iLink Digital
Thinking Beyond

Hospitality Industry

The Impact of COVID-19 on the Hospitality Industry

COVID-19's impact on the travel industry in 2020 was about nine times that from 9/11.

Aviation Industry

Global air traffic dropped from **4.5 billion** in **2019 to 1.8 billion in 2020**. The financial loss was **$370 billion.** *(UN news)*

Additionally, airports and air navigation service providers reported a loss of **$115 billion and $13 billion**, respectively. In the U.S alone., the six largest airlines lost **$35 billion in 2020.** *(Forbes)*

The International Air Transport Association only predicted a **13% year-to-year improvement in 2021** in a worst-case scenario. *(International Civil Aviation Organization)*

Hotel Industry

A decline of **84.6% in U.S.** hotels' gross operating profit per available room was reported. *(STR)*

Hotel room revenue was cut in half, from **$167 billion to $85 billion.** *(AHLA)*

India's organized hotel industry's loss due to the Covid-19 epidemic would be in the range of **US$1.3 to 1.55 billion this year.** *(Hotelivate)*

Restaurants Industry

About **2.5 million** restaurant jobs vanished in **2020.** *(CNBC)*

The restaurant industry ended in **2020** with about **$659 billion in total sales, $240 billion** below what the National Restaurant Association estimated for the year before the pandemic. *(Forbes)*

U.S. restaurant sales are projected to increase **11% in 2021 to $731.5 billion**, but still far behind **2019's $864.3 billion.** *(Reuters)*

How Can Digitalization Help?

Digital transformation is essential to the hospitality business to ensure they are:

Resilient - handle the strain of unexpected situations like COVID-19.

Agile - quickly adapt and scale in response to market opportunities.

Efficient - generate more value from existing resources.

Insightful - improve competitiveness, efficiency, resilience, and agility.

Digital Trends transforming Hospitality Industry

"Undoubtedly due to COVID-19 there has been a significant change in how guests are looking to interact with the hotel, however in reality the demand for digital was there before the global pandemic"

-Julie Grieve, founder, and CEO of Criton.

Hands-free Technology

80% of hotel guests prefer a hotel app that would enable them to check in, check out, and get all information about

73% prefer to download and use an app that would enable them to open the door of their room.

47% would be more likely to order room service if the hotel would give them the option of ordering via an app.

(Source: Criton)

Internet of Things (IoT)

70% of hospitality executives report that they have active IoT projects—far ahead of the average (48%) for all others. These execs are most focused on operating more efficiently (**53%**), compared with **33%** who want to modernize their brand and add new capabilities.

IoT also helps manage energy use in several ways, and 43% of respondents already enjoy the benefits, while 27% expect to benefit in the next two years.

Artificial Intelligence (AI)

Latest surveys estimate that "Smart Hospitality" is projected to rise by more than **25% by 2021.**

The AI robot 'Connie', adopted by Hilton and powered by IBM's Watson super-computer AI, interacts with tourists informing them about nearby attractions, places to eat, and hotel information.

By using the Metis AI platform, the Dorchester Collection hotel chain has been able to analyze the data collected to conclude their overall performance.

AR/VR

Hotels offering a virtual tour saw an online revenue increase of 135% over hotels without one.

The 'try before you fly' Virtual Reality campaign by Thomas Cook boosted excursions to New York by 190% and generated an ROI of 40% for the travel agency.

Blockchain Technology

According to the statistics, it's expected that the retail automation market value in the hospitality industry will reach 5.73 billion U.S. dollars by 2027.

$2.1 billion has been spent globally on blockchain solutions in 2018 and it is accelerating.

Top priorities for Hospitality Industry?

- Grow traveler or guest base - **60%**
- Deepen existing customer relationships - **58%**
- Increase customer retention - **54%**
- Provide consistent high-quality customer experiences - **61%**
- Use new technology to better serve our customers and/or suppliers - **49%**

Source: skiftx.com

Unfortunately, less than **30%** of digital transformations succeed. (Mickensy)
Are you among these 30?

It's time to upgrade!

At iLink, we empower your organisation and the hospitality workforce with digital solutions to thrive the competition, improve performance and succeed.

Get in touch with our experts to get the most out of today's technology.

https://www.ilink-digital.com/industries/hospitality-services/