

Technology Is the New Black

by Dan Noyd

Customization through technology will become the new differentiator in how customers define excellent service.



It used to be enough to treat customers to exceptional service through polite exchanges, remembering a favorite wine or room, or having high-quality amenities, but today's customers view service and experiences much differently. Technology that enhances a customer's ability to interact with a brand, share the experience, and even reduce human interaction is a critical component of today's hospitality ecosystem.

Pizza Hut is piloting interactive tabletops, developed by Chaotic Moon Studios, which deliver perfect customization through technology. Customers interact with the tabletops to build and order pizzas, select additional items throughout the evening, and pay without flagging down a waiter. The tables also let people play games while they wait. This concept is appealing because it is personalized, unique, and entertaining.

In addition to technology that customers interact with, many brands are embracing the power and information readily available through social media. According to the recent *Hospitality Industry Insights* by Jabian Consulting, millennials are emerging as the largest customer segment across lodging; food and beverage; and tours, attractions, and events. They are comfortable with technology and seek out experiences that create emotional and social connections, readily shareable through social media. As experiences go both ways, brands like The Ritz-Carlton are experimenting with real-time customer response through social media monitoring. If the company notices that a guest complained about empty coffeepots in the lobby, for example, staff are empowered to seek out that customer in real time and remedy the situation. That level of attention and responsiveness is a key driver of enhanced brand loyalty.

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IN EARLY 2015, DISNEY HAD ALREADY DISTRIBUTED MORE THAN 10 MILLION MAGIC BANDS—RUBBER, WEARABLE-TECHNOLOGY WRISTBANDS THAT ARE CONNECTED TO THE PARK INFRASTRUCTURE.

The Internet of Things (IoT), operational efficiency, and customer experience

IoT technology has the potential to significantly upgrade the guest experience and improve the overall operational efficiency of hotels, restaurants, and attractions. For example, how many people get on and off a broken treadmill before it gets reported and fixed? How does a hotel operator know when a light bulb is about to go out? IoT and connected devices could sense the usage patterns of machines and appliances and automatically alert maintenance or housekeeping when something breaks or is about to malfunction, which would improve customer service and response time.

Gartner, Inc. predicts that by 2020, the connected kitchen will contribute at least 15 percent savings in the food and beverage industry, while leveraging big data analytics. Food preparation could become completely automated

with technology to measure ingredients, prepare dishes from a recipe, and coordinate among appliances to make sure that everything is timed correctly and cooked to perfection. This concept would allow for greater operational efficiencies and could potentially decrease labor needs. While it likely would never fully replace a human chef, it could significantly decrease time on easier, basic dishes.

In the coming years, sensors and beacons will dominate the world of tours, attractions, and events through the use of biometric, proximity, and micro-location technology. Floods of new data will transform decision-making and reshape the experiences of visitors and fans. Disney is using IoT technology to enhance its theme park experience, increase security, and gain incredible insight into the habits of visitors. In early 2015, Disney had already distributed more than 10 million Magic Bands—rubber wearable-

technology wristbands that are connected to the park infrastructure. Visitors can connect the Magic Band to their online profile and use it to enter the park, access rides and restaurants (recognizing reservations), and pay for products and services.

Successful companies within the hospitality industry have always learned to adapt to new trends and preferences, and adapting to technology-based operations will be no different. However, unlike changes in style and décor, the readily available information about customers' preferences, habits, and spending patterns, coupled with the ability to operationally enhance efficiencies leading to saved revenue and greater customer experience, will only enhance a brand's ability to develop and maintain loyal customers for years to come.

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