



# How digital can transform hospitality

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**T**HIS is an era of innovation and disruption and 2015 confirmed the trend. Businesses across sectors witnessed massive digital turbulence, revolutionising the way brands engage with consumers. One such sector that felt high heat was the global hospitality sector.

However, Indian brands have been slow to adapt and now, from the biggest hotel brands in the industry to the smallest, players are realising that it is about time to jump onto the digital bandwagon. In the last year, hotels across the globe were seen investing heavily in design and technology, vying for a spot in the race for relevance. Fuelled by OTA dominance and the shared desires of economy and consumers for local and authentic experiences, India now stands at the altar of redesigning hospitality.

Breaking boundaries of technology and creativity globally, the hospitality sec-



tor is leaving no stone unturned to engage with its target consumers. Virtual Reality (VR) is now a reality. Shangri-La Hotels was the first international hospitality brand to roll out Samsung Gear VR Headsets for each of its 17 global sales offices and 94 individual hotel sales teams. From up in the air to cruising in the middle of the Pacific, Wi-Fi is no longer inaccessible. To survive in a digital world and engage the new-age consumer, hotels are experimenting with mobile-app check-ins, keyless access to rooms, instant booking and mobile payments and guest

service/room service through mobile; these are the new hygiene factors. Third party on-demand providers like Alice and monetising social media platforms like Instagram are soon becoming passé too.

In such a scenario, when the hospitality world is exploding at the seams with digital transformation, it is critical for Indian brands to respond to this call for change. Staggering behind its global counterparts, Indian hospitality players need to address the need to differentiate. The Indian hospitality sector has witnessed a wave of transformation and unprecedented growth in the past decade with a CAGR of 12% year-on-year. According to estimates, the sector's direct contribution to GDP accounted for \$44.2 billion in 2015 and expects to surpass \$60 billion in 2020. A hot-spot travel destination, India has quickly climbed up the ladder from 24th to 10th on the list of largest business travel markets today. In a decade, the country's foreign tourist traffic in-

creased from 3.9 million to 7.1 million.

While India vies for the spot of 'favourite tourist destination', hospitality players are struggling to engage their always-on consumers. Today, consumers are turning to the internet to take advantage of ease of booking and comparative pricing. According to Octane Research 2015, 95% of consumers search online before making a travel purchase and 66% consumers trust travel related online reviews/blogs. In fact, 36% even admitted that if offered a discount, they may make an unplanned trip. Technology has provided the new age consumer a medium to experience and make judgements on hospitality players without actually interacting with them physically. For today's consumer, the experience begins much before the travel commences and lingers long after the journey is over. And then, they are willing to pay for unique experiences.

India's growing middle class is looking at travel experiences as a way to spend its income. Recently, Taj Hotels in India tapped into this sentiment with the revamped and personalised Taj Group of Luxury Business and Leisure Hotels digital campaign. In the US, mega disruptor Airbnb recently posted that over 1,50,000 guests stay in its members' properties every night, which rivals the scale of the biggest hotel chains such as The Hilton and InterContinental.

The 'new' traveller is spontaneous and demands flexible and interactive experiences. Hospitality brands, globally, in order to meet this demand for customised and personalised experience, will witness certain disruptive movements in 2016:

- Brands will seek a 360-degree world view of travellers, within the realm of privacy, in order to elevate consumer experiences
- Mobile messaging will play a significant role. Hotel and airline brands will make larger investments in this area
- Context-aware apps and beacon technology will allow brands to present consumers with location-based offers or services
- Future-ahead travel brands will connect immersive food and beverage with other travel experiences
- Travel brands will focus on utilising technology and delivering end-to-end consumer experience, to forge better relationships with travellers
- Consumers will seek a one-stop shopping experience for bookings and other communications

There is an influx of global brands in India, which will offer these and more. Is the Indian hospitality sector waking up to the disruption yet? It is high time that Indian hospitality brands automate the predictable and humanise the exceptional experiences.

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