



Deloitte at the NYU Hospitality Investment Conference

Transcript: Managing customer perception

How could lodging brands manage customer perception in the digital age?

Rob Rush: Well in today's world, it's everything and I think of digital in two ways. I think about it as a marketing platform, as well as managing online reputation. In terms of marketing platform, it's the way hotel brands today reach communities, build communities, reach out to various constituents, and engage customers both prospects and returning guests. In terms of online brand reputation, I read a statistic recently where something like fifty percent of business travelers, believe it or not, check online reviews and ratings prior to a trip and making travel decision and an excess of eighty percent of leisure travelers are checking online reputation and reviews, so it's critical for hotels deliver consistent, differentiated, memorable experiences today, and work overtime to ensure that every time a guest enters a hotel, they are going to have an excellent experience. If not, that experience is going to get communicated instantaneously around the world and they are going to have to deal with that.

Transcript: Reducing friction

How are leading hotel companies reducing friction in the customer experience?

Guy Langford: One of the things that leading hotel companies are doing today, they're using digital, handheld, or smartphone technology to take those friction points out of the customer experience. So whether it be searching for a hotel room, booking your hotel room, selecting a particular configuration of room, actually opening the door of your room with your smartphone, then providing checkout, and also feedback of your stay – all of that is enabled and facilitated now through smartphone type applications and technology. It's right at your fingertips and it's providing a great way of removing friction. What it then does, is gives hotel companies the ability to focus on those emotive touch points for their consumers to enhance the experience in other ways as well.

Transcript: Changing traveler behaviors

How are traveler behaviors changing and what factors are influencing those changes?

Stephen Jennings: We look at one of the phenomenon which is often branded as Millennial phenomenon, but is really happening across the travel segment, is a really increased appetite for really differentiated customer experience and this is manifested most visibly in a bunch of the elements of the sharing economy with people looking for what's unique in a neighborhood, whether it be food and entertainment and so on. And so what we're seeing the hotel chains do

is try with their brands to create much more localized experiences. That may be in a city where there is a great deal of music, they may be looking at things that are connected to the local music scene. There may be an art focus. It could be environmentally and sustainably conscious focus. It's a way to have hotels be more relevant and more specific to really unique and different local experiences and it's a phenomenon that we expect to see continue because the behaviors that have started out as Millennial are now showing up across the travel segments.

Transcript: Business model transformation

What forces are driving transformation of hospitality business models today?

Adam Weissenberg: So really the major things driving hospitality in terms of changing business models, to me, is the demographics. With the Millennials, 18 – 30 year olds, becoming the major part of the traveling public going forward, they are making hotel companies react differently. And so we see that first through the mega-mergers going on. This past year we had more mergers than we had seen since 2008. Lot's going on there. Second, with the sharing economy and the increases there, and the popularity of that, all the result of what the Millennials are doing and starting to travel more and use those products. And then finally, with big data and technology. You know, technology is really becoming so important to creating unique experience, which is definitely what the Millennials want. And so we are going to see more and more of that. All of that is changing the business models.

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