

Re-booting Revenue: Refreshing Strategies for 2022 and beyond

Expert industry insight from across the globe, combined with exclusive Duetto survey data, targeted top trends, and opportunities for 2022.

187.12

How are hotels adapting to the new revenue landscape of 2022?

We've surveyed revenue professionals from around the world, and talked with industry experts, to get their outlook on what 2022 may hold.

Discover how hotel tech adoption has accelerated in the past two years, where revenue strategists like you are focusing their efforts on driving profitable growth, and the increasing importance of delivering personalized offers and solutions to those consumers now looking to book.

Featuring essays from prominent industry leaders, and the results of our latest Pulse Report and Revenue Outlook & Trends survey, we hope this Special Report will empower you to make more strategic decisions in the months ahead.

Duetto CEO

David Woolenberg

David Woolenberg



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Navigating A New Trading Environment

After two years of turmoil and confusion, the travel industry has largely needed to hit the reset button. The economic fallout and transformation from the pandemic represent a far cry from the great recession and predecessor events - when demand returned, things largely returned to normal. Now, the shapes of supply and demand are constantly in flux, which impacts hoteliers' ability to profitably predict and act on fast-moving consumer demand, and nimbly flex on brand, technology, safety, and other factors to stay ahead of competitors.

How specifically has the pandemic re-shaped the industry? What trends can we expect to see play out in the year ahead? And what actions and tools are hotel revenue teams using to help them navigate the new consumer landscape?

We recently surveyed hoteliers from around the world and analyzed their responses to gauge the sentiment of and priorities for the hotel industry in terms of revenue management, revenue tools, and innovations. We then engaged a highly multifaceted group of industry experts to put their best bets forward to identify 2022-and-beyond trends. Collectively, these data-powered insights can help brands, management teams, independents, OTAs, casinos, and others align and map revenue strategies in the transformed universe in which we all operate. [Survey Results](#).

1. Tech investment goes mainstream

Tech investment is central to preparing for the future. It's probably little surprise, then, that tech investments picked up during the pandemic and look set to increase even further as hoteliers pull out of the crisis and more expenditures become possible as revenues return.

Those surveyed were largely tech-savvy, with 67% already using a revenue management system (RMS) to optimize rates and streamline revenue efficiencies. But perhaps more important was that many of those not operating an RMS are looking to invest in this soon. Overall, 77.6% of respondents expect their hotel tech investment to increase in the next three years.

Analyzing the survey results, Duetto's Director of Hospitality Solutions Matthias Heel, revealed: "Automated processes are seen to be extremely important in 2022 and strategic revenue management seems to be the key. Also, unsurprisingly, managing cost will remain a key focus for the year ahead."

2. Direct channels are key

In terms of optimizing business, the survey results showed a continued emphasis on driving direct business.

According to Matthias Heel, "Own channels remain the most important followed by Corporate and Groups. These two segments are typically ones with low distribution costs. For example, a corporate booking can easily be taken via phone or with a code on the website.

"That also corresponds with our question 'Where will you invest your efforts for Channel Management in 2022?' whereby the most popular answers were website, metasearch, and loyalty. Again, investing in own channels is key here," Heel explained.

3. Integration & automation

The survey also asked respondents to list their three most important trends in Revenue Management in 2022.

“The winner here was integrated systems, which makes sense because if they are not integrated you have issues with things such as bug fixes, which are extremely time-consuming and inefficient,” said Heel.

“Automation was also listed in the top three. Hotel revenue teams can activate AutoPilot and get the time back that they need to understand and optimize their business.

“TRevPAR, digital guest journey, ancillary revenues, sustainability, and personalization also get mentioned, but at present are not playing such a heavy role as technology. This might change when we look into 2023,” Heel added.

Tech adoption in hotels has been accelerated during the past couple of years, but still, the industry lags behind widespread adoption and optimization. However, it’s promising to see that more industry leaders are focusing on tech adoption, tech upgrades, and creating an integrated tech stack, both at a property and enterprise level.

4. RMS takes center stage in change management

Recently having published her groundbreaking tome, HOSPITALITY 2.0: Digital Revolution in the Hotel Industry, Hospitality Consultant & Technology Innovator Ira Vouk shares four key tech trends to embrace in 2022, including adopting a holistic, profit-orientated approach, on [page 19](#). She takes this a step further by breaking down the hotel tech status quo, with a call for the RMS to assume center stage (instead of the PMS) as the lynchpin of hotel business operations.

Similarly, Wilhelm Weber of SHS – Swiss Hospitality Solutions believes this year is a great chance to hit the ‘reset’ button but urges that intelligent solutions need to be at the heart of this.

“Technology and digitalization should be at the forefront of your change management plans,” he writes. Read more on [page 21](#).

5. Hotel performance re-stabilizes behind previous levels

Hospitality industry performance metrics have stabilized since the 2021 year-end holidays. However, figures remain depressed against 2019 benchmarks. According to Lloyd Biddle, Director of Enterprise Solutions, Duetto, “While an upward trajectory is evident, the industry continued to report muted headline RevPAR results versus the comparable 2019 period. For example, China’s recent Lunar New Year travel was much weaker than even 2021 and the Beijing “TV Olympics” did not deliver room nights on par with 2019. While occupancy is lower versus 2019 for all chain scales (excluding economy), ADR growth continues to be the bright spot during the traditionally low demand Q1 period.”

According to Biddle, the luxury segment continues to bounce back, with price hikes primarily attributable to leisure consumer trade-up to luxury resort destinations. “Group demand remains depressed, and trading is relatively more suppressed for big-box urban and convention hotels,” he added. “Corporate and Group recovery has been pushed out to at least Q2 due to Omicron. The booking window for corporate business travel only stands at 12 days versus 20 days pre-COVID. So, it is too early to tell if there will be a rebound in Q2 or if Omicron or a new COVID variant will also negatively impact business travel.”

Biddle’s analysis of our latest Duetto Pulse Report data also reveals that “consumer web searches for lodging remains highly elevated around the world, led by travelers in the US and Europe. Also, not all potential guests are only looking, because global bookings are up by 50%, led by Latin America. This intensified activity resulted in a 34% jump in committed occupancy (transient reservations + group blocks) for the calendar year 2022 at a double-digit average rate increase from last year, which easily surpasses the soaring inflation rates seen for most goods and services.”

6. Leisure continues to widen the gap

While leisure transient remains far more resilient than business transient and group travel, the industry did observe a dip in booking volumes in January. However, leisure travel is still on track to be above 2021 and 2019 levels through at least March. Inflated leisure ADRs and tight operational controls led to Q4'21 GOP margins that were almost at Q4'19 levels. TRevPAR and GOPPAR declines largely align with the two-year occupancy decrease, suggesting when other market segments rebound, then so too will profitability.

Lloyd Biddle remarked, "Operators have strived to hold margins steady for several months now through reduced staffing levels in hourly roles, including housekeeping and F&B. Additionally, wage inflation and employee churn continue to impact the responsibilities of property management staff who may still be involved in some hourly work duties."

As leisure continues to position itself for aggressive growth (particularly compared to other segments) in 2022, hotels continue to pivot on their product and go-to-market activities to attract more leisure guests and increase share of wallet. Gerik van der Poll, Director, Van der Valk Business, explains how Van der Valk Hotels adapted their rooms from a business segment focus to better attract leisure guests. [See page 18 for more.](#)

Kelsey Fenerty, Senior Analyst, STR, and Jamie Lane, Vice President of Research at AirDNA both point to the emergence of "alternative" accommodations as a firm favorite with the leisure traveler, as they seek to emulate the convenience and security of home combined with a change in scenery. [Read more on page 14.](#)

7. Segmentation gets even more granular

If there's a single 2022-and-forward reality that remains true, it's that the customer remains front and center. Hospitality companies that find agile, efficient, and creative ways to connect with guests via personalized treatments will be the ones to achieve greater success in 2022.

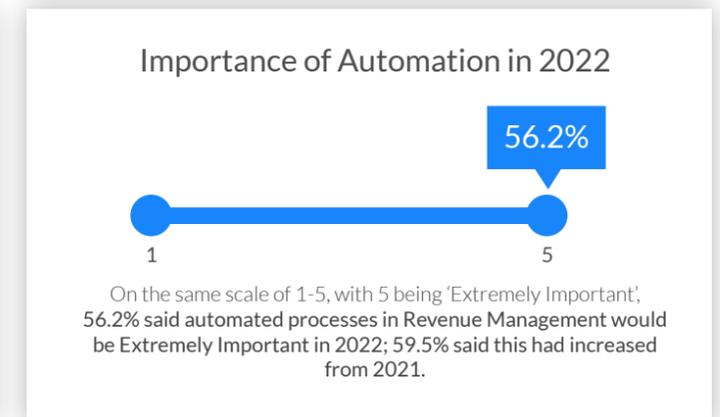
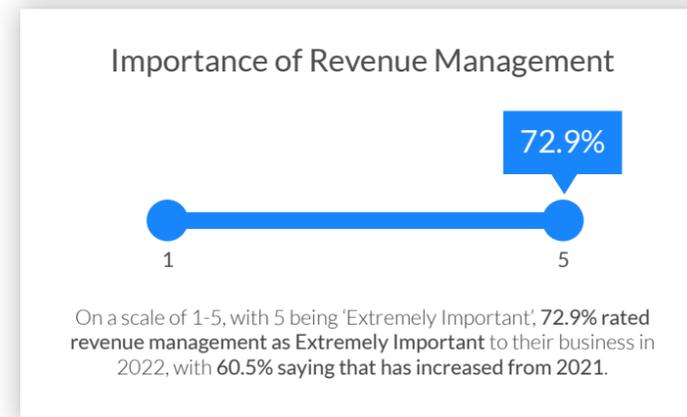
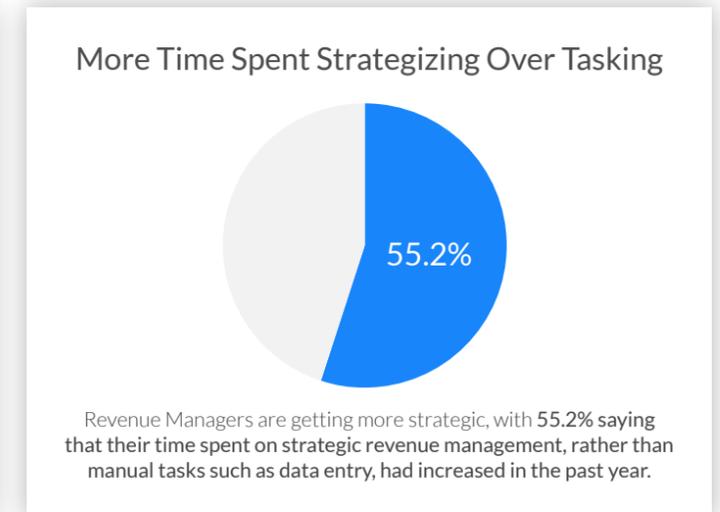
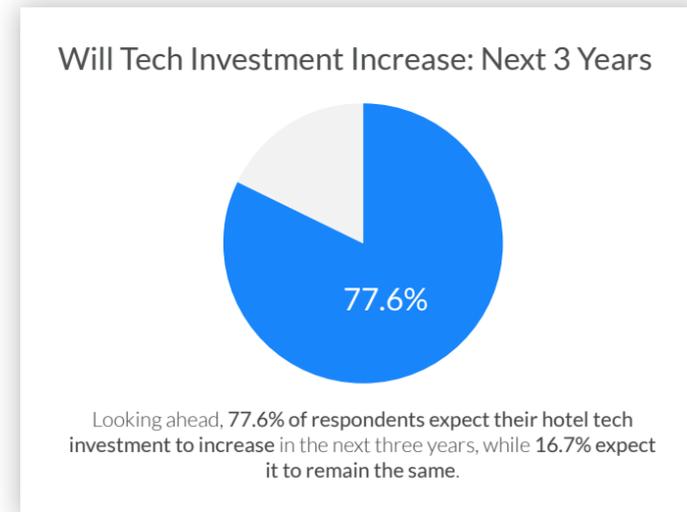
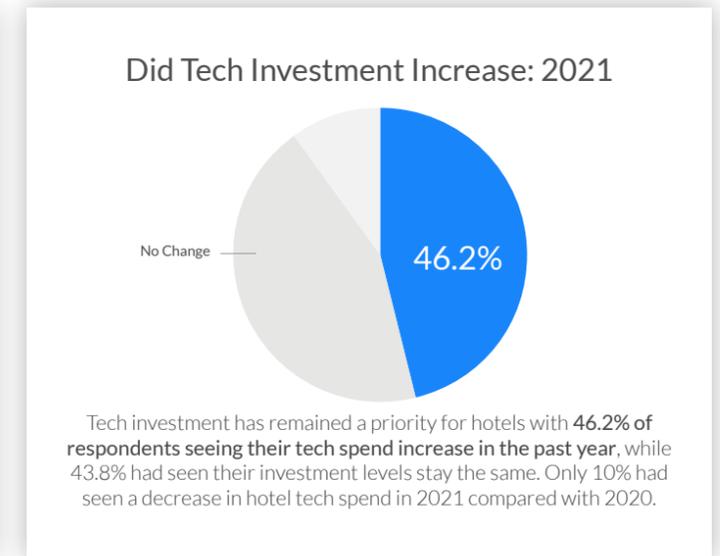
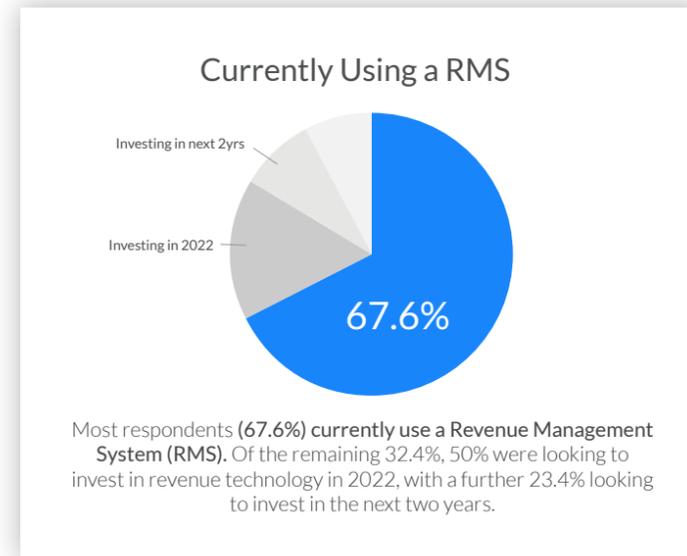
Chris Crowley, Senior VP of Sales, Duetto, writes in his essay '2022: The Year Of The Customer,' that we are "going to see a big re-engagement with the customer this year, both through the use of technology in terms of marketing, personalized offers, and driving loyalty via the evolution of Customer Data Platforms, and in renewed interest and appreciation in direct bookings and increased crossover between leisure and business travel. Segmentation as we know it is now out of the window. The customer sits in a segment of one."

Outlook & Trends

The survey included input from Revenue Managers, property-level and corporate-level Directors of Revenue Management, revenue consultants, revenue and distribution analysts, and property General Managers.

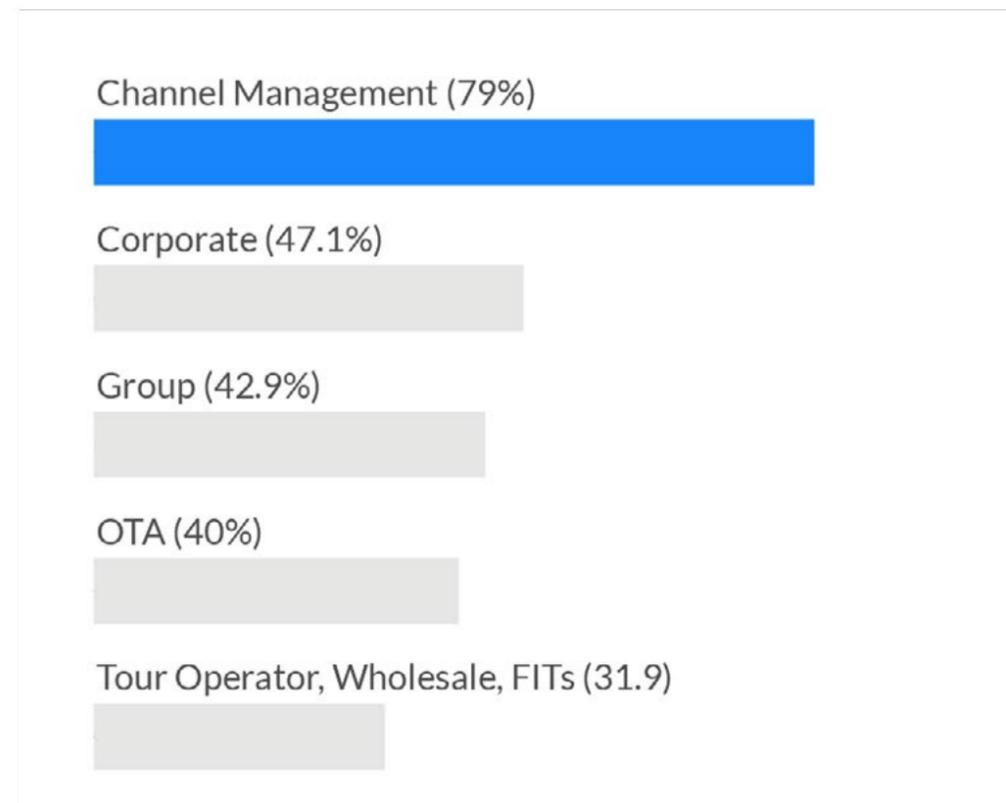
The survey included responses from a mix of hotel types, including city business hotels, leisure hotels and resorts, casino properties, and hostels.

Respondents came from a global mix of geographies, representing Europe, North America, APAC, the Middle East, and Latin America.

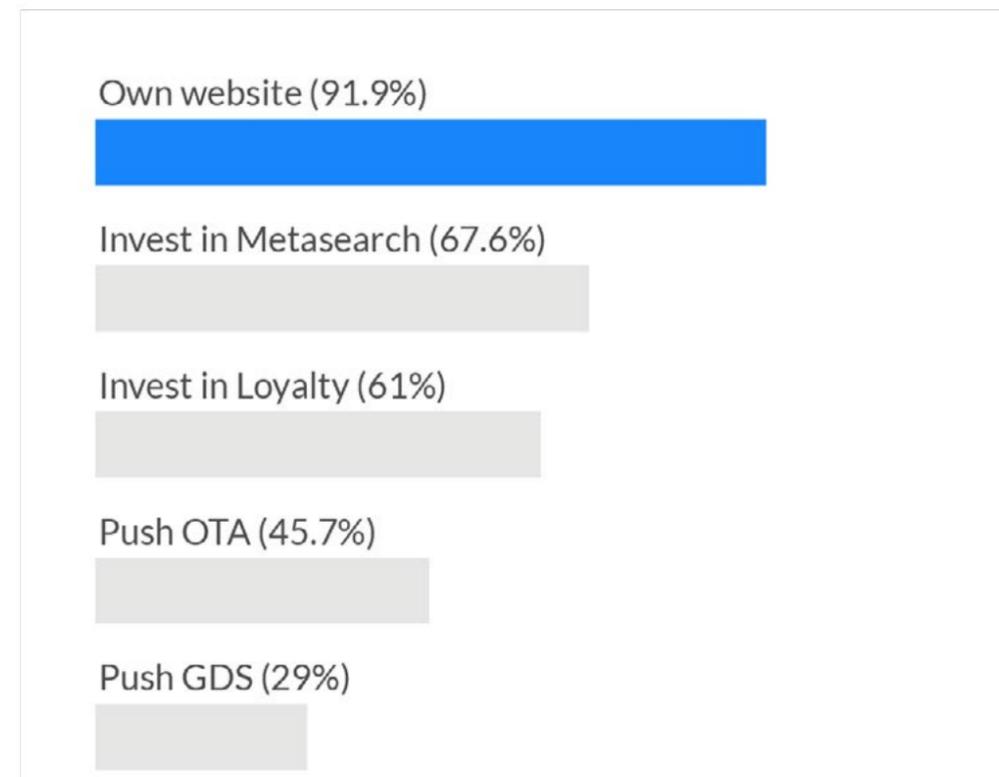


Changes to Business Mix & Channel Management

When asked 'How do you plan to optimize your Business Mix in 2022?' the top five areas of focus for 2022 were:



When considering where they would invest efforts for Channel Management in 2022, the top five areas of focus were:



Challenges & Trends For 2022

Considering the biggest challenges facing hotel revenue teams in 2022, respondents listed the following as their top six:

Staffing (66.2%)



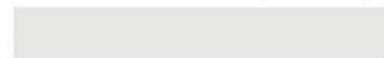
Government restrictions (61%)



Increased costs (60%)



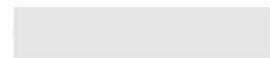
Business travel (41.4%)



Cancellations (41.4%)



Lead times (28.6%)



When asked to identify the most important trends in Revenue Management for 2022, responses were mixed between technology trends, revenue trends, and guest behavior. The top ten responses were:

Integrated systems (58.6%)



Automation (54.8%)



TRevPAR (36.7%)



Digital Guest Journey (31.4%)



Ancillary revenue (29%)



Sustainability (29%)



Personalization (28.6%)



Hybrid spaces / Merchandising / "Rethink your property" (21.9%)



Commute and stay (5.2%)



Subscription models (4.3%)



A Breath of Fresh Air

By Robert Alley, COO, Roomzzz Aparthotels

We are 24 months along from the emergence of the COVID pandemic. It's clear to see that it's been a bumpy time for all those in hospitality and travel. Lockdowns, border restrictions, testing regimes, quarantine, isolation, supply disruption, and labor shortages have grabbed the headlines. This doesn't tell the whole story. With high hopes for a recovery in 2022, what will tomorrow look like, and how much will have changed?

While much of the core hotel market closed through lockdowns and have seen very mixed demand, driven heavily by leisure guests since summer 2020, the serviced apartment sector has pushed through the pandemic with very healthy occupancies based on a wide mix of customer needs and the most flexible product in accommodation and travel. There are some emerging travel trends that may be here for a while.

Business Travel Reimagined

Initially serviced apartments offered the comfort of a hotel room, combined with the catering facilities to stay away while restaurants and bars were restricted. For short and medium stays, business trips could continue with lower risk and greater security while so much still seemed unknown.

Office routines have certainly changed rapidly over the last two years. Flexible working will change the commute and businesses are trying to find the balance which enables growth and productivity without losing touch as a team. This evolution will change business travel, the old midweek patterns may shift to greater compression on peak nights for hotels. However, the impact of greater environmental awareness will suppress the routine repeated trip travel and may call for extended trips to get more done in one longer visit, rather than multiple, less sustainable, and more expensive return trips. Longer stays get more done and would be better for the environment. This means the expectation on accommodation facilities, value, size, and flexibility will become a greater factor in choice. Will this make up for fewer trips in the hotel market and support the off-peak nights a bit better than before?

The Weekend is Back!

Another knock-on effect of the shift to flexible working has already emerged. The weekend had for a long time been squeezed into a single Saturday night away. Big pressure on hotel occupancy with much lower demand on shoulder nights. Who wanted to travel on a Friday just to sit on the motorway for hours staring at taillights? The ability to work from anywhere has already started the trend to bring the weekend back! Now you can get to your weekend destination early on a Thursday and work in your spacious apartment or hotel lounge before 5 o'clock ticks round on Friday and you're good to go! The weekend just got longer by working from anywhere and finding a better balance between work and leisure.

Digital Nomad Revolution

Digital nomads used to be an exclusive little club of entrepreneurs, consultants, and 'influencers'. Often in glamorous sunny locations, we didn't really see them in regional UK cities, but that is clearly changing too.

Flexible working and expensive housing are driving people from many walks of life to live-light and bounce around where the work and the mood takes them. So many more people are looking for a life without a mortgage or a lease, where apartments and hotels provide the flexible choice to work, live, study, and move around at will. Flexible long-stay accommodation providers will find an increasing demand for these guests in the years to come.

One thing is clear, the old routines and patterns are not going to be quite the same for some time to come. The time apart will certainly be overtaken with the desire to travel and be back together over time. For the accommodation sector, there is a lot to learn as recovery gets some momentum and our guests evolve.



Robert Alley
Chief Operating Officer



Robert has been leading Roomzzz Aparthotels as COO through an exciting period of growth before demonstrating market-leading resilience through the 2020 pandemic. With four stunning new projects opened in the last 3 years Roomzzz are set to continue their growth through the recovery with ambitious plans of expansion beyond the UK.

Roomzzz is well established in the exciting aparthotel sector having opened the first property in Leeds, UK in 2006. Since then, they have grown steadily to 10 properties, providing stylish serviced apartments with high guest satisfaction and strong sentiment from business and leisure guests for short and extended stay.

Robert is an industry veteran with over 30 year's hospitality experience at some of the world's largest hotel brands. He has driven the business to success with team focus on customer experience, brand development, commercial strength, and leadership to take the group through the next few years of growth as an innovator and market leader.

2022: The Year Of The Customer

By Chris Crowley, Senior VP of Sales, Duetto

Eight key mega-trends that are shaping the new look of hospitality have accelerated in impact since the pandemic. Understanding, embracing, and operationalizing these mega-trends is crucial if players in the hospitality industry are to survive and excel going forward.

Sustainability has expanded to encompass workforce talent management and inclusion. For example, some companies are setting carbon allowances rather than travel allowances, whereby once an employee has reached their carbon limit, their business travel is done. Karen Hutchings, Travel, Meetings & Events Leader at Ernst & Young (EY) explained to us during our Revenue Strategy Forum in London in late 2021 that pre-COVID she managed US\$2.1 billion in travel spend and approximately \$400 million in meetings and events spend. Now, EY has a new goal: to cut business travel carbon emissions by 35% by 2025.

Digital transition has massively scaled up. Companies are rapidly adopting the cloud and embracing connected digital solutions. The use of mobile wallets and mobile payments - along with other contactless tech - is enhancing customer experiences and helping businesses also deal with staffing challenges. As new tech- and analytics-first players are helping re-shape the industry, technologies such as blockchain are fast-forwarding what's possible from a digital perspective. For example, California-based Winding Tree is an Ethereum-based decentralized travel marketplace that effectively removes the global distribution system (GDS) from bookings. Now, anyone can sell an air ticket. We will see more of this.

Data fluidity is also top of mind for hotels, who need the agility to pre-emptively predict and intelligently respond to quick-twitch consumer trends and other shifts. Easy-to-digest visual data analysis is key, but the infrastructure - clean, normalized, real-time data that flows securely through connected systems and is platform agnostic - needs to be in place before any analysis is truly actionable. Ultimately, data fluidity at the business level empowers customer experience, as users can log in with one profile and book a hotel, reserve a table, or book an excursion.

Inter-modality feeds off data fluidity inasmuch you can package up different pieces of the travel vertical that used to be sold separately. For example, you can buy an air ticket and a train ticket at the same time, in the same transaction. Or you book your hotel and your restaurant reservation at the same time with the same profile paying with the same saved credit card details. The digital transition enables all of this because it allows almost anybody to sell almost anything. What's more, it's fast, efficient, and safe for the consumer.

Hybridity will continue to increase. Early in the pandemic, it was easy to assume that the change in the workforce would be temporary. This is not correct. How we work and how we do things outside of work have evolved in new and often dramatic ways. The emergence of the “digital nomad” shows us that work and leisure can inter-operate, and this goes beyond the ‘bleisure’ market whereby someone might add on a couple of days of leisure time to a work trip. Boundaries have become opaque; weekends can now start on Thursday and run until Monday while working holidays can last for many months.

Agile working practices. As with hybridity, we are seeing a blurring between agile working practices and more traditional ways of looking at business. People are picking and choosing the bits that they need to make their business work and to respond to what is going on around them. And this is driving people towards more cloud-based solutions because we need more flexible engagement.

And overarching to all these themes we are going to see a big re-engagement with the customer this year, both through the use of technology in terms of marketing, personalized offers, and driving loyalty via the evolution of Customer Data Platforms and in renewed interest and appreciation in direct bookings and an increasing crossover between leisure and business travel. Segmentation as we know it is now out of the window. The customer sits in a segment of one.

Most important is making travel easy, efficient, and fluid for the guest. After two years of disruption, the customer is looking for a stress-free travel solution bespoke to their individual needs, and with the built-in flexibility to change, amend, or cancel as needed. While technology is stepping up, humanity is also going to be a big factor in the future of travel.

Companies who put the customer journey first and foremost and work back from that will be the ones to succeed. And that is why we should re-name 2022 ‘The year of the customer.’

Regionalization. There’s been a profound shift from global city center travel to local markets. While I think this is temporary, we are going to see it continue this year. Europe will focus on Europe, Asia focusing on Asia, the Americas focusing on the Americas, because of the perceived risk of global travel: people don’t want to travel far away from home for work and potentially get stranded by a lockdown.

Fragmentation. The days of the ‘cookie cutter’ hotel room are numbered. Legacy hospitality models no longer apply today. We’re seeing it in the tech stacks in the big brands, and we are seeing it across the industry. Habits are changing, both in terms of what the customer wants and in what the hospitality industry is providing. We are seeing more lifestyle hotels, more resorts, and alternative accommodations and these are thriving. There is no longer a one size fits all solution.



Chris Crowley
Senior VP of Sales

duetto

Chris Crowley joined Duetto in April 2021 as Senior VP of Sales, where he leads the global sales organization, which currently operates offices in the US, Argentina, London, Germany, and Singapore.

Before working with Duetto, Chris established his Nina & Pinta business travel consultancy in late 2017, working with a wide array of clients, including hotel technology specialist HRS Group.

An experienced travel industry professional, Chris has also worked as Senior Vice President at BCD Travel, currently the world’s third-largest TMC. And he has enjoyed hospitality tenures with Accor, Radisson, Le Meridien, and 47 Park Street Hotel in London, where he worked with Albert Roux.

Chris has also served as President of the ACTE (Association of CorporTravel Executives) and is a board member of the Institute of Travel Management.

Leisure Wins: From All-Inclusive Resorts To Posh Hostels

By Kelsey Fenerty, Senior Analyst, STR

In our Forward Star report, which provides a 360-degree view of actual occupancy on the books and pick up, as well as comparing upcoming daily performance with that of the market, there have been some outstanding performances. Despite the looming threat of Omicron and the typically slower winter season, some markets are reporting outstanding occupancy on the books and pick up for the coming weeks and months.

Mexican Caribbean hotels, which are largely comprised of all-inclusive resorts, are popular over the colder winter months, with occupancy on the books at 83% for New Year's Eve as of 6 December, and January 2022 occupancy on the books over 60% as of 10 January.

However, forward-looking performance in other parts of the world, particularly Europe, is not as strong, as increased restrictions and an Omicron surge have led to cancellations and fewer new bookings.

Across most world regions, occupancy on the books declined considerably between January and February 2022, although the difference in occupancy is unrelated to the pandemic.

Rather, the uncertainty surrounding health conditions and restrictions has led to shorter booking windows, and it's likely that as February approaches, occupancy on the books will improve.

Alternative Accommodation

Accommodation demand can break down into multiple segments, including:

- Business travel
- Leisure travel
- Group demand, i.e. rooms booked in blocks of 10 or more, as with a conference, event, or even a wedding

Of those segments, leisure demand has returned first and fastest.

The fortunate thing about non-traditional hotel types and non-hotel asset classes is that they tend to be overwhelmingly leisure-oriented, giving them a head start in recovery. For example, when borders closed worldwide, all-inclusive resorts in Brazil tapped into local demand and reported strong performance throughout the pandemic.

In the UK, especially when the country was in lockdown, serviced apartments did very well, running at 80% occupancy as they catered for key workers, healthcare professionals, or people needing to quarantine.

In Europe and parts of Asia Pacific, the move towards 'poshtels', or boutique hostels with private rooms, helped to mitigate the impact of COVID-19. The increased privacy and safety provided by a private room alongside budget-friendly hostel ADR helped to draw travelers back into hostels this year.

New Development

Even as accommodation performance continues to recovery, new development is expected to slow across all asset classes from traditional hotels to alternative accommodation types. Construction growth typically slows as coming out of a downturn as tightened lending standards lead to fewer new projects. What's already in development will come to fruition, but there won't be quite as much replacement in the short term.



Kelsey Fenerty
Senior Analyst



Kelsey Fenerty is a Senior Analyst on STR's R&D and Analysis team. Kelsey focuses on creating compelling storylines for US and international hotel data, providing narratives and slides for colleagues around the world, and shaping STR's story of hotel performance. As a member of STR's forecast team, Kelsey forecasts hotel performance for more than 50 markets worldwide, where she uses her background in Economics to help anticipate the impacts of macroeconomic drivers on hotel performance.

Kelsey is an experienced speaker and writer, overseeing the RD&A department's content creation efforts as well as writing industry articles and whitepapers. Kelsey is a graduate of Louisiana State University and holds a master's degree in Economics.

Why Short-Term Rentals Are Tipped For A Record Year

By Jamie Lane, Vice President of Research at AirDNA

Short-term rental supply has emerged in the past decade with Airbnb coming online in 2009. This segment was always there in the hospitality industry, but Airbnb has made it easier to book, easier to host, and has made it more mainstream in urban areas, so it has brought it to the fore.

Just six or seven years ago short-term rentals made up as little as 2-3% of the total lodging supply in the US. Now it's at 1.5 million listings and 25% of total lodging accommodation. In the US that is evenly split between entire homes and villas - your traditional vacation rental - and apartment condos, so more multi-family housing stock such as condotels, apart-hotels, etc. A lot of that is branded units such as Sonder.

And, like the emergence of the hotel industry, most short-term rentals are still independently owned and operated. Close to 90% of hosts in the industry are managing their own unit; they're not even using a Sonder, Itrips, or any of the other big vacation rental managers. They bought their second home or a variety of homes and they're running them, managing them, and cleaning them themselves.

However, interestingly, what has been the fastest-growing sector in the past two years is the more unique types of units: tiny homes, yurts, farm stays, tree houses, etc.

Comparing short-term rental performance to hotels

This has been interesting to track for the past two years. The recovery in demand has just been outstanding. Overall industry demand recovered back in April 2021, indexing back to 2019 levels.

But what is interesting is that we see a real divergence in performance. In destination resort areas (think traditional and beach mountain markets) demand is now 30% higher than 2019 levels.

When we look at small-town, urban, less dense areas it's 60% higher than 2019 levels.

Then we go back and look in the cities (and I think this data correlates strongly with what we see in some of the hotel data), demand is still 20-25% lower than 2019 levels.

2022 – another record year

The short-term rental market ended 2021 up about 3% for overall demand. It accelerated throughout the year, where at the beginning of the year it was still down about 20%, in the year short-term rentals were up 15%. And so far, Q1 2022 is pacing 14% higher than 2019. But once we get into the summer months that's where we start to accelerate.

On the books for summer Q2 is 34% higher than 2019. And what's interesting is it's not just the US. We're already seeing a strong booking pace for Europe as well. When we look at Q2 2022 we are already up 15% and we never saw a positive month throughout 2021 for European short-term rentals relative to 2019. They were 20-30% down over the summer. Things improved in the fall of 2021, but summer 2022 looks like it could be the summer where they get back to 2019 models.



Jamie Lane
Vice President of Research

AIRDNA

Jamie Lane is Vice President of Research for AirDNA, a short-term rental data & analytics company. He is responsible for data analysis, thought leadership, and leveraging advanced analytical techniques to provide new insights into short-term rental supply, demand, and pricing trends. He has been published in academic and professional journals and regularly speaks at lodging industry forums.

Prior to AirDNA, Jamie spent 10 years as an economist at CBRE, leading research, forecasting and data intelligence teams to support client analysis. Mr. Lane is an active member of the National Association of Business Economists and the Atlanta Economics Club. Jamie holds a B.S. in Economics from the University of Georgia and an M.S. in Business Economics from Georgia State University.

Using Data Patterns To Build Strategy

By Gerik van der Poll, Director, Van der Valk Business

I do think that international travel and multi-day congresses will not come back until 2024; that recovery will take much longer. Therefore, we will continue to depend on domestic travel and our local business and leisure markets.

During the summer period, and for us that's June to August, we learned how to make ourselves strong as a leisure product. With fewer corporate segments, we were forced to look differently at how to approach the leisure market with our product offering and with our marketing.

We've made changes to the hardware, changed the guest room products, and added wellness areas. We saw that hotels, regardless of their physical location, new or old, or if it was surrounded by a lot of leisure activities or by nature or not, would attract the leisure customer as long as the physical product had elements of leisure in it.

The other part, which I think is important when it comes to focusing on a new segment, is to be very conscious about your content and how you position your rates into the market because the leisure customer is very sensitive to the buying journey and to what they are purchasing. We've been creative with leisure packages.

We are also depending more on traffic from our own channels. Around 70% of bookings come through our website or our own channels, so therefore we can do a lot of data analysis on this as far as visits versus conversion. We see when there are peaks in customer behavior and booking behavior, and from that, we can tweak our online marketing. We feel strongly that using our own channel data is giving us good guidelines as to how to project demand, not so much by months but by days of the week, length of stay, and product. If you look at the patterns you can build your strategy on that.



Gerik van der Poll
Director



VAN DER VALK
BUSINESS

Gerik has built up a professional CV in both hotel operations during the first 10 years of his career followed by 12 years in various managerial commercial roles at regional / head office level. He has worked for a variety of large multi-national organizations and smaller, family-owned enterprises. Gerik grew up in South East Asia where his passion for hospitality began.

4 Key Trends To Embrace In 2022

By Ira Vouk, Hospitality Consultant & Technology Innovator

As the COVID dust is settling, we're finally able to look around and see what our new reality is. Due to the major forces that disrupted the hospitality industry in the last few years and altered it forever (and not just the pandemic but also the evolution of technology and the growth of the alternative accommodations sector), the reality is that we cannot carry on doing things the same old way. It is very clear that the world has changed and we have to adapt.

Adopt a holistic, profit-orientated approach. A key transformational element from the operations standpoint is steering away from only looking at top-line room revenue towards a bottom-line, profit-orientated approach. This requires all departments to collaborate closely with each other.

The revenue management discipline (and RMS tools in particular) play a crucial role in achieving this, tying all key stakeholders together, like a glue, a core that feeds everything else with data, insights, forecasting, optimization decisions, strategy, etc.

Popularization of cloud platforms like AWS (Amazon Web Services) and GCP (Google Cloud Platform) has resulted in the rapid growth and development of technology in all sectors due to the following trends:

Affordability: the cost to start a software business or adopt new technology has significantly declined.

De-wireization: more things are becoming wireless, and legacy promise-based systems are being replaced by younger-generation, cloud-based solutions that are safer, more user-friendly, mobile-friendly, and less costly.

Data analysis and workflow optimization will be an interesting growth market going forward. Because these markets are still immature at this point, companies that can become central market players will have a very attractive position. The largest barrier for growth for tech vendors today is the complexity of the hospitality ecosystem, in combination with the lack of data standardization. The latter has become a major issue preventing us from truly utilizing the data we have on hand. And the amount of data is accumulating every day. Many companies are sitting on pots of gold without even realizing it.

End-to-end solutions. Being able to take the complexity of solution design and become a comprehensive one-stop-shop is an attractive proposition. However, it's still hard to achieve, considering the complex world of use cases in hotel operations (from chatbots to labor management and scheduling, to campaign management, to payment processing, the list goes on) and the growing number of tech vendors addressing them. Some hospitality tech companies provide the key elements in their stack while allowing other vendors targeting less critical use cases to connect via open API connections.

Reimagining The Tech Status Quo

Historically, the PMS has been the center of the tech universe but this is changing. There is a chance that PMSs will be soon dethroned, and the laurels will be given to RM/BI (Revenue Management and Business Intelligence) solutions. The reason being is that the capabilities and the data needs of an RMS are far superior to the data needs and capabilities of a CRS or a PMS.

There's a lot to be said for seeing the revenue management platform as the center of the ecosystem. It's all about data after all. Most advanced hoteliers now understand that they need to start building their tech stack from the most 'data demanding' piece that plays a key role in their business strategy and then work backward to find the right PMS and not the other way around.

And as the distribution landscape continues to evolve, and complexities and costs grow, effective distribution, pricing, and profit optimization strategies are gaining importance, which makes it even more critical to ensure that operators have the right tools to build those strategies optimally.

Many things that we're doing now (the way we build our teams, the way we approach customer acquisition, the way we segment our business, the way we forecast, etc., etc.) are done out of habit. But do we understand why we're doing these things in this particular way? Is this optimal and does it drive ROI and improve operating efficiencies? Does the new reality dictate a new approach? Can we do better?

The possibilities are infinite and it's all in our hands. All we need to do is embrace the change.



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Ira Vouk is a hospitality consultant and technology innovator who brings nearly two decades of practical industry experience, predominantly championing the role of revenue management and the use of technology to provide hospitality companies with insight to lead their business strategy better. She is also a published author, speaker, and educator on revenue and profit optimization, distribution, and hospitality technology. She recently published a book "Hospitality 2.0: Digital Revolution in the Hotel Industry", which became a best-seller.



2022 – The Chance To Re-Start

By Wilhelm Konrad Weber, Partner, SHS – Swiss Hospitality Solutions

These days predictions have become challenging since politicians and the pandemic (both of which are impossible to predict) are impacting our industry to an extent that has not happened before. Nevertheless, this crisis also holds great chances for those who are willing to take on the challenge. Of course, resources are a challenge these days, but this is a chance for entrepreneurs because scarce resources do not prevent change, they simply require more intelligent solutions.

And intelligent solutions are what we need. Slow adaptation or quick facelifts will not be sufficient to master the challenges ahead. What we need is true change.

The markets are shifting drastically and so are demand and consumer behavior. Not responding will ultimately lead to an involuntary market exit. The sunset of these players will lead to increased competition for those remaining.

Whilst various trends are impacting our industry, technology, and digitalization should be at the forefront of your change management plans.

The good news is that access to technology and the ease of implementation have never been easier. Cloud computing enables us to scale. Modern systems are more flexible and the days when you had to wait patiently for new versions to fix old problems are thankfully gone. But are we taking advantage of the possibilities we have? The answer is “not yet”. We must stop updating our historic system architecture and start to re-think from scratch. The question is no longer “How can we improve the PMS?” The question is “How can we improve our business?”

Start With The Guest Journey

Let's stop to think of hotel IT as a cascade of systems deriving from the old PMS and embrace the knowledge about the three core processes:

- The guest journey
- Operations
- Administration

The first imperative of tomorrow's technology is Process FIRST. Yet the guest journey is by far the most relevant one and hence the one where we must start thinking and planning. Why not build a seamless and easy-to-use guest journey and then build the rest top-down? Not only would we build a much leaner tech stack but also, we would create true value for our customers.

The second imperative is to embrace AI. There are multiple things that algorithms can do much faster, better, and more reliably than humans. Why not stop wasting human resources on jobs that the computer can do better and focus on making job roles more interesting and relevant? Automation is key to many things. However, the hospitality industry has not yet accepted the fact that the "people's business" is no longer "only run by humans". Data-based decision-making and quantitative optimization such as revenue management are among the first things that we must hand over to the machine. Instead of defending jobs that will not exist five years from now, we should better think of how to best combine AI and HI (human intelligence).

Duetto has a proven record here. Like a chess computer, it does a better job than 99% of the human workforce. Yes, there might still be some "Chess Grandmasters" or "Revenue Geniuses" out there, but we cannot build the future on a workforce of less than 1% of the people on our payroll. Therefore, 2022 will be a bright year for all that embrace change and are brave enough to not only re-start but to re-think our industry.



Wilhelm Konrad Weber
Partner



Wilhelm Weber is an internationally experienced hospitality executive with wide-ranging expertise in the luxury hotel sector, including consulting, revenue management, distribution, and digitalization.

Wilhelm was named 'European Young Industry Leader of the Year' in 2010. He is the author of "Dynamic Pricing – Strategies to Grow Profits in the Hospitality Industry of the 21st Century" (2008), "Modern Metrics for Hospitality Management" (2012), and "Revenue Management, das

Europäische Standardwerk" (2019). He is a guest lecturer at various hotel schools and universities and is a regular speaker at international conferences.

Duetto delivers a suite of cloud applications to simplify hospitality revenue decisions and allow hoteliers to work smarter, increasing organizational efficiency, revenue, and profitability. The unique combination of hospitality experience and technology leadership drives Duetto to look for innovative solutions to industry challenges. The software as a service platform allows hotels and casinos to leverage real-time dynamic data sources and actionable insights into pricing and demand across the enterprise. More than 4,000 hotel and casino properties in more than 60 countries have partnered to use Duetto's applications, which include GameChanger for pricing, ScoreBoard for intelligent reporting and BlockBuster for contracted-business optimization.

For more information, visit duettocloud.com

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