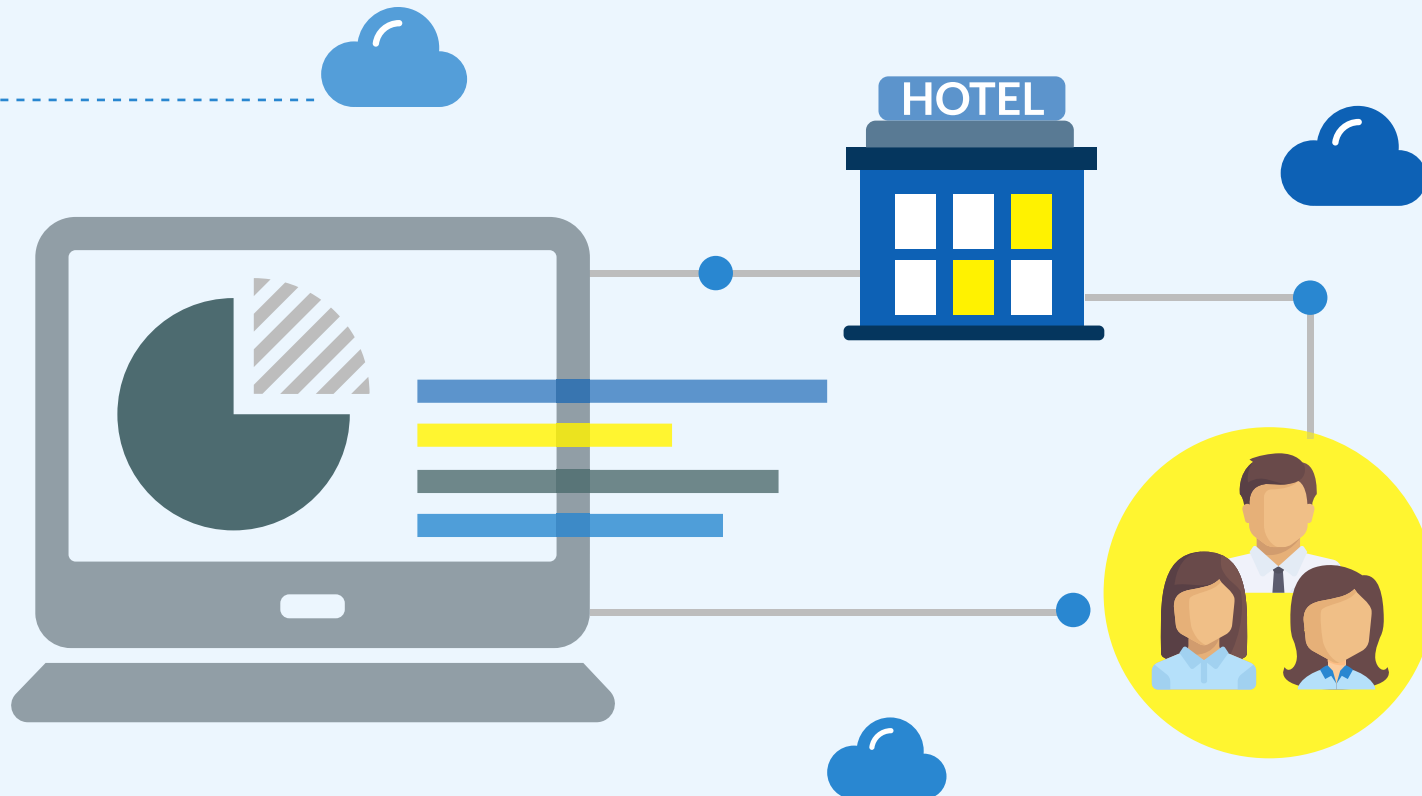


# PERSONALIZING THE GUEST JOURNEY, UNLOCKING GUEST INTELLIGENCE



# Executive Letter

## Unlocking Guest Intelligence Introduction memo

It is certainly a great time to be part of the Hospitality Industry. From the rise of new and emerging technology, abundance of new content, and mergers and acquisitions there are more opportunities for hospitality organizations to create new experiences.

In the age of the customer, travellers are now more connected, more informed and more tech savvy. We believe that technology fosters a “connection” that helps hoteliers better analyze and understand their guest preferences and behaviours in more meaningful ways. An increased understanding of the guest enables the sharing of information across systems, properties and channels, to ultimately offer a more customized guest experience.

Ultimately, the more touch points that are captured and the more hoteliers know about their guest, the easier it is to deliver personalized service and differentiated brand offers.



At Amadeus, we are working diligently to provide a comprehensive platform of capabilities that will reduce the friction and the overall complexity in hospitality operations. We hope you find the following research insightful. Please let us know your thoughts.

Sincerely,

Lee Horgan  
CEO  
Amadeus, Hospitality

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## ABOUT SKIFT

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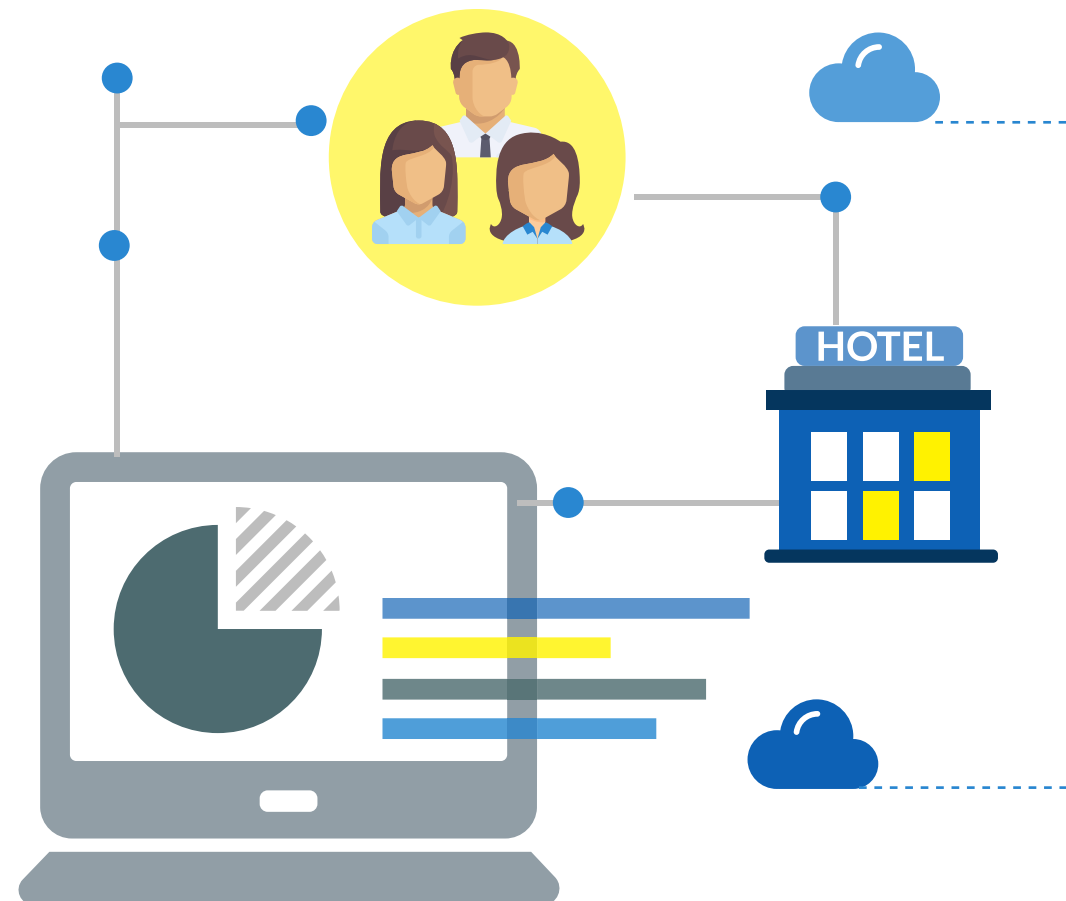
## MASTHEAD

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# Introduction

This trends deck looks at the evolution of guest intelligence in hospitality, and how brands are now collecting and using customer data to better service their clients. As technology continues to evolve, hotels are faced with the challenge of harvesting their customer data's full potential to create personalized guest experiences that will differentiate their brand offerings and create guest loyalty.

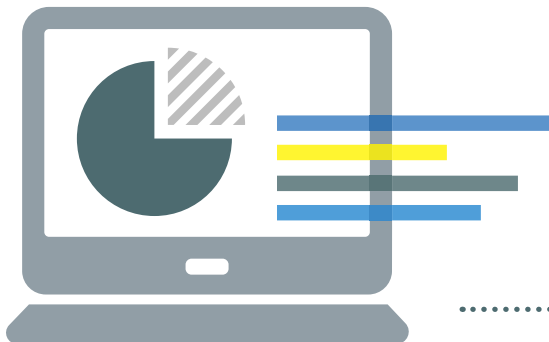
With all of the capabilities we have today, meeting guest expectations while generating revenue is essential. To do that requires an understanding of what guests need, want, and expect in the micro-moments of their journeys. A key component to this challenge is ensuring the quality, availability, and usefulness of guest data in order to best understand and deliver on their preferences.



# Guest Data and Hospitality: The Evolution

In the pre-digital era, before targeted ad campaigns and digital marketing were the norm, hotel brands were highly reliant on marketing tools such as mass mailing campaigns, magazine and TV ads, promotional offers, and tie-ups with tourism boards -- marketing tools that largely prioritized quantity over quality. Targeting was limited to general geography and demographics; for example, a hotel company could advertise in a magazine that was primarily read by consumers of a certain age or income bracket, but the systems were rudimentary compared to the data-driven marketing schemes in place today.

Data collection wasn't much more advanced, with hotels relying heavily on comment cards and verbal feedback from guests. A few high-end hotels did keep files on hand, which allowed them to keep tabs on guest preferences and habits in order to better guest experience and thereby drive reputation and brand loyalty. However, it wasn't until the early 1980s, when hotel chains began launching loyalty programs designed to help to acquire data and determine and directly market to their highest-value customers, that the foundations for modern guest data management and guest intelligence were laid.



# The Current State of Guest Intelligence

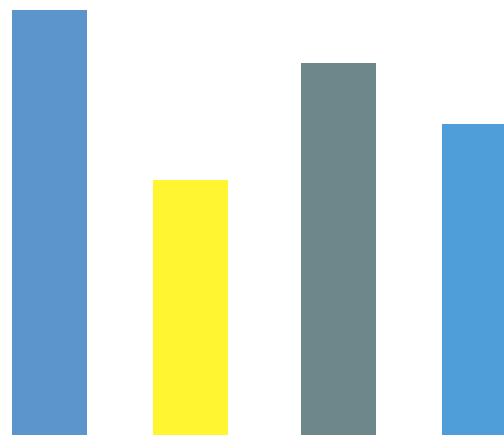
Guest intelligence -- the in-depth analysis of guest experience and satisfaction -- is increasingly important for hospitality brands for honing their marketing efforts, developing and maintaining customer loyalty, and -- ultimately -- increasing revenues. However, the industry faces a number of challenges when it comes to gaining a 360-degree view of the customer. In order to better understand how guest data is currently being put to use, we surveyed a sampling of 326 hospitality marketing and IT professionals as well as independent hoteliers around the world. We found that while most hospitality brands are collecting and using data to further their marketing efforts, particularly with regard to pre- and in-stay marketing, hospitality professionals continue to face challenges around fragmentation, data access, and completeness of data.



# How Do Hotels Collect Data?

Hospitality brands use a number of methods to collect data about their guests, including details provided directly to hotels through reservations, registration forms, and loyalty programs. Additionally, tactics such as direct email marketing campaigns, feedback forms, and third-party resources like OTAs and social media sites give an insightful snapshot into guest intelligence. Increasingly, data is also collected at properties, through operational touch points from within the guestroom, food and beverage outlets, and at group functions, providing hospitality professionals with increasing opportunities to gain a 360-degree view of guests and their preferences.

Hotels are leveraging technology to collect a significant amount of data about guests, and the role of staff members is increasingly crucial. It requires good data entry and dedicated resources if there hotels are going to be able to realize the promise of guest intelligence. As hospitality professionals are able to collect an greater breadth of data points, maintenance efforts and analysis may require increasing staff efforts to fully take advantage of available guest data, particularly in absence of highly automated solutions.



“

**Every guest-facing moment is an opportunity to discover what makes them tick and use those nuggets of personal information to make their stay even more meaningful. It's not a calculated process and it's not taught with a field manual.**

”

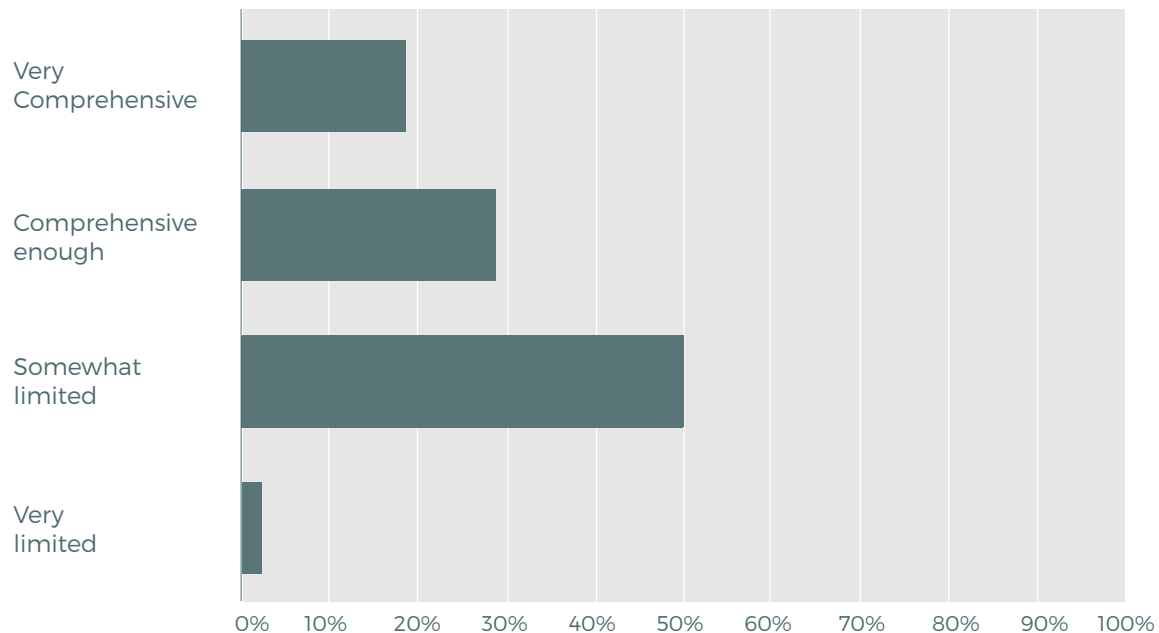
*— Kathleen Reidenbach,  
Chief Commercial Officer for Kimpton Hotels & Restaurants.*



# Data Comprehensiveness (Q3)

One of the major challenges faced by hospitality IT and marketing professionals comes down to collecting comprehensive data about guests. Only about half of the professionals we surveyed reported that guest data was very or sufficiently comprehensive; the other half indicated that it was somewhat or very limited.

## Today, how comprehensive is the guest data collected by your organization?



Note: All survey respondents are subject to their respective privacy policies and established laws regulating the collection and use of customer data.

# Data Relevance and Associated Challenges

We believe that part of the current challenge is a lack of consensus on what type of data is most useful in driving incremental revenue. In our survey, we asked respondents to rank the following types of guest data in order of importance for generating revenue.

Here we see that data on area attraction interests ranks lowest, while attitudes toward other types of data including room preferences and spend on food and beverage remain mixed.

## Share of Respondents Rating as 1st priority

Travel itinerary (arrival, departure)	35%
Purpose of stay (business, leisure, family)	29%
Guestroom details (room preference)	17%
Ancillary spend behavior (food & beverage)	14%
Area attraction interests (tour & activities)	5%

## Share of Respondents Rating as 1st or 2nd priority

Travel itinerary (arrival, departure)	51%
Guestroom details (room preference)	44%
Ancillary spend behavior (food & beverage)	42%
Purpose of stay (business, leisure, family)	42%
Area attraction interests (tour & activities)	21%

“

**Some hospitality organizations may already be investing in a guest data aggregation, consolidation, and analytics platform. For those organizations, it will be critical for them to engage with partners that are committing to microservice based solutions for seamlessly connecting into their platforms. Other hospitality organizations will be looking for a partner to bring both the guest data platform foundation, as well as many of the core systems necessary for the enterprise. At Amadeus Hospitality, our strategy is building an open platform of capabilities to achieve both business needs.**

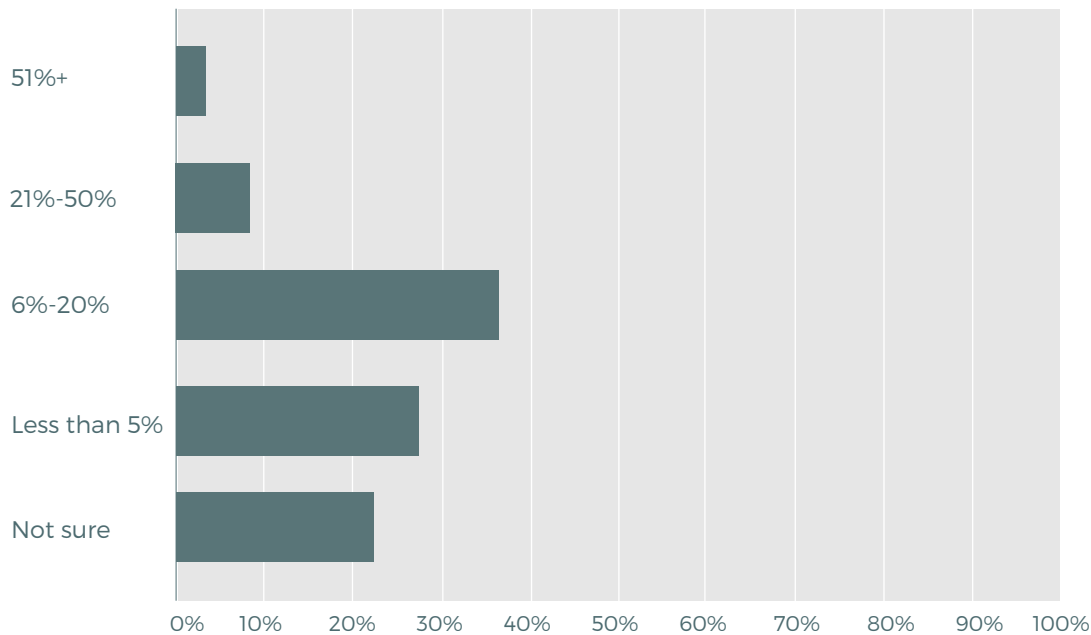
”

*— Tim Pelletier Chief Technology Officer, Amadeus Hospitality*

# Resources Allocated to Data Collection (Q13)

It's also important to note that although hoteliers recognize the importance of data in understanding their guests preferences and desires, the majority of hotels and hotel groups still allocate less than 20% of their total IT budgets to guest intelligence initiatives.

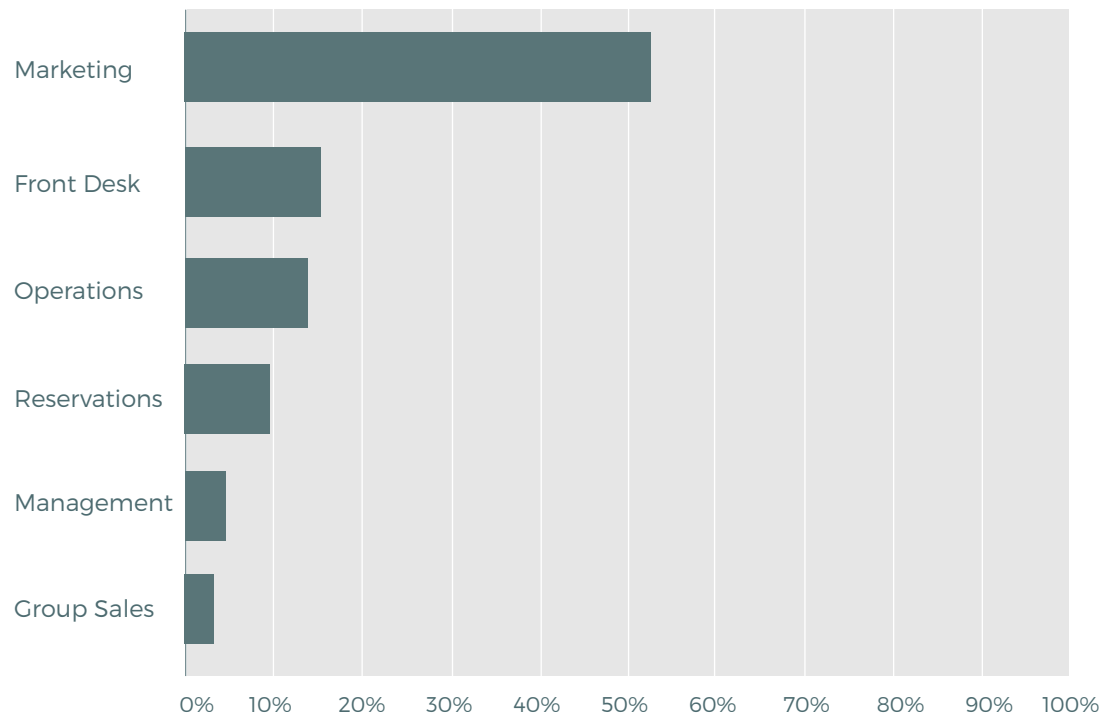
## What percent of your IT spend are you currently allocating to customer / guest intelligence initiatives?



# Guest Data Across Departments (Q7)

Marketing is traditionally the most important driver for gathering guest intelligence. While there are certainly other applications for data, from improving guest experience to developing overall business development strategies, data today is primarily leveraged by marketing departments. Effective hotel marketing calls for guest insights based on the collection of preferences and details which together become guest intelligence. However, if data is collected and exposed to help drive better business decisions, all departments within properties stand to ultimately benefit.

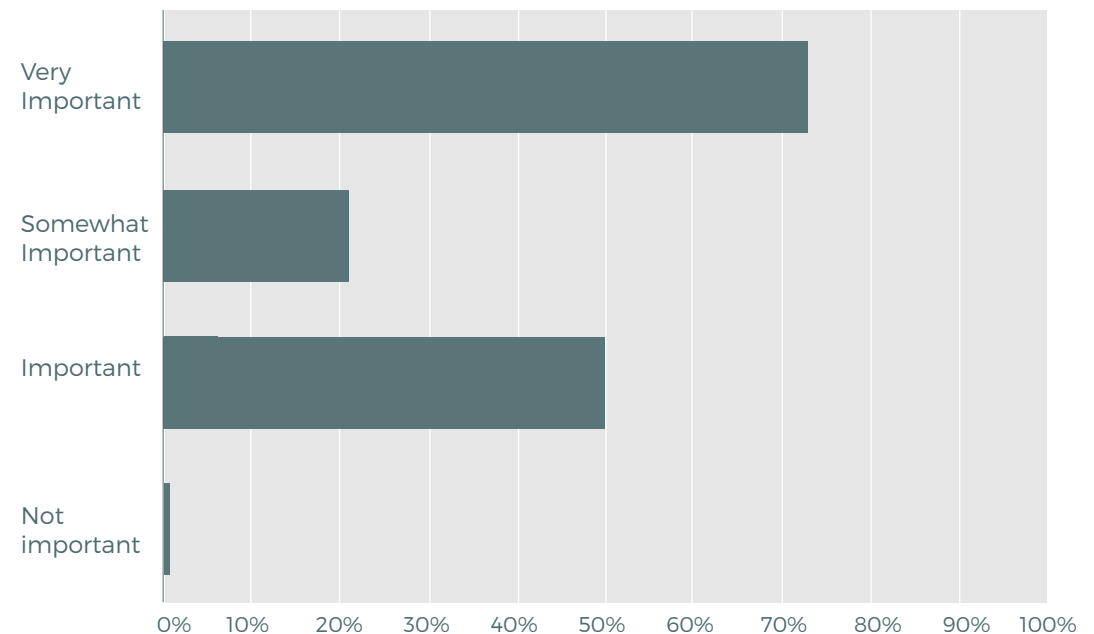
**Which department in your organization leverages guest information the most?**  
Please select your top two.



# Data in Digital Marketing Strategy Development (Q4)

All of the hotel marketing and IT professionals surveyed recognized the importance of guest data in developing and implementing digital marketing strategies for their properties, and 74% claimed it was “very important.” In order to convert potential guests into bookings, hospitality professionals need to understand how guests search for information and then develop strategies to put their properties in front of guests across channels while they are making their purchasing decisions.

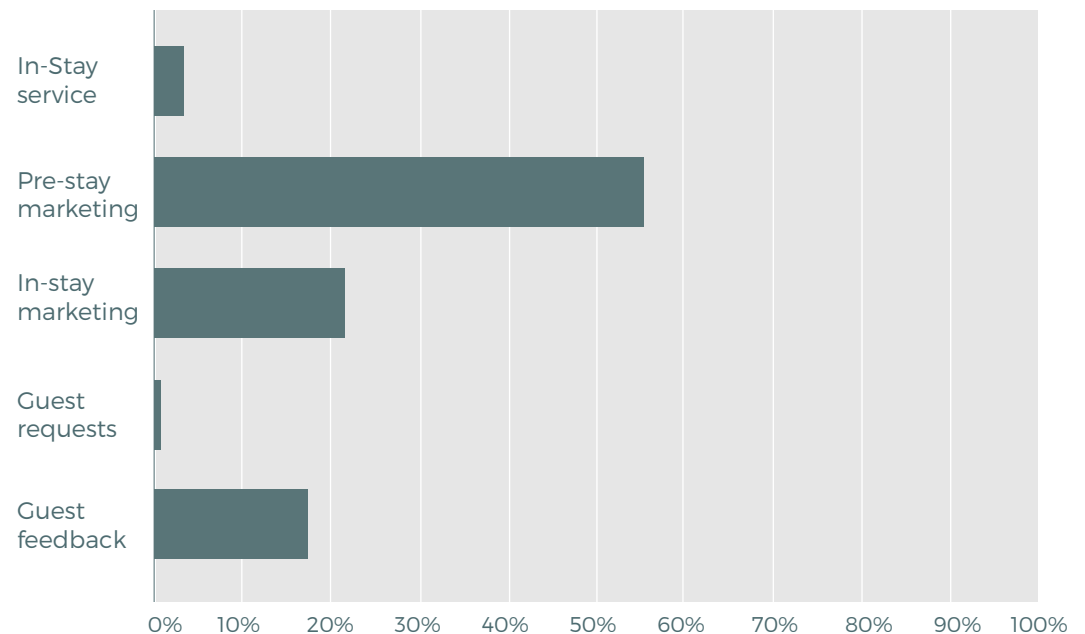
How important is guest data to your direct digital marketing strategy?



# Putting Data into Action (Q6)

Hospitality professionals currently view pre-stay marketing (i.e., marketing efforts used to drive conversions, to get guests to book) as the most important application of guest data. That said, brands do recognize the importance of data for upselling once guests are checked in. Increasingly advanced guest intelligence technology means that hospitality brands now have significant opportunities to leverage guest data across the guest's journey, across touch points, and not just during the pre-stay/shopping phase. The hospitality industry today has the capability of using data not just for pre-stay marketing, but also to better understand guest preferences. This will empower brands to differentiate their offerings, increase loyalty, and, ultimately, drive revenue.

## In which of these areas do you see guest data playing the most important role in driving business decisions?



“

**Hotels and hotel companies generate large amounts of data at several touchpoints throughout the ‘inspire to departure survey phases’ of a traveler’s experience. As more companies expand their digital strategies, the ability to consolidate and prioritize the data to generate benefits to the traveler, the hotel and hotel company will be paramount to future competitiveness. ”**

*— Lee Horgan, Chief Executive Officer, Amadeus Hospitality.*



# The Role of Data in Pre-Stay and In-Stay Marketing

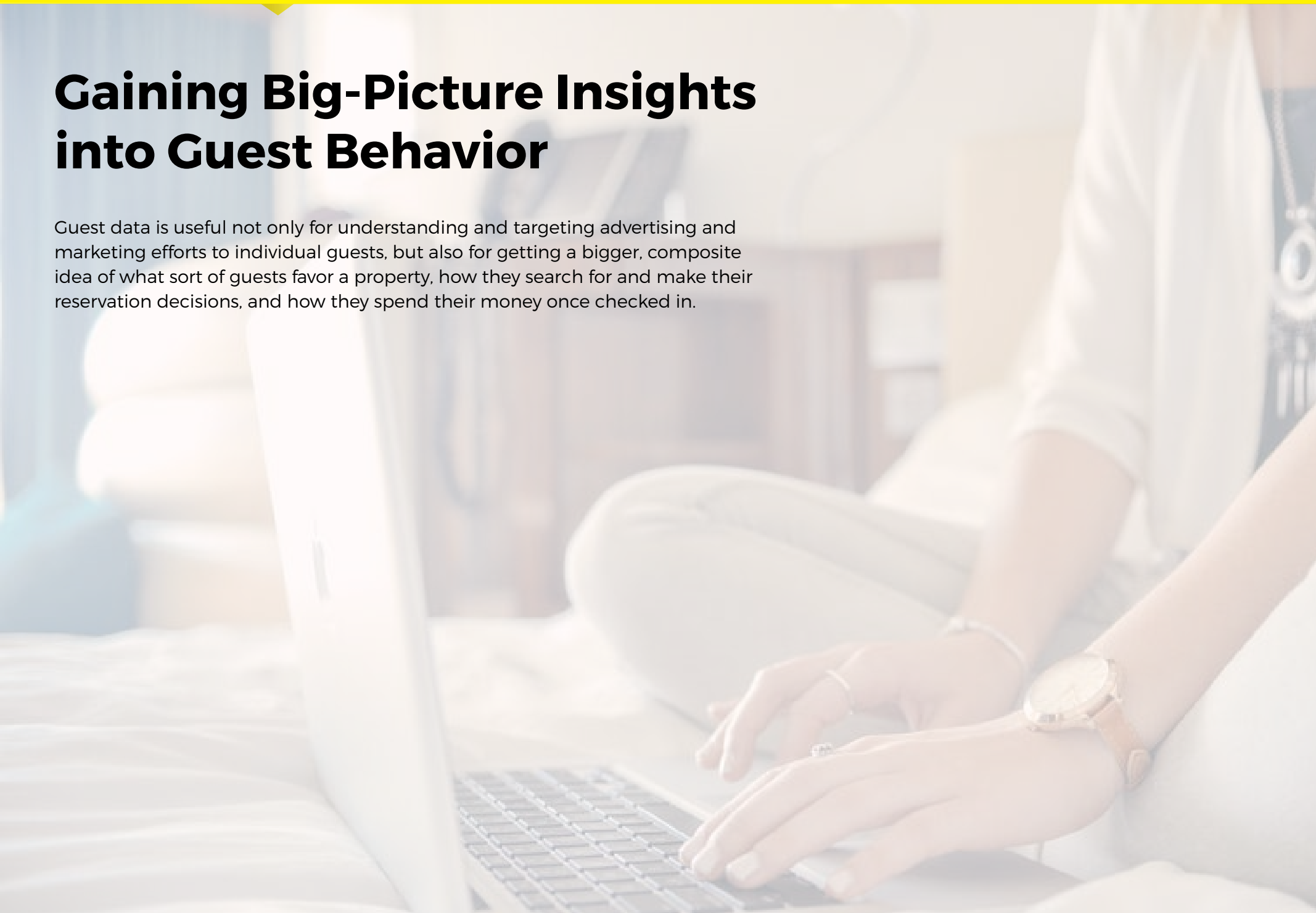
Having robust guest intelligence allows hotels to better understand the needs and behaviors of their guests. Hotel brands can differentiate their offerings to drive customer loyalty and fan bases, and better target those most likely to book through incentives, offers, and highly specific advertising. It's also a crucial component to encourage customers to increase their on-site spending while at a hotel. It's also an increasingly crucial component in getting customers to increase their on-site spending while at a hotel. Understanding even the most basic data points about guests, from whether they are visiting on business or for leisure to whether they have booked spa treatments or ordered room service during previous stays. Having access to this data can make it easier to continue to both increase revenue and to add value in order to create a better guest experience throughout the lifecycle of a guest's stay.

“  
**By and large, people are using hotel data, first and foremost for simple marketing...and they're using it to communicate to guests pre-stay from a marketing perspective.**  
”

— Rich Matthes, Product Strategist,  
Amadeus Hospitality.

# Gaining Big-Picture Insights into Guest Behavior

Guest data is useful not only for understanding and targeting advertising and marketing efforts to individual guests, but also for getting a bigger, composite idea of what sort of guests favor a property, how they search for and make their reservation decisions, and how they spend their money once checked in.



“

**Real innovation starts to happen when you also start to overlay, observe data from what people are actually doing: what they're searching on, what they're actually purchasing when they're on premise, what are the amenities that they're willing to spend more on. If you can tie that back with some of the self-declared data as well, it becomes very powerful to then take that data for an individual user and combine that with other consumers that have similar behaviors. Then you can start to do analysis to really understand some trends that are a little bit more statistically significant and group different consumers into personas...**

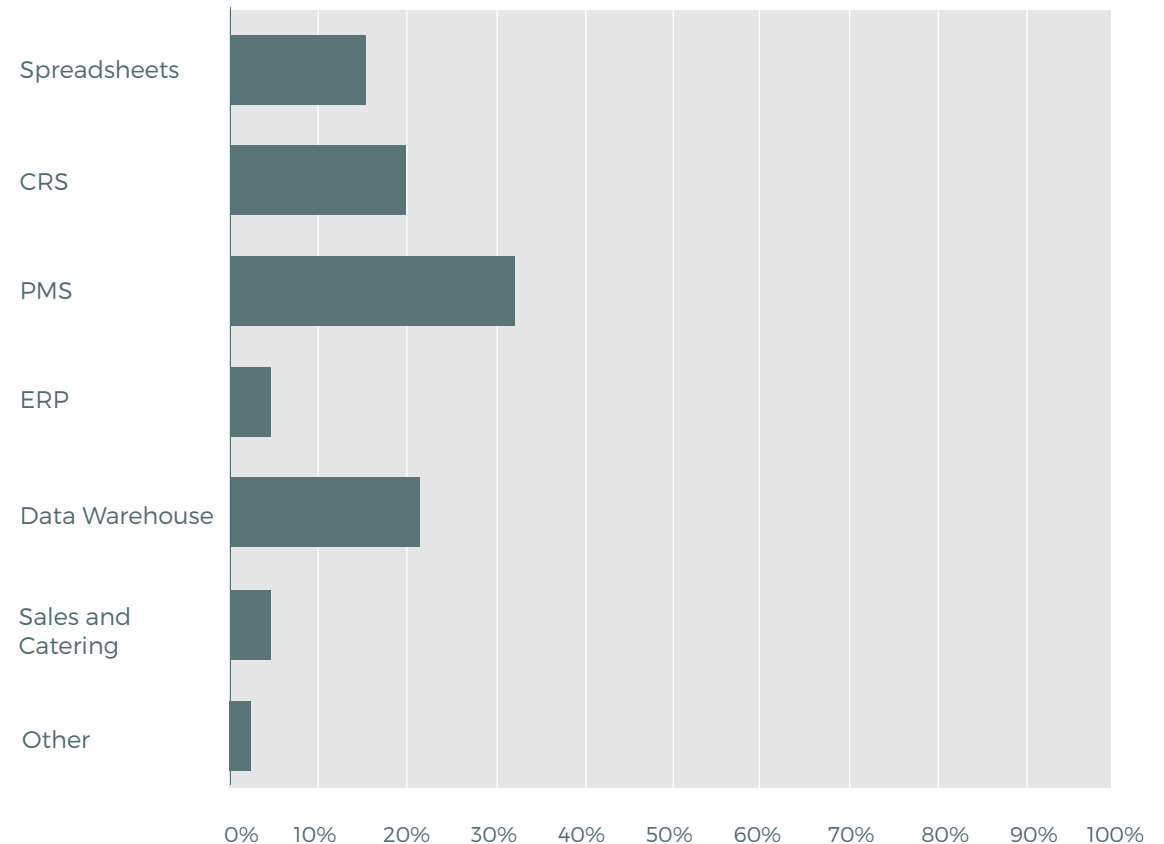
”

*— Sanjay Wahi, VP, Product & Insights, Sojern*

# Storing Data (Q8)

Hotels today store their guest data in a number of different places, though property management systems (PMS) are the most common, followed by data warehouses, computer reservations systems (CRS), and spreadsheets. Because hotels often use multiple systems for running operations, managing rates and inventory, and collecting and compiling guest information, it's easy for data to become fragmented, particularly if a property's cross-channel integration is not seamless.

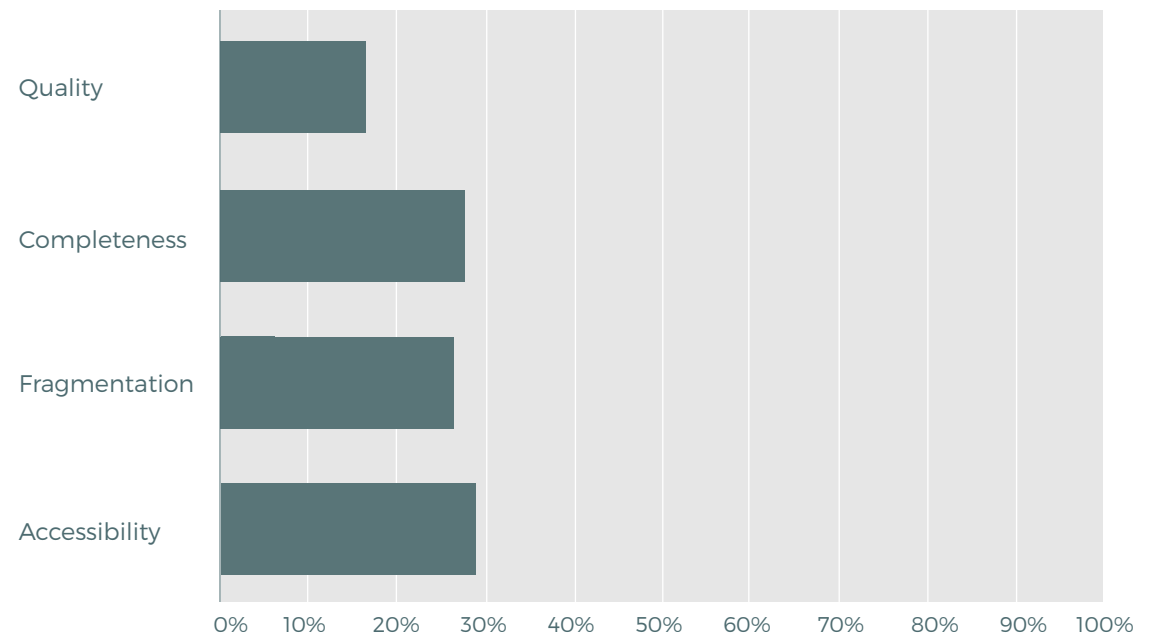
## Where does your highest value guest information reside today?



# Barriers to Leveraging Guest Information (Q11)

Although data collection and management has greatly improved over the years, hotel IT & marketing professionals still face a number of key challenges when it comes to leveraging guest information, particularly when it comes to accessibility issues, fragmentation, and lack of data completeness. Hospitality marketers not only need to be able to easily access data, but also must be able to take action from it. From action they need to clean, consolidate and enhance the information to maximize the marketing experience.

## What is your greatest barrier to leveraging guest information?



# Accessibility Issues

Nearly a third of respondents indicated that accessibility was the greatest barrier to leveraging guest information. In some instances, it's not a lack of quality data that's holding hoteliers back, but the way in which that data is accessed. As one respondent noted:

"Our systems hold plenty of valuable data, our issue is accessing that data in a way that is efficient and a lack of automation. Working with both independent and franchised hotels, systems used by the major chains are extremely prohibitive to owners/operators. On the flip side, independent operators at the property level are often too scared (or too busy) to make use of the data that is available. If I had better access to data across our portfolio - targeted pre-arrival communication to ask simple preference questions to focus on individual guest experience which allows for organic upselling, positive reviews, social sharing, etc."

**Nearly a third of respondents indicated that accessibility was the number-one greatest barrier to leveraging guest information.**



# Completeness & Fragmentation

Of course, in many cases it's simply a numbers game. Some properties simply don't have the non-fragmented data stores on hand necessary for gaining a 360-degree view of the customer.



**The more data that you have the more you can slice and dice it and get to things that you can action upon so that you can make relevant offers and learn from past offers that you made to other similar guests.**



*— Sanjay Wahi, VP, Product & Insights, Sojern.*

# The Future of Guest Intelligence

Guest intelligence strategies and applications will continue to evolve, particularly as the ease with which hotels are able to collect, access, and leverage guest data improves. Well-managed data will be crucial to succeeding in the hospitality industry. Successfully leveraging data may put large, resource-rich hotels and those willing to invest in advanced data management tools at an advantage. Guests will come to expect personalized experiences, and a combination of IT tools and staff input will be crucial to developing robust guest profiles.

“

**Whether offering new levels of personalization or determining the next marketing campaign, guest intelligence will play a vital role in shaping the future of travel.**

”

*— Lee Horgan, Chief Executive Officer,  
Amadeus Hospitality.*



# Data Collection Methods will Become Increasingly Guest-Driven

Data collection methods will expand and grow in a number of ways in years to come. Properties are already using apps to track guest behavior and provide guests with personalized promotions and perks while they are checked in. Guests will likely become active participants in the personalization of their experiences by keeping their profile and preferences up-to-date to get the highest quality, most individually relevant level of service.

“

**Guests are more self-reliant than they've ever been and often do their own research, crowdsource recommendations, and take the driver's seat when it comes to shaping their travel experience.**

”

— Kathleen Reidenbach, Chief Commercial Officer for Kimpton Hotels & Restaurants.

# Resource-Rich Properties May Come Out Ahead

Simply, hospitality brands need to devote more time and money to optimizing their guest intelligence initiatives. As data becomes an increasingly important resource for marketing and optimizing guest experiences, properties and hotel groups with greater financial and human resources will be poised to come out ahead. As noted earlier, the majority of hotels and hospitality brands devote less than 20% of their total IT budgets to guest intelligence, despite an awareness throughout the industry that guest intelligence will increasingly become crucial to brand success, not only in pre-stay marketing efforts, but also in driving loyalty and delivering value throughout the traveler's journey.

**Hospitality brands are devoting less than 20% of their total IT budgets to guest intelligence.**



# Data Management Strategies Will Drive Success

While resource-rich properties may be at an advantage, that doesn't mean smaller hotels and groups should expect to falter; partnerships and data sharing could result in win-win for hotels with limited personnel and IT resources, and technology providers may be the missing link. Amadeus Hospitality, for example, offers a solution with HotSOS which hospitality staff can use to address guest concerns and streamline and track the effectiveness of staff efforts. The company is also continuing to roll out tech solutions that cater to the full spectrum of hospitality organizations, from the full-service to the limited and focused service tiers, in order to help each segment create better guest experiences.

“  
**The most successful hotels will be ones that have a really great policy on how they manage that customer data.**

”

— *Rich Matthes, Product Strategist, Amadeus Hospitality.*

“

**Larger organizations that can fund and manage complex systems have a competitive advantage because they can fund and maintain these systems. Smaller organizations can try to keep up but many simply do not do this because they don't have the time or the capital available. There is also a skills gap between larger and smaller organizations where understanding the capabilities and how to manage the information architecture is limited.**

”

*— Brian Westwood, Manager, Marketing and Sales, YHA New Zealand.*

# Staff and Guest Interactions Will Remain Crucial to Collecting and Leveraging Data

Despite the rise in artificial intelligence applications, it's difficult to predict how AI advancements will impact the ways guests are interacting with hospitality brands and in turn how hotels are collecting data. Human interaction remains very important, at least for now. Hotel staff will continue to play an important role in the gathering of data through conversations and interactions with guests, particularly when it comes to gaining the sort of high-detail information about guests that's crucial for advanced personalization efforts. Guest intelligence will also drive how hotel staff members interact with guests, giving employees the tools with which to gain a comprehensive understanding of guest needs and personalities.

“

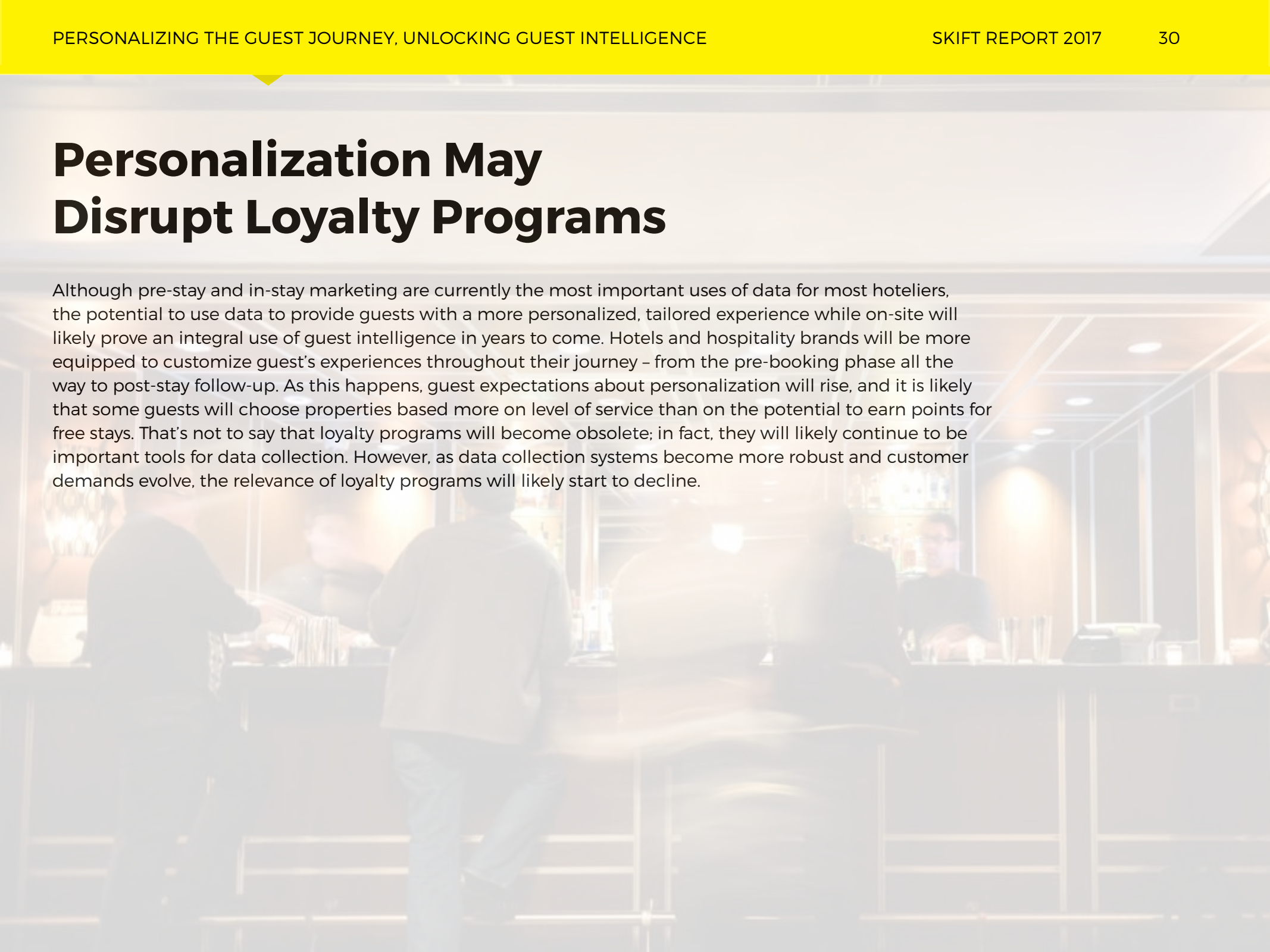
***The more data we can provide to inform and educate our associates about the uniqueness of each guest, the better we can deliver the extraordinary service levels our guests have come to expect from us.***

”

*— Peter Strebel, Chief Marketing Officer and Senior Vice President of Sales, Omni Hotels and Resorts.*

# Personalization May Disrupt Loyalty Programs

Although pre-stay and in-stay marketing are currently the most important uses of data for most hoteliers, the potential to use data to provide guests with a more personalized, tailored experience while on-site will likely prove an integral use of guest intelligence in years to come. Hotels and hospitality brands will be more equipped to customize guest's experiences throughout their journey - from the pre-booking phase all the way to post-stay follow-up. As this happens, guest expectations about personalization will rise, and it is likely that some guests will choose properties based more on level of service than on the potential to earn points for free stays. That's not to say that loyalty programs will become obsolete; in fact, they will likely continue to be important tools for data collection. However, as data collection systems become more robust and customer demands evolve, the relevance of loyalty programs will likely start to decline.



“

**There's a set of travelers that are hitting the market right now that are looking to be fiercely loyal, but their loyalty won't be driven by some promise of points and free stays. Their loyalty will be driven by those exceptional experiences, and those exceptional stays, and people who understand what they're looking for in travel. And you can't do that unless you have a really solid profile about your traveler.**

”

*— Rich Matthes, Product Strategist, Amadeus Hospitality.*

“

**By leveraging data from service optimization and other tools...we can provide a more complete picture of what the full hotel experience is like. This will allow us to formulate a business plan around what we hear is happening, what we see is happening, and what customers are telling us is happening. This provides the ability to truly provide a personalized and memorable experience. Since experiences are proven to deliver a longer sense of happiness, we should expect that this will help drive loyalty.**

”

*– Alberto Santana, SVP Sales, Service Optimization,  
Amadeus Hospitality.*



# About Amadeus

Amadeus is a leading provider of advanced technology solutions for the global travel industry. Customer groups include travel providers (e.g. airlines, hotels, rail and ferry operators, etc.), travel sellers (travel agencies and websites), and travel buyers (corporations and travel management companies).

The Amadeus group employs around 14,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as over 70 local Amadeus Commercial Organisations globally and has a presence in more than 190 countries.

This year marks 30 years since Amadeus was founded. Throughout 2017, the company will be celebrating 30 years of collaboration with customers, 30 years of technological innovation and 30 years of helping power better journeys for travellers all over the world.



**amadeus**

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Through daily news, research, podcasts, and Skift Global Forum conferences, Skift deciphers and defines the trends that matter to the marketers, strategists, and technologists shaping the industry.

SkiftX is Skift's in-house content marketing studio, working collaboratively with partners like Mastercard, Hyatt, Adobe, Lyft, and many more on custom projects to engage the world's largest audience of travel influencers and decision makers.

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