Modinori Estate: Survey of Decision Makers in Hotels and Hotel Owners
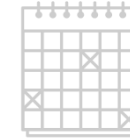
July 2019

Contents

Methodology

Sample

100 owners of hotels and/or decision makers in hotels of a range of sizes, across the UK.

Method

Surveys were completed using Computer Assisted Telephone Interviewing (CATI).

Fieldwork dates

25th June – 15th July 2019.

Interpretation

Findings marked with an asterisk (*) indicate a low base size. These results should be considered as indicative only.
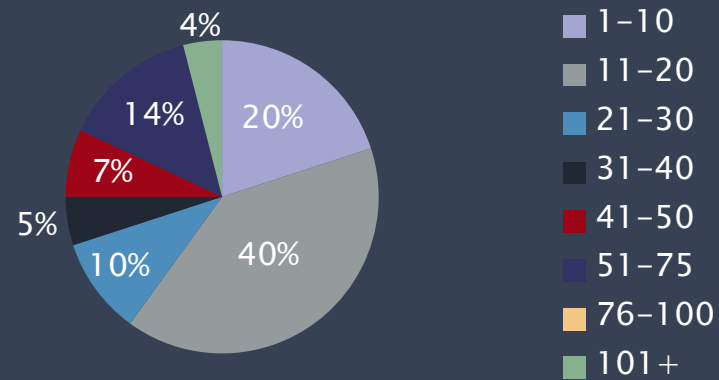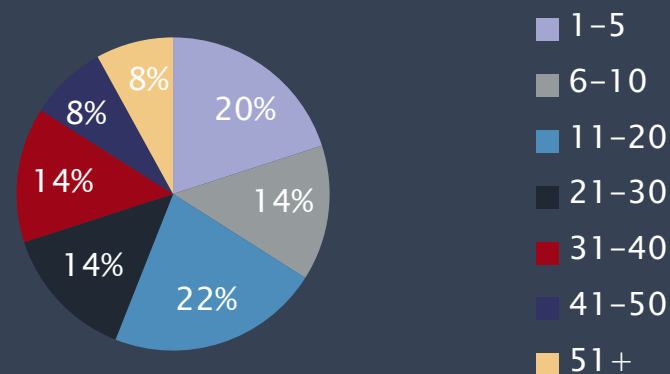
Profile of respondents

Size of hotel

Number of bedrooms in hotel

- 1–10 — 20%
- 11–20 — 40%
- 21–30 — 10%
- 31–40 — 5%
- 41–50 — 7%
- 51–75 — 14%
- 76–100
- 101+ — 4%

Number of employees in hotel

- 1–5 — 20%
- 6–10 — 14%
- 11–20 — 22%
- 21–30 — 14%
- 31–40 — 14%
- 41–50 — 8%
- 51+ — 8%

Seniority

- Hotel owners (and decision makers)
- Hotel decision makers

- 38%
- 62%
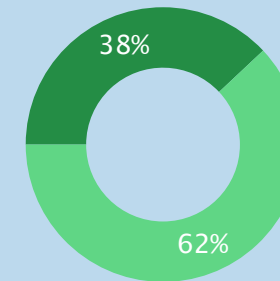
Location *(Excluding prefer not to say)*

Proportion of responses from UK locations

England	73%
Scotland	15%
Wales	9%
Northern Ireland	2%

Demographics *(Excluding other/prefer not to say)*

Gender

54% male

45% female

Age

18 – 35	36–55	56+
33%	49%	13%

Executive Summary

Attitudes towards Hotel Management Systems

Guestline and Eviivo are the Hotel Management Systems hotel owners and decision makers surveyed are most likely to say that they use. Overall, nine in ten surveyed use a Hotel Management System in the hotel they own or work in.

Decision makers and owners tend to be satisfied with the Hotel Management System they use. Indeed, around half are 'very satisfied' with the system they currently use.

Nonetheless, many have experienced problems with Hotel Management Systems in the past. Lack of offline functionality, insufficient support and training from system providers as well as faulty bookings are often mentioned by this audience.

Those surveyed say that increasing Total Revenue Per Available Room is the most important aspect of a Hotel Management System. One in five see Artificial Intelligence (AI) capabilities as important. Also, results indicate that those working in larger hotels are more likely to consider AI to be important than those in smaller hotels.

Executive Summary

Artificial Intelligence

Two in five of those surveyed already use AI to improve occupancy of rooms and the prediction of occupancy of rooms. Indeed, over half use AI in some way in the hotel they work in, and results indicate that this is higher in hotels with over 50 rooms – perhaps reflecting the importance placed on AI by this audience.

Proposition testing

Around three in five of those surveyed say they would be likely to use one of the two Hotel Management Systems proposed, given the benefits outlined. Hotel owners and decision makers are similarly likely to say they would use Proposition A (the proposition costing 1% of annual net profit) and Proposition B (the proposition costing 1.5% of annual net profit).

Reflecting the importance of Total Revenue Per Available Room to this audience, those surveyed are most likely to say they would use the Hotel Management System that increased this metric by 15% or 20% compared to all other separately tested benefits.

Interestingly, those hotel owners or decision makers that already use AI in the hotel they work in are more likely than those that do not use AI to say they would use the proposed Hotel Management Systems, given the benefits they offer.

Attitudes towards Hotel Management Systems

Those surveyed are most likely to say they use Hotel Management Systems Guestline and Eviivo

- Hotel owners and decision makers surveyed use a wide range of Hotel Management Systems at their place of work. Just 8% do not use a Hotel Management System.

- Results indicate that those in smaller hotels (those with between 1–10 rooms) tend to use Evivo (30%*), whereas larger hotels (those with greater than 50 rooms) tend to use Guestline (33%*)

Most used Hotel Management Systems
% using each Hotel Management System, showing top ten

System	%
Guestline	20%
Eviivo	20%
Oracle (OPERA)	7%
Frontdesk Anywhere	7%
Hotel Executive	4%
Q–Book	4%
Freetobook	4%
Booking.com	4%
Hotel Perfect	4%
Little Hotelier	4%

8

Q1. Which, if any, of the following Hotel Management Systems are in use in the hotel you work in? Base: All respondents (n=100)
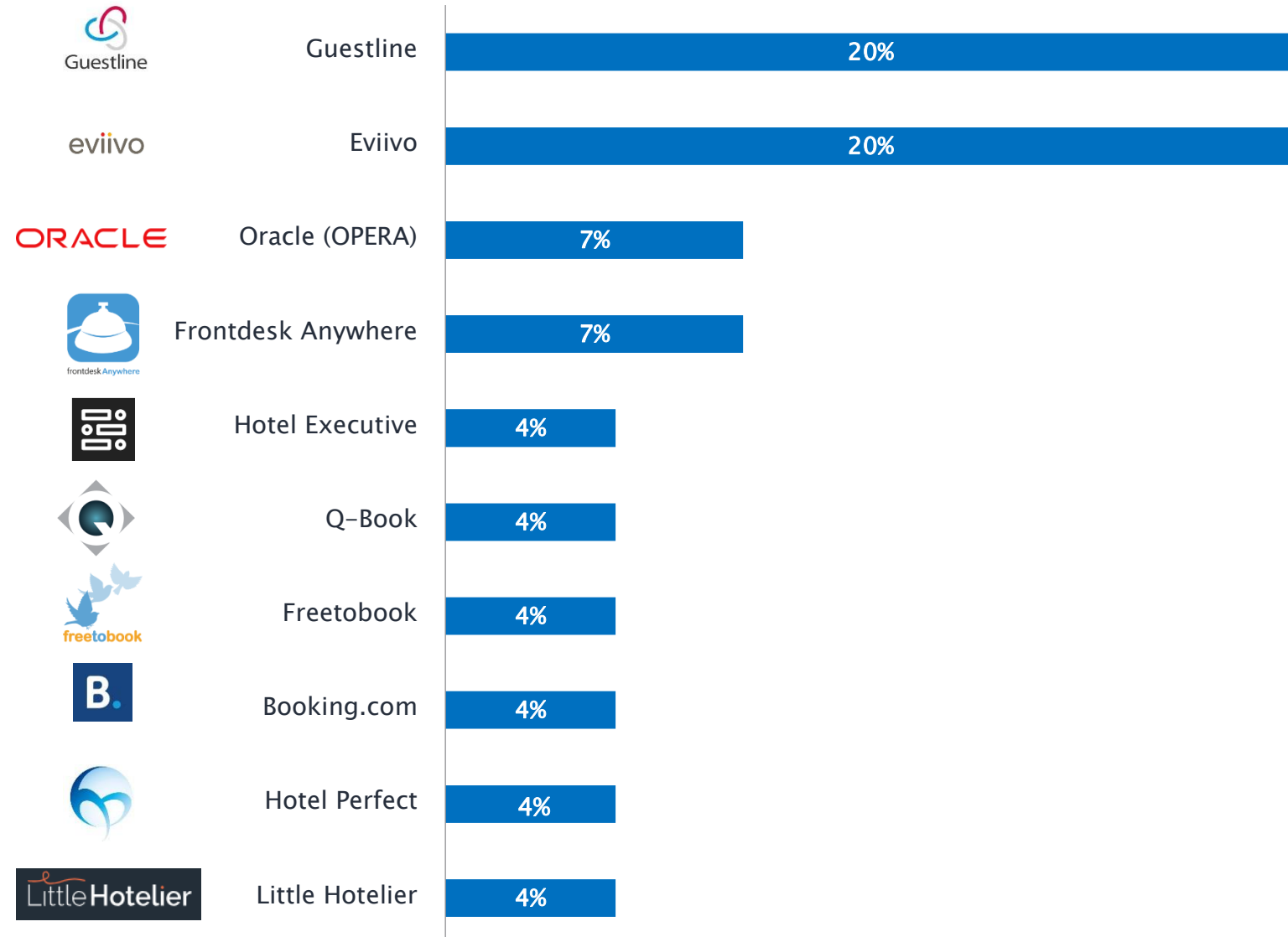
Half of decision makers say they are 'very satisfied' with the Hotel Management System used at the hotel they work in

- On average, more than four in five (85%) hotel owners and decision makers say that they are satisfied with the Hotel Management Systems used at the hotel they work in. Meanwhile, only 3% say that they are dissatisfied with the Hotel Management System that they use.
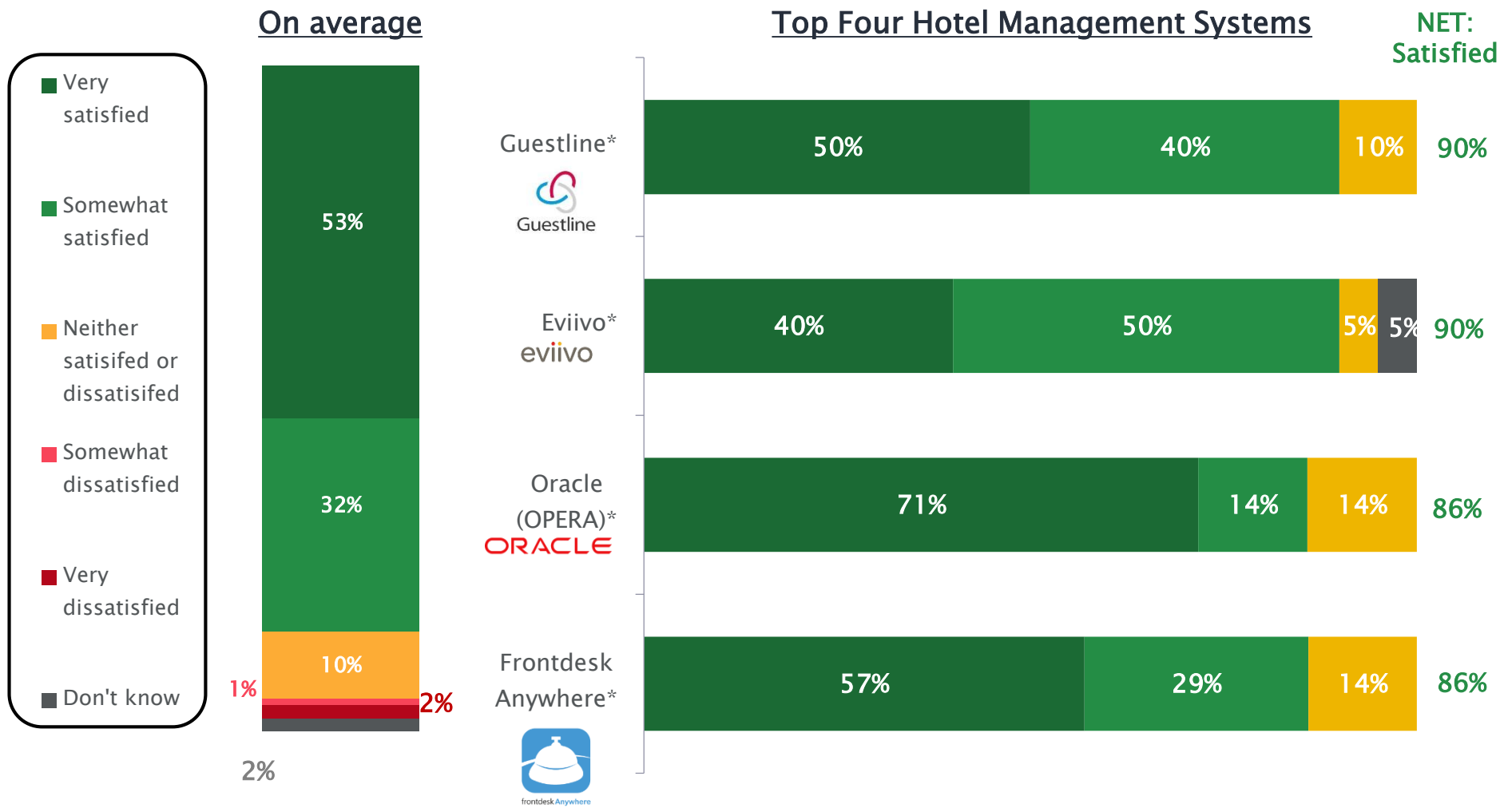
- Nine in ten (90%*) of those that use Eviivo or Guestline as their Hotel Management Systems say that they are satisfied with these platforms.

Satisfaction with Hotel Management Systems
% satisfied or dissatisfied with the Hotel Management Systems they use, showing 4 most used Hotel Management Systems

On average

Legend:
- Very satisfied
- Somewhat satisfied
- Neither satisfied or dissatisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't know

On average column:
- 53%
- 32%
- 10%
- 1%
- 2%
- 2%

Top Four Hotel Management Systems — NET: Satisfied

System	Very satisfied	Somewhat satisfied	Neither	Other	NET: Satisfied
Guestline*	50%	40%	10%		90%
Eviivo*	40%	50%	5%	5%	90%
Oracle (OPERA)*	71%	14%	14%		86%
Frontdesk Anywhere*	57%	29%	14%		86%

Problems with Hotel Management Systems

Lack of offline functionality

Many hotel owners and decision makers describe lack of offline functionality as a problem that they have encountered when using Hotel Management Systems. In particular, they reference instances where cloud or internet-based systems have crashed, meaning that they are unable to access up-to-date information about their bookings.

> " *A lot of systems are based in the cloud so…if the internet is not working we have no access to booking or information."*
>
> *Hotel with 11-20 rooms*
>
> " *It is cloud based so if the system goes down you can lose functionality."*
>
> *Hotel with 31-40 rooms*

Lack of support from system providers

Several hotel owners and decision makers say that lack of provider support is an important problem that they face when using Hotel Management Systems. They particularly reference delayed responses to issues and insufficient training as concerns. Some suggest that the provision of in-depth training would help bridge the support gap between the customer and the Hotel Management System provider.

> " *Third parties and system support is sometimes questionable."*
>
> *Hotel with 51-75 rooms*
>
> " *The main problem is probably the training. We have complex scenarios that happen and depending on the training level of the user, it can take some time to rectify.*
>
> *Hotel with 51-75 rooms*

Faulty bookings

Many hotel owners and decision makers say that they have encountered issues relating to faulty or inaccurate bookings when using Hotel Management Systems, such as overbooking of hotel rooms.

> " *Overbooking, our Hotel Management Systems tend to book twice."*
>
> *Hotel with 6-10 rooms*
>
> " *The overbooking and the allocation of rooms to best suit your occupancy."*
>
> *Hotel with 11-20 rooms*

Q2a. Continuing to think about Hotel Management Systems, and your experience using them, what are the main problems you have encountered when using a Hotel Management System? Base: All respondents working in hotels that use Hotel Management Systems (n=92)

10

Increasing Total Revenue Per Available Room is the most important aspect of a Hotel Management System, according to hotel owners and decision makers

- One in five (18%) see Artificial Intelligence (AI) capabilities as one of the most important aspects of a Hotel Management System. Results indicate that those hotels with more than 50 rooms tend to consider AI capabilities as being more important than those with fewer than 50 rooms (29%* vs. 15%).

- Results also indicate that hotel owners are more likely than decision makers that do not own the hotel they work in to consider cost as one of the most important aspects of a Hotel Management System (53%* vs. 43%).

Important aspects of Hotel Management Systems
% saying describing each as amongst the most important aspects of a Hotel Management System

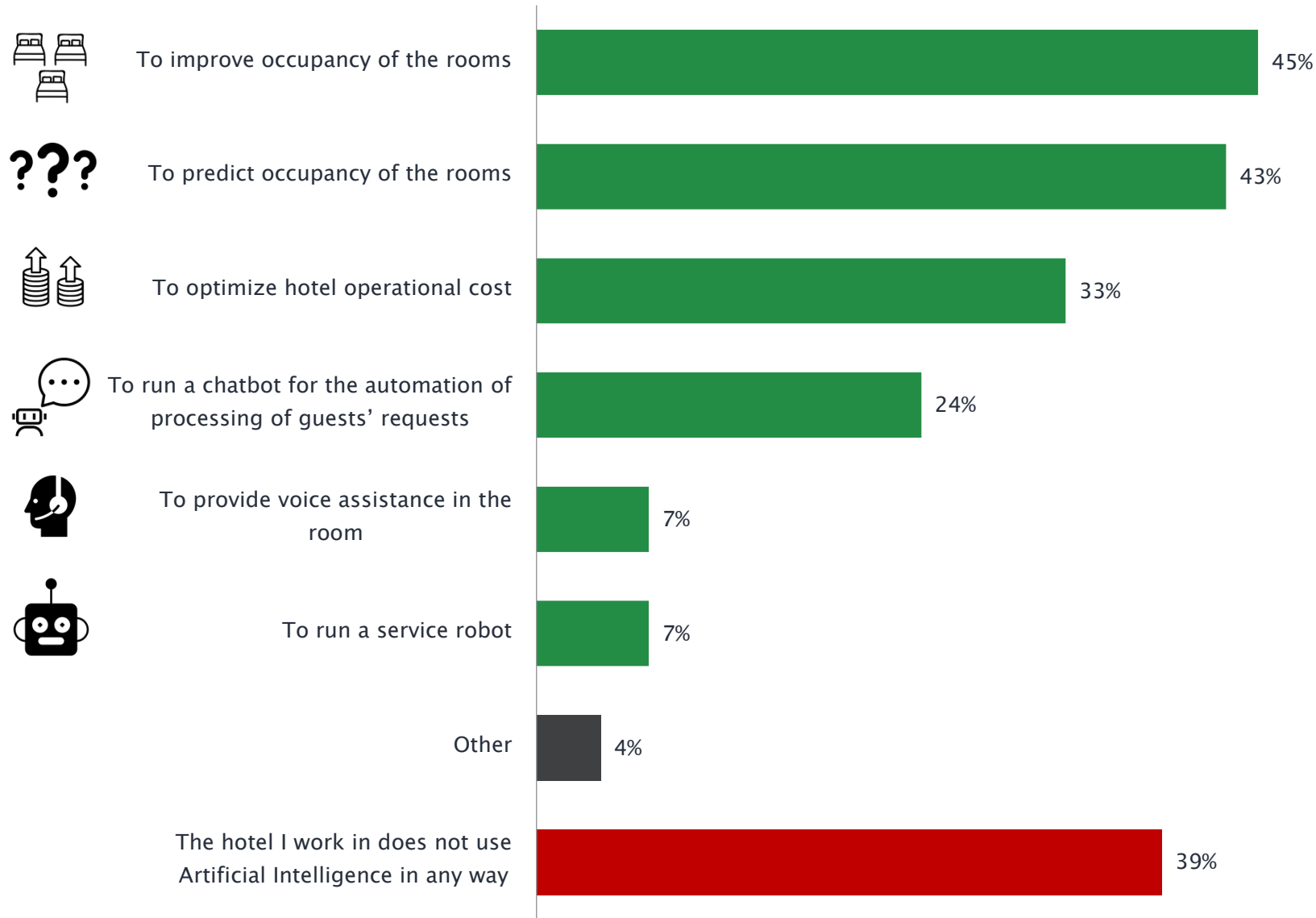| Aspect	%
That the Hotel Management System increases Total Revenue Per Available Room	85%
That the Hotel Management System increases annual net profit	66%
That the Hotel Management System optimises employee productivity	54%
The cost of the Hotel Management System	43%
That the Hotel Management System has AI capabilities	18%
Other	8%
Don't know	3%

Artificial Intelligence

Hotel owners and decision makers are most likely to use AI to improve and predict occupancy of rooms

- Whilst three in five (61%) use AI in some capacity at the hotel they work at, two in five (39%) say that their hotel does not use AI in any way. The proportion of those who don't use AI drops to three in ten (28%*) amongst those at hotels with more than 50 rooms.

- This implies that those in larger hotels could be more likely to use AI than smaller hotels, alongside seeing AI capabilities as being more important.

Usage of Artificial Intelligence in hotels
% saying the following

To improve occupancy of the rooms	45%
To predict occupancy of the rooms	43%
To optimize hotel operational cost	33%
To run a chatbot for the automation of processing of guests' requests	24%
To provide voice assistance in the room	7%
To run a service robot	7%
Other	4%
The hotel I work in does not use Artificial Intelligence in any way	39%

13

Proposition testing

Likelihood to use proposed Hotel Management Systems

Showing % saying they are NET: Likely (very or somewhat likely) or NET: Unlikely (very or somewhat unlikely) to use proposed Hotel Management Systems

Proposition A

Costs 1% of annual NET profit and delivers…

■ NET: Unlikely   ■ NET: Likely

	NET: Unlikely	NET: Likely
Increase in TRevPAR of 15%	27%	55%
Decrease in operational cost by 12%	33%	50%
Optimised employee productivity due to automation of repeat chores	41%	38%
All of the above	20%	65%
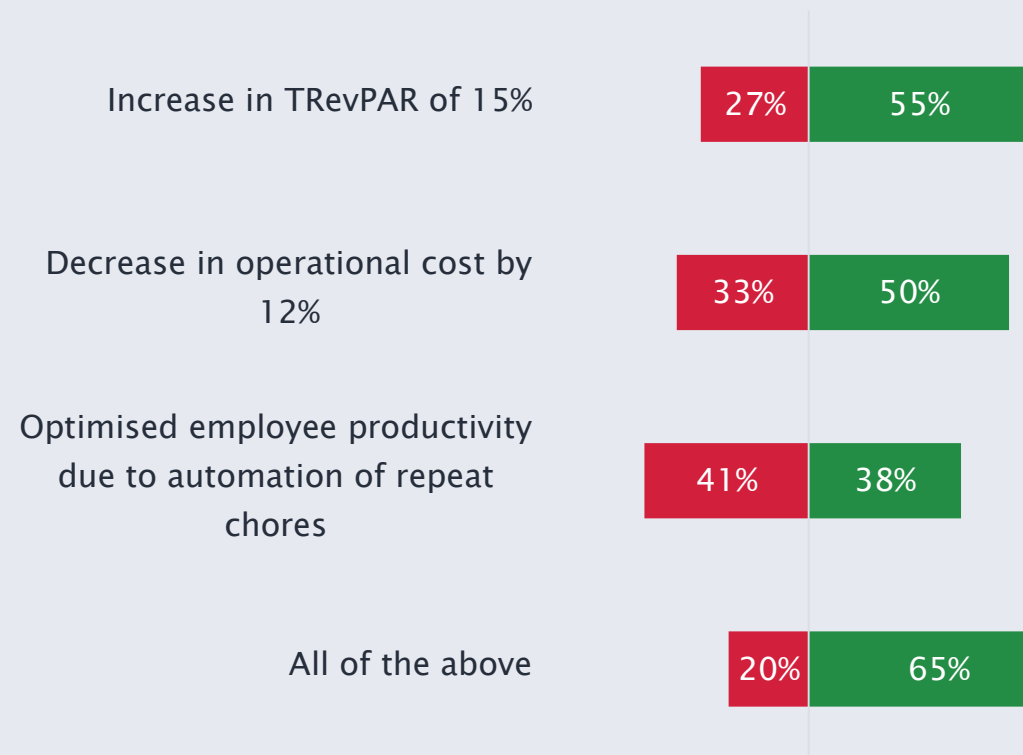
Proposition B

Costs 1.5% of annual NET profit and delivers…

■ NET: Unlikely   ■ NET: Likely

	NET: Unlikely	NET: Likely
Increase in TRevPAR of 20%	26%	59%
Decrease in operational cost by 12%	34%	49%
Optimised employee productivity due to automation of repeat chores	37%	43%
All of the above	26%	61%

Q4a, Q4b. Q4c, Q4d, Q5a, Q5b, Q5c, Q5d. Base: All respondents (n=100)
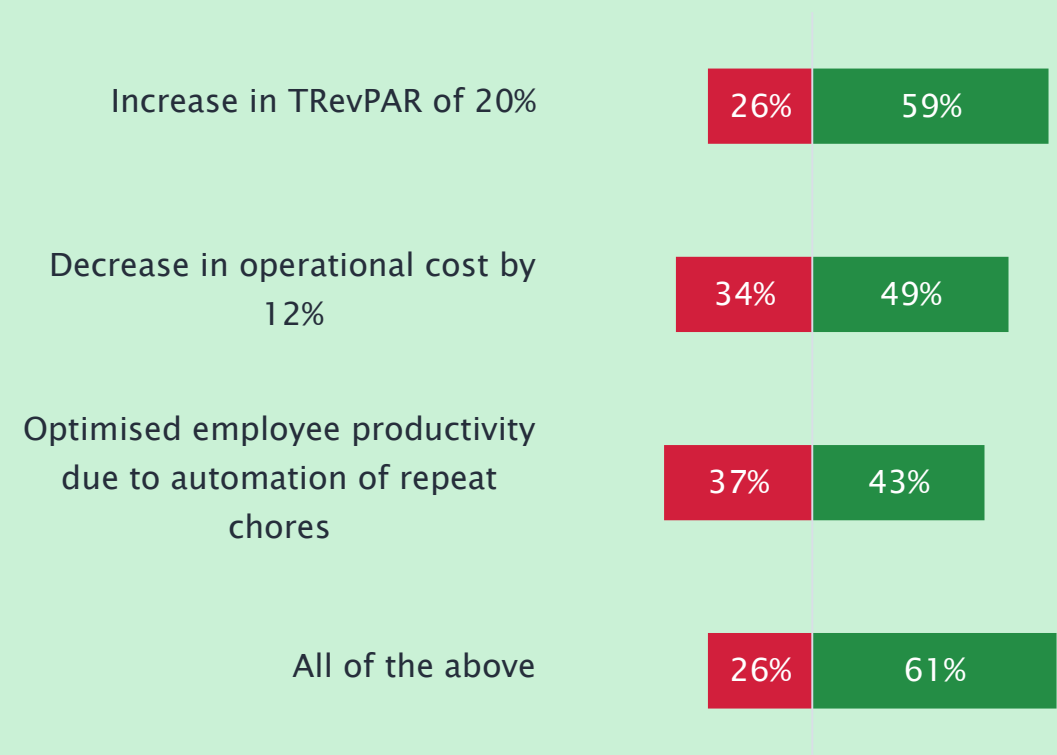
Two thirds of hotel owners and decision makers say they would be likely to use Proposition A if it delivered all of the benefits tested

- When testing benefits separately, hotel owners and decision makers are most likely to say they would use the Hotel Management System in Proposition A when it increased Total Revenue Per Available Room by 15% (55%). When other benefits are incorporated, likelihood to use is only increased by 10%.

- Those using AI in the hotel that they work at are more likely than those who do not to say they would use Proposition A if it delivered all of the benefits tested (72% vs. 54%).

Likelihood to use Hotel Management Systems that costs 1% of current annual net profit
Showing % saying the following

Proposition A:

I would like you to quickly jot down what 1% of the current annual net profit of your hotel is.

Next, I would like you to tell me how likely or unlikely you would be to use a Hotel Management System that cost 1% of your current annual net profit if it delivered…

Legend: ■ Very likely ■ Somewhat likely ■ Neither likely nor unlikely ■ Somewhat unlikely ■ Very unlikely ■ Don't know

	Very likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Very unlikely	Don't know	NET: Likely
An increase in your Total Revenue Per Available Room of 15%	25%	30%	6%	13%	14%	12%	55%
A decrease in operational costs by 12%	19%	31%	5%	7%	26%	12%	50%
Optimised employee productivity due to automation of repeat chores	16%	22%	12%	15%	26%	9%	38%
All of the above	35%	30%	7%	7%	13%	8%	65%

Q4a, Q4b. Q4c, Q4d. Base: All respondents (n=100)

Hotel owners and decision makers are similarly likely to use Propositions A and B across all benefits tested (61% vs. 65%)

- When tested separately, a third (34%) of hotel owners and decision makers say that an increased Total Revenue Per Available Room of 20% would make them 'very likely' to use Proposition B, higher than when all benefits are tested together. This indicates how important Total Revenue Per Available Room is to this audience.

- Results indicate that over one third (37%*) of hotel owners say that they would be unlikely to use Proposition B if it delivered all of the benefits tested, compared with three in ten (29%*) who say the same of Proposition A. This suggests that sensitivity to price might be of particular concern to hotel owners.

Likelihood to use Hotel Management Systems that costs 1.5% of current annual net profit
Showing % saying the following

Proposition B:

The Hotel Management System now costs 1.5% of your hotel's annual net profit.

How likely or unlikely you would be to use a Hotel Management System that cost 1.5% of your current annual net profit if it delivered…

■ Very likely ■ Somewhat likely ■ Neither likely nor unlikely ■ Somewhat unlikely ■ Very unlikely ■ Don't know

NET: Likely

Benefit	Very likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Very unlikely	Don't know	NET: Likely
An increase in your Total Revenue Per Available Room of 20%	34%	25%	6%	5%	21%	9%	59%
A decrease in operational costs by 12%	13%	36%	8%	6%	28%	9%	49%
Optimised employee productivity due to automation of repeat chores	15%	28%	11%	12%	25%	9%	43%
All of the above	25%	36%	5%	7%	19%	8%	61%

Q5a, Q5b, Q5c, Q5d. Base: All respondents (n=100)

Final thoughts

Whilst many are clearly satisfied with the Hotel System that they currently use, there is clear appetite for the propositions tested in this research – particularly amongst those that already use AI.

Those surveyed also flagged key concerns with Hotel Management Systems, including lack of offline functionality and technical support. These could be points of differentiation for Modinori if taken forward and evidenced correctly.

Increasing Total Revenue Per Available Room comes out as a key message for this audience. When tested separately from other benefits, over half of hotel owners and decision makers are likely to use the Hotel Management Systems proposed based on increases in this metric alone.

For Modinori, the next challenge will be convincing this audience that it will be able to deliver on these propositions – and Total Revenue Per Available Room in particular.

Contact Information

Meghan Oliver
Associate Director
meghan.oliver@comresglobal.com
020 7871 8645

Max McEwan
Senior Consultant
max.mcewan@comresglobal.com
020 7871 8637

Emily Whitford
Research Assistant
emily.whitford@comresglobal.com
020 7871 8673