

To improve the processing of information about guests and launch the personalization process, the proposed solution was the integration of a convenient system with the Edelweiss system.

The case study confirmed that digital adoption has a positive effect on the competitiveness of hotels. The developed model for optimizing information processing at the Mandarin Hotel uses digital technologies and helps to build a potentially more profitable business model and, thus, reach a new level of communication with customers.

CONCLUSION

It can be concluded that the use of digital technologies in the hotel business allows the use of traditional management schemes on a new basis. This leads to a higher level of customer understanding and service customization.

Therefore, the use of digital technology is extremely important for the hospitality industry. Hotels that do not take full advantage of these new opportunities can lose their competitiveness and market share. Local hotels need to be more agile and proactive in streamlining and improving business processes, including leveraging the power of digital platforms.

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