

LAB UNIVERSITY OF APPLIED SCIENCES
Faculty of Tourism and Hospitality, Lappeenranta
Degree Programme in Tourism and Hospitality Management

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The Hazardous Impact of Digitalisation on the Future of Hospitality Industry. Matter of Dispute.

Thesis 2020

Abstract

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The objective of the study was to analyse the impact of Digitalisation on the future of Hospitality Industry from its positive and negative points of view. The research focused on covering all the aspects regarding digitalisation and hospitality terminologies in order to find correlations and disputes. The study was conducted by a third year student of Tourism and Hospitality Management, Beno Khetsuriani.

The data for the thesis were collected implementing mixed-method approach. For the Qualitative part, the author has conducted a semi-structured interview with Industry Professional. As for the Quantitative, an Online Google Form Survey was designed. The theoretical framework was built on the basis of Hotel Management Literature and Internet Sources.

As a result, the thesis represents a plea to all those involved in hospitality industry to consider the potential problem of Digitalisation in order to make proper decisions.

Keywords: Digitalisation, Hospitality, Impact

And Information and Communication Technology has allowed more and more people to limit their interactions with others, creating what some people fear is, a population, that could lose some of what makes it human (Rouse, M. 2020).

Table of contents

Table of contents	4
Acknowledgement	7
1 Introduction	8
1.1 Background of the topic	9
1.2 Reasons for choosing the topic	10
1.3 Research Questions	11
1.3.1 Delimitations of the Thesis	12
1.3.2 Research Methods	12
2 Common Understandings of Hospitality	13
3 Background of Hotel history.....	15
3.1 Four Stages of Development.....	15
3.1.1 First Stage: <i>A hotel – is a lodging and accommodation space</i>	15
3.1.2 Second Stage: <i>Formation of Hotel Hospitality</i>	16
3.1.3 Third stage: <i>Technological Revolution</i>	17
3.1.4 Fourth Stage: <i>The Era of High Tech and High Touch</i>	18
3.2 Graph of Hotel & Hospitality development through years	20
4 Digitalisation: Background	21
4.1 Digitalisation and Digitisation Definitions	21
4.2 Digitalised Business Models	22
4.3 Information and Communication Technologies (ICT)	24
4.4 E-Business	25
4.4.1 E-Business Environment.....	25
4.4.2 E-business Metrics	27
4.4.3 E-Business Management Strategy. Case: OTA.....	28
5 Meaning of Hospitality in Hotel Industry	29
5.1 Hospitality from psychological point of view.....	30
5.2 PPePPS Acronym.....	32
5.2.1 Personalization.....	33
5.2.2 Positive emotions	33
5.2.3 Proximity.....	34
5.2.4 Professionalism	34
5.2.5 Surprise	35
5.3 Guest perception of a hotel.....	35
5.4 Four Seasons motto.....	36
5.5 Hospitality in Human Resources Practice (HRP).....	36
5.6 Georgian Hospitality.....	37
6 Problem Statement	39
7 Digitalisation Trends: Two Points of View	41
8 Customer and Digitalisation	41
8.1 Digital Innovations in Hospitality to improve user experience.....	42
8.1.1 Digital Key Access.....	42
8.1.2 Online Check-in & Check-out	43
8.1.3 Recognition technology.....	44
8.1.4 Virtual Reality (VR).....	44
8.1.5 Augmented Reality (AR)	45
8.1.6 Online Review Platforms.....	45

8.1.7	Mobile Devices in Hotel Rooms	47
8.1.8	Texting Concierge. Chat Bot.....	48
8.2	Summary: Customer and Digitalisation	49
9	Comparative Analysis of Different Target Customer Groups: Millennials and Seniors	51
9.1	Population Segmentation by Age Groups	51
9.1.1	The Silent Generation	51
9.1.2	Baby Boomers	52
9.1.3	Generation X	52
9.1.4	Millennials/ Generation Y	52
9.1.5	Generation Z.....	53
9.2	Statistics	55
10	Hotel and Digitalisation	57
10.1	Digital Innovations in Hospitality Operations	59
10.1.1	Chat Bot Usability	59
10.1.2	Virtual Reality: Travel Industry POV.....	59
10.1.3	Property Management Systems	60
10.1.4	Customer Engagement and Data Collection	62
10.1.5	Customer Relationship Management and Customer Data Platform 64	
10.1.6	How Hilton uses CDP systems to improve the strategy?	65
10.1.7	Online Reputation Management	67
10.1.8	Undeniable Problem of TripAdvisor	68
10.1.9	Online Travel Agency	69
10.2	How Hotels handle the challenge of OTAs? ROOMKEY	71
10.2.1	Aggressive Sales Tactics	72
10.2.2	Unfair Property Sales Management	72
10.2.3	The False Feeling of Choice	72
10.2.4	Overbooking.....	73
10.2.5	First Concern of Digitalisation problem	73
10.3	Summary: Hotel and Digitalisation	74
11	Empirical Study: Qualitative Semi-Structured Interviews	75
11.1	Case Study: Hilton Helsinki Kalastajatorppa	75
11.1	Research Description	76
11.1.1	Type of approach	76
11.1.2	Type of qualitative Analysis Process.....	77
11.1.3	Type of Analytical Procedure	77
11.1.4	Hilton Helsinki Kalastajatorppa.....	77
11.2	Results of the Interview	78
11.3	Comparative Analysis: Correlation of Digitalisation & Hotel Type	80
11.3.1	Case 1: Boutique Hotel Rivoli Jardin	82
11.3.2	Case 2: Cheap Sleep Helsinki Hostel	83
12	Empirical Study: Quantitative Method of Data Collection	85
12.1	Research Description	85
12.2	Population and Sampling	85
12.2.1	Population	85
12.2.2	Probability Sampling method.....	86
12.3	Data Collection Process	86
12.4	Survey Questions	87
13	Results of the Research.....	88

13.1	Results of Introduction Questionnaire.....	88
13.1.1	Age Group.....	89
13.1.2	Nationality	89
13.1.3	Current Occupation.....	91
13.1.4	Studying Organisation	91
13.2	Topic-related Questionnaire.....	92
13.2.1	Planning a Trip.....	93
13.2.2	Booking a Trip.....	94
13.2.3	Reviews' Falsification on TripAdvisor/Booking.com	94
13.2.4	Preferred type of accommodation	95
13.2.5	Awareness about Online Check In and Check Out systems	95
13.2.6	Visiting a hotel: case.....	96
13.2.7	Human provided Services vs Digital Devices	97
13.2.8	Consent with statement 1	98
13.2.9	Consent with statement 2	99
13.2.10	Explanation of choice.....	101
13.2.11	High tech or High Touch	103
13.2.12	Opinions, Suggestions about the topic	103
14	The Best practice of Digitalisation with Consideration of Hospitality. Airbnb	104
15	COVID-19 Pandemic related Digitalised Measures In Hotel Industry	105
15.1	Mobile F&B orders for guest's safe stay	106
15.2	Touch-less Check in	106
15.3	Digital format of Printed Documents	107
15.4	Google advice to marketers on how to recover.....	108
15.5	Hilton Recovery Programme	108
16	Does the Guest of Future want High Tech or High Touch?	110
17	Recommendations	111
17.1	Further research	111
	Figures	113
	References.....	115

Appendices

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Appendix 5

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1 Introduction

A famous hotelier and traveler – Bashar Wali has shared a story, which perfectly describes the level of Hospitality customers can experience nowadays.

Mr. Wali is a known person in hospitality industry, every hotel he visited has shown their biggest pleasure and honor for Bashar choosing their accommodation facilities. Though, the efforts of these hotels seemed quite routine to Bashar: every time he entered the front door of the hotel, front desk staff were greeting him in the same way, whilst a bottle of good Prosecco and a beautiful postcard with the best greetings were waiting for him in the room. The greeting cards in most of cases were having similar contents, which cannot surprise an experienced hotelier and traveler.

Nevertheless, during one of Mr. Wali's stays in the US, a five-star hotel managed not only to delight Bashar, but forever imprint itself in guest's memory. The same and common procedure with greetings awaited Bashar everywhere: excited faces of front desk personnel, greetings, a bottle of Prosecco with two *la flute* glasses and an envelope. The envelope contained of the basic greetings text that Bashar was used to see. However, the P.S. footnote content amazed him. The bottom line said: *The Blackish TV series is on channel twelve tonight at 20:00 o'clock.* The delight and impression swept Bashar so hard, that he was not able to figure out how the hotel staff could know about his favorite TV series. It came out later, that the front office, being informed about Mr. Wali's arrival, has checked in advance his Facebook page in the section of "preferences", where "The Blackish" TV series was listed (Wali 2017).

This is a great example that illustrates the real meaning of being different and unique, as well as the boundless power of Hospitality in collaboration with digitalised technologies.

The mentioned case of hospitality was illustrated on TED talks by Bashar Wali in 2017. Mr. Wali was discovering the topic of importance of human connection and hospitality in each hotel, refuting the definition of a hotel as an *accommodation facility for guests*. Based on the relation of human connection and hotel, the author of the thesis has deepened into the relation of world's most popular trend in

twenty first century – digitalisation, with hospitality. Meantime, the definitions and understandings of Hospitality and Digitalisation are contradicting each other in their founding. As Digitalisation in hospitality industry is a huge issue and trend, the author decided to take a look on the negative and positive affection of digitalisation on the future of hotel industry.

1.1 Background of the topic

As it was mentioned before, the author's intention to discover the topic of digitalisation-hospitality relation appeared after watching the TED talks video about importance of hospitality and human connection in hotel industry. The research gap revealed itself from the early beginning:

Stating that hospitality is an irreplaceable feature of the hotel which considers strong human connection and customer service, the question arises: how can *digitalisation* (which, on the contrary, is the process of converting everything into the digital format), be integrated into the industry so, that it will not destroy it? (IGI Global n.d.).

To find out the research questions, first of all, the analysis of the already existing studies was conducted. After making the research, the author made several conclusions:

- Digitalisation impact on the Hospitality industry – is a common topic for discussion in numerous sources.
- Academic works conducted on the topic of digitalisation impact on hospitality industry were most frequently described, e.g. description of core trends of digitalisation in hotels and restaurant.
- Academic works conducted on the mentioned topic have no clear conclusions and have not brought out any advice or conscious output.
- Web sources and literature review has shown poor description of *clandestine* impact of digitalisation on hotel industry. Web sources have descriptive articles on current trends, whilst books, due to their old release (most of Hotel and Restaurant businesses books from LUT Library have been released at latest five-six years ago), are just describing digitalisation as a

phenomenon, which will take place nowadays and improve the overall industry.

Most commonly, digitalisation trend is described as a process which automates the overall work of an enterprise, primordially giving it a positive attitude. The fact of simplifying the employees' working process, as well as the user experience with digitalisation cannot be denied. Nevertheless, when taking into consideration the hospitality industry, the digitalisation of working processes in the enterprise sensibly decreases the level of employee-customer interaction, what dramatically affects the expression of hospitality. *Hospitality – is the feeling expressed by a human only.* Can an electronic device show the same feeling? The answer is obvious. (Wali 2017.)

1.2 Reasons for choosing the topic

The author's desire regarding the thesis process was to find a topic, which could interest him and which could have an impact on the mentioned industry. Besides, the author wished to state a new problem, what has not yet been observed and examined, using inductive logics of thesis writing. For that reason, the choice was inclined to the topics that have a poor background research or have not yet been discussed, even though can have a potential value.

The problem of digitalisation impact on the future of hospitality industry is closely related to the author, because of being a representative of hotel industry. The author finds it of vital importance to show the actual impact of digitalisation on the industry, analysing both: negative and positive parties, as well as make conclusions on the possible outcomes of digitalisation trend in hospitality industry.

After making a research on the topic related academic works, the author found out that there is a lack of information on the negative impact of digitalisation on the hotel industry. As it was found out, most of the writings related to the topic of Digitalisation in Hospitality industry observed and described the digitalisation trends available nowadays. Researchers were mainly describing the trends of past in comparison with 21st century. Audience perceives the digitalisation trend as process, that automates the operations of the hotel. In fact, employees are not thinking that some job positions could disappear within next few years. There will

be no receptionists, front desk agents, who are greeting every visitor entering the door of the hotel; a profession of concierge will disappear, as there is no more need to ask questions to human, when there is an Artificial Intelligence Chatbot, whom a client can ask any kind of questions (Social Tables 2019).

If human-provided services are replaced with devices, there is no more hospitality. And *hotel without hospitality – is just a building. Bricks & Mortar. Glass & Steel* (Wali 2017).

Because of the mentioned reasons, the topic is needed to be observed and analysed, as the research problem should be taken as serious as possible in long-term prospective. The author of the thesis believes that describing the upcoming problem as soon as possible, will help future hoteliers to manage their decisions regarding the digitalisation involvement.

1.3 Research Questions

From the primary analysis conducted by the author on the subject selection stage of the thesis process, the poor background on the impact of digitalisation on hospitality industry was approved. The existing knowledge in this case – is the information about the positive impact of digitalisation in hotel industry, as well as its main trends. Literature review, online web sources and extraneous researches conducted, most commonly, compile information about the digitalisation as a phenomenon, that will change the world in nearest future, especially the hospitality industry. The key words from all the sources mentioned above were: capability, user experience, comfortability, fast access, customer engagement in data collection, etc.

The gap in the research, which creates the research questions – is the negative side of digitalisation, which, in author's opinion, is hazardous for the future of hotel industry. For that reason, thesis will answer four main questions to develop the topic of negative and positive sides of digitalisation and their comparison:

- What is Hospitality and why is it so important for the industry?
- What has Digitalisation brought to the Hotel and Hospitality Industries?

- What is the negative impact of Digitalisation on the Hotel and Hospitality Industries?
- Why can Digitalisation harm Hospitality Industry?
- Does the Guest of the future want High Tech or High Touch?

1.3.1 Delimitations of the Thesis

Topic, chosen by the author, is a global and large issue, that can occur in hospitality industry within next years. To describe and specify the topic, thesis will have particular delimitations:

- Research carried out shows the actual impact of digitalisation in the nearest future, analysing all possible affects;
- Research will show the positive and negative sides of digitalisation in comparison with each other, with deepened analysis on the negative side due to its primary data lack;
- The research comprises the topic of digitalisation impact on the hospitality industry, though the biggest attention is dedicated to the hotel industry. In author's opinion, the hotel industry is the one of the most affected by the digitalisation;
- The research conducted considers the impact on hotel industry, which first of all, includes the concept of a *hotel* and its diversity of types (e.g. motel, hostel, boatel, etc.);
- The author of the thesis does not encourage readers to deny from digital technologies' implementation in Hotel Operations. The author wants to show the possible result of continuous and effective replacing of human-provided service with a device, in order to highlight the importance of *hospitality*.

1.3.2 Research Methods

The author has used deductive logic of thesis writing, where, first of all, the known data has been analysed. Nevertheless, besides analysing existing data, the author suggests own theory on the basis of observations, what adds *grounded theory* characteristics to the research. (Saunders & Lewis & Thornill

2009, pp.148-149.) As a result, the author will reveal the information, which will describe the actual impact of digitalisation on the hotel industry.

The author has chosen *mixed methods approach*, where quantitative and qualitative methods are used. Moreover, the mixed method approach has been narrowed to *mixed-model research*, in order for the author to be able to *qualitise* quantitative data. (Saunders et al. 2009, pp. 151-153.)

As for the first one, the author has created an Online Google Survey, in order to collect data from respondents' group. Qualitative research method has been implemented by organising semi-structured interview with the representative of Hospitality Industry in Finland.

In addition to the common techniques for data collection, the author wanted to use *Delphi Poll method* of forecasting. The idea of Delphi Poll is to survey a group of professionals of one particular industry during a panel discussion using an open-ended questionnaire. After submitting the replies to the survey, the papers are circulated among the participants, so that they can take a peer review on the opinion of others. The procedure is processed several times in order to reach more sharp, exact analysis of the respondents. In such way, the opinions of several professionals can reach a certain consensus, as they consider each other's arguments. (Cetron & DeMicco & Davies 2010, pp. 2-3.) Due to the restrictions caused by COVID-19, the Delphi method was not arranged among the industry professionals. Author's main goal was to use this type of data collection for experimental purpose, to see if the method works for the chosen topic.

2 Common Understandings of Hospitality

To start with, the author wants to introduce the common understandings of the word *hospitality*.

Hospitality industry is built on human relationships and interactions between guests and hosts. These two parties are the essential elements – the basis of the

whole industry. As parts of hospitality industry people usually understand the following fields: restaurants, hotels, events, catering services, etc.

In other words, what differs hotel, restaurant and event branches from all other industries? Hospitality.

Most commonly, hospitality is understood as a service provided in hotels, restaurants and events. At the same time, the definition from the dictionary tells the following: *the activity of business of providing service to guests in hotels, restaurants, bars, etc...* (Cambridge University Press 2020).

Chon, K. & Maier, T. in *Welcome to Hospitality. An Introduction* have given a definition to a hospitality from the industry point of view. According to them, *hospitality industry – comprising businesses that serve guests away from home – can be defined by its scope, mission and providers* (Chon & Maier 2010, p.5).

Though, to have clear vision of a particular term, it is recommended to take a look on the objective from various angles. A word *hospitality* can be even found in religious history. For example, the New Testament of the Bible has five mentions of the word hospitality. According to Romans 12:1, *Share with God's people who are in need and practice hospitality*, is one of the five mentions in the book (The new Testament of the Bible first century AD).

With no doubt, all of the mentioned definitions perfectly describe, in author's opinion, the most suitable and most reliable definition of hospitality was given by famous hotelier and traveller – Bashar Wali, who has explained hospitality as a great feeling, which can be expressed by human only. *Hospitality – is one of the best qualities a human can possess, which, in the aftermath, creates the term of human connection* (Wali 2017).

Moreover, hospitality is the main and the only factor that converts a beautiful building with numerous rooms and reception into a hotel.

3 Background of Hotel history

3.1 Four Stages of Development

To understand and define the problem of the thesis, deepening into the hotel's history is needed. After making a deep analysis on the history of two mentioned terms, the author suggests to divide the process of hotel development into four core stages:

- First stage: *A hotel – is a lodging and accommodation space*
- Second stage: *Formation of Hospitality*
- Third stage: *Technological Revolution*
- Fourth stage: *The Era of High Tech and High Touch*

The author will show the core stages of hotel industry development and detect the first manifestation of hospitality understanding. The research conducted on the history of hotel industry, will help the reader to explore the trends and the changes of the industry and see the possible impact on the future of hotel industry.

3.1.1 First Stage: *A hotel – is a lodging and accommodation space*

In the very beginning, a hotel was considered as an accommodation and lodging place. During the Roman times, *hoteliers* were trying to attract guests to their lodging spaces by offering bathing facilities. A Roman bath had a great value, which, later on, became one of the main reasons for strangers to visit these accommodation places provided by owners. Later on, caravanserai appeared, which provided accommodation facilities for caravans in Middle East. (Levy-Bonvin 2003, pp. 43-49.) The caravanserai were located at eight-mile interval from each other and served only for accommodation, excluding any extra services. Provision, food, drinks – were on the responsibility of the visitors themselves. (Chon & Maier 2010, pp.5-8.)

In the interim, if Middle East countries have established the name of *caravanserai* for presently known *hotel*, Europeans have named their accommodation and

lodging facilities as *inns*. Besides, inns also were also served with food & beverage and for horse stabling. (Wikipedia 2013.) If comparing a historical inn with one of the hotel types that exist nowadays – “B&B” (bed & breakfast) type hotel can be called a modified version of an old inn.

Greece, in its turn, has achieved comparably better results in hospitality development. For the ancient period, Greece was showing a high level of hospitality with the food, that was offered to the guests. A great choice of meat, fruits and wine – all these components were creating *customer experience* in ancient times. (Chon & Maier 2010, p. 7.)

Moving to thirteenth century, in China, first *staging posts* were established for the couriers travelling across Asian neighbour countries. The term “hotel” still does not exist, but *a lodging and accommodation space* is a relevant definition. It should be mentioned, that even though the function of the first hotels was centred on the accommodation provision, the hosts still took the responsibility of being hospital valuing all the traditions. The best definition to a way a host addressed the guest was given by Chon, K. in *Welcome to Hospitality: An Introduction: I am never a slave – except to my guest* (Chon & Maier 2010, p.6).

3.1.2 Second Stage: *Formation of Hotel Hospitality*

Finally, in the beginning of 15th century, in France, the first reference of a *hotel* appeared. From this time, most of European countries were developing hotel industry, as travelling facilities for people were improving. In the U.S. the technological progress and route of development played a great role in the hospitality industry, as they were providing the clients with conveniences in travelling. As long as the route and the city connections were getting larger and stronger, the desire of the small business owners to open an inn located near the railway station was growing. (Chon & Maier 2010, pp. 82-86.)

Travel & stay started gaining its popularity. The business owners had even started to overtake the development of the railroad and were building new inns, before any railroad was planned. Such gesture shown from the inns’ owners have positively affected the decisions of the infrastructure engineers in expanding the

roads between cities. As a result, the desire of inns' industry owners to develop was, in overall, developing the whole infrastructure of the U.S. (Wikipedia 2016.)

The mentioned century was the formation time for a hotel being a place of hospitality. It was the time when a service gained a new understanding: retentive and inferior service was differentiated by the visitors, feedback forms and WOM (word of mouth) was used to share the experience.

Already in seventeenth century, the owners of the inns have created their own mission and vision: customer service. As the hospitality industry was expanding with huge steps, the competition was growing rapidly, what made owners stand out from the crowd. The example of the standard customer service was described by Chon, K. & Maier, T. in *Welcome to Hospitality. An Introduction: Customer care was the focus as servers stood at the door to take each guest's hat and coat. The landlord or landlady then ushered the guest to a table laden with sparkling dishes and spotless linens* (Chon & Maier 2010, p. 83).

Coming closer to the first half of nineteenth century, the hospitality industry development has gone far enough to invent new professional positions. In 1828, when the famous Tremont House hotel was invented, the understanding of a hotelier came into use: ...*a hotelier, who was the keeper, owner, or manager of the property* (Chon & Maier 2010, p. 84). The Tremont House hotel was a three-stored building, with no elevator erected yet, what caused a need in employees, who can assist guests with their luggage. This was the starting point of establishing the *bellhop* position. (Chon & Maier 2010, p. 84.)

3.1.3 Third stage: *Technological Revolution*

Twentieth century for Hospitality industry has had a great value due to its numerous innovations. Hotel industry has totally changed its status in the business field. Owning an establishment that represents a hotel, has become a prestigious status among businessmen. In the first half of twentieth century, an occasion of vital importance occurred: King Alphonse Thirteenth was bothered by the fact, that Madrid, being the capital of Spain, did not have any prestigious hotels. For that reason, Ritz hotel was inaugurated in nineteen thirteen in Madrid. (Levy – Bonvin 2013, pp. 66-67.)

In eighties, hotel industry has integrated understandings of different target groups and *clientele*, which has significantly helped the hoteliers to manage accurately the *customer promise* for various customer groups. It was the time, when the trend of building hotels near airports, hotel for conferences, marina hotels and holiday villages was booming in the industry. The mentioned customer group classification was the first step in targeting and segmentation involved in hospitality industry. (Hospitality.net 2013.)

At the same time, technological progress has finally given a touch to hospitality industry – first Property Management System was integrated into basic hotel operations. As a result, the first reservation systems appeared – Fidelio, Hogatex. (Hospitality.net 2013.)

As it was mentioned before, the twentieth century was the era of innovations in hospitality industry. Biggest hotel chains were competing with each other integrating more and more facilities for their potential guests and creating loyalty programs based on the target groups. A famous hospitality innovator Ellsworth Statler, has made one of the greatest contributions to the industry: Statler was the first innovator who facilitated the working operations of the employees, for example, he provided ice tap water in each room in *Inside Inn*, which was of vital importance. According to Statler, *ninety percent of room calls for bellhops were only for ice tap water* (Chon & Maier 2010). Reading lamps, radios, towels, waiter's service station – all of these are just a scanty part of all inventions made by Mr. Statler.

From other important innovations in the industry, the author would like to highlight Hilton hotels company, which was the first one to integrate air conditioning in all rooms in the hotel and create a new way of service – *Room Service* (Hilton 2017).

3.1.4 Fourth Stage: *The Era of High Tech and High Touch*

As the last stage of hospitality industry development, the author suggests to deep into the twenty first century – current period. Hotel industry nowadays is an extremely valuable and perspective business, where the competition market has millions of participants. A great differentiation of hotels can be found. The modern

world has the trends, changing year after year, what makes the hoteliers change their strategies to follow the stream.

The Era of High Tech and High Touch in Hospitality industry is quoted by the introduction of Electronic Distribution Channels. The introduction of EDC is accompanied with three major inventions in the industry:

- Viewpoint of Internet as a source of selling travel related products and services. Year nineteen ninety-four is dated as the starting point of facilitated online booking of hotel rooms;
- Airline' development of the GDS – Global Distribution System;
- The First Holiday Inn built in Memphis, Tennessee.

As a result of the these historical events in Hospitality industry, the three major components appeared: CRS, GDS and IDS. (Hayes & Miller 2011, pp. 278-27.9.

Nowadays, professional hoteliers are trying their best to attract new customers, keep them to come again, for example, by offering loyalty programs. Hotel managers are using revenue management tools to control the costs and profitability, formulas to understand the efficiency of the implemented strategies, e.g. cost of acquisition and retention of new customers, RevPAR, GOPPAR, etc.

The revenue manager, whose main role was the knowledge of Revenue formulas and their implementation in hotel's functioning, has changed the responsibilities of forecasting the pricing strategies in order to reach the profitability, using a specifically designed Property Management System.

The Managers are able to control and improve customer experience, by using CRM and CDP systems and collecting customer data. Starting with huge PM systems that were created by biggest hotel chains for their own use, like Holidex – is a huge data and information centre created by Holiday Inn hotel chain; ending with private start up systems, that are created for smaller hotels. The last ones can be found easily on the Internet: the only thing that the manager has to decide is to see which of the listed PMS/RMS will best fit his / her business. Each of the systems can easily calculate and set up the needed data for operations. The Intelligent reporting – is one of the core features of any kind of PMS, especially for

the Revenue Management Tools. The computerised system can collect, analyse and convert the data into valuable reports, which will create the basis for the managers in their decision-making. (Hotelminder.com 2020.)

3.2 Graph of Hotel & Hospitality development through years

In this chapter the author demonstrates the periods of Hotel & Hospitality development in a pre-designed graph. The illustration will help the reader to better see the borders and transitions between the three core stages of development.

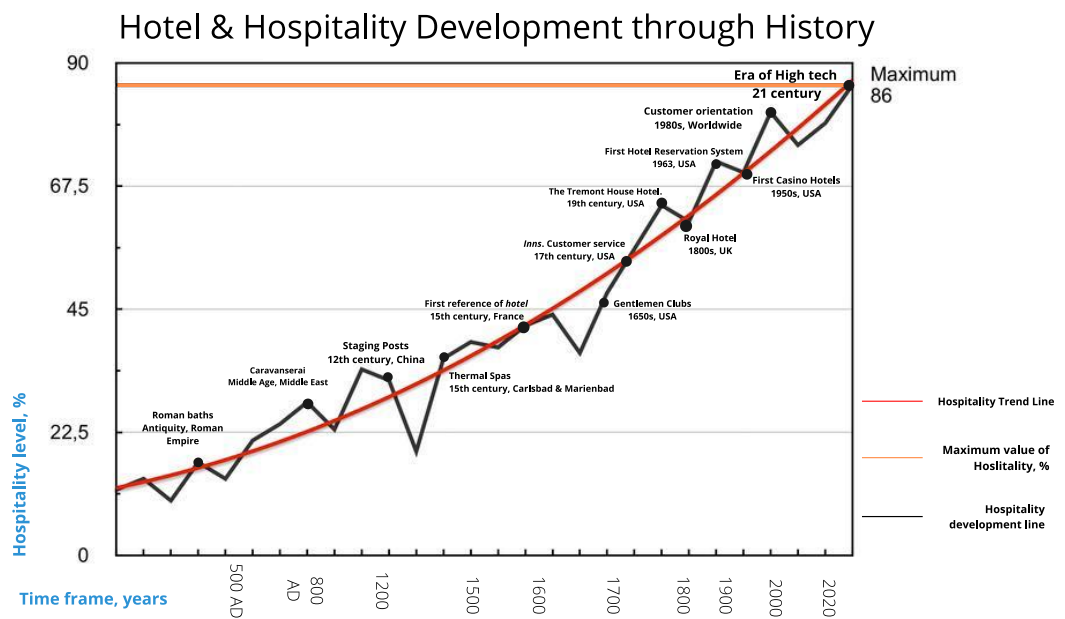


Figure 1. Hotel & Hospitality Development through History (Khetsuriani 2020).

The graph demonstrated above is an illustration of hotel & hospitality development, including the most significant dates of the industry. Each of the occasion described has made a contribution to the hospitality industry. The red line on the graph shows *the positive trend line* which stands for Hospitality development in the industry. Term *hospitality* in the graph is shown in percentages. Values of hospitality are estimated by the author, in order to make it easier for the reader's perception. By expressing hospitality in percentages, the author can show how hospitality, as a quality, was increasing in its value and importance through years. As it can be seen nowadays, hospitality level has its highest value: the orange line on the top of the graph demonstrates the maximum value of the ratio.

As mentioned above, each of the occasions on the graph has contributed to the industry so, that it has experienced valuable changes. The higher value hospitality has on the graph, the more valuable occasion has occurred in the industry.

4 Digitalisation: Background

At this stage of thesis, the author suggests to deepen into the background and understandings of Digitalisation process. Discovering the genuine meaning of digitalisation in the modern world will help the reader to see the underlying problem caused by digitalisation as a consequence. The following topic is relevantly new for researchers, as it describes the ongoing trend occurring in all spheres of everyday life. Most commonly, digitalisation is perceived as a process of facilitation of operations in a particular environment. As it usually happens, the introduction of innovations to the world market hides all the negative consequences occurred. For that reason, researchers are trying to reveal the possible negative impacts on the first stages of a new phenomenon introduction. Digitalisation, being one of those phenomena, will definitely bring new challenges for the marketers and consumers, which will careful observation and further problem-solving.

4.1 Digitalisation and Digitisation Definitions

According to the Oxford Languages Dictionary, (Oxford Languages 2015) Digitalisation – *is the conversion of text. Pictures, or sound into a digital form that can be processed by a computer.* Google Graphs show that the frequent utilization of word Digitalisation has started back to year two thousand, and since that time, the reference to the word had a huge increase over the years (Google Graphs 2017).

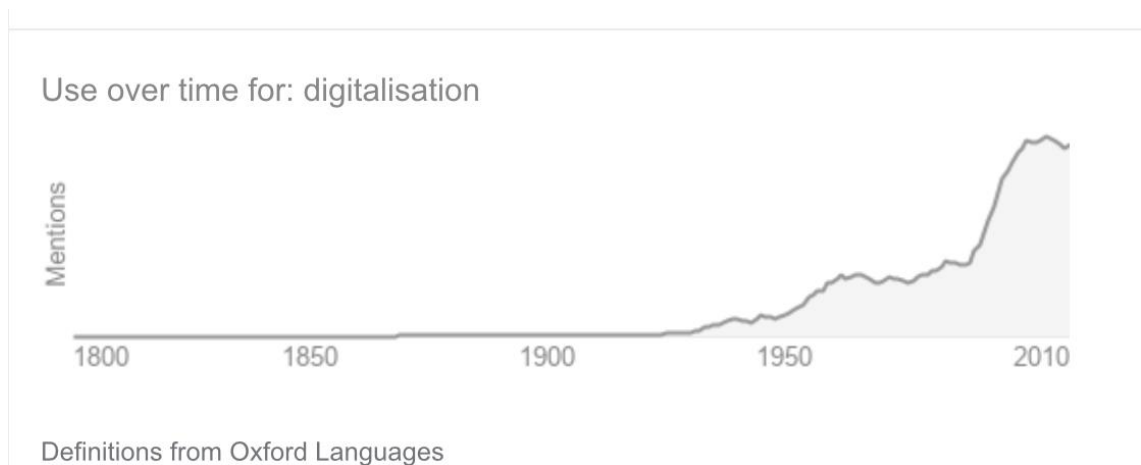


Figure 2. Use over time for: digitalisation (Google Form 2017).

It should be mentioned, as Digitalisation being relevantly new term, which was introduced to the society, there are numerous interpretations of the word. For example, BMW – one of the most famous car manufacturers in the world, suggests that Digitalisation *is complete networking of all sectors and society, as well as the ability to collect relevant information, and to analyze it and translate that information into actions...* (BMW 2015).

Researchers propose that Digitalisation should not be related and juxtaposed with *Digitisation*. Digitisation is a part of Digitalisation, which composes the process of converting information from physical to digital format. Meanwhile, Digitalisation is about *leveraging digitisation to improve business processes* (Working Mouse 2017). For example: sending an Electronic mail, instead of paper mail, to the guest of a hotel – is an example of digitisation; using Online Check In and Check Out systems for facilitating the hotel operations – is an example of how digitalisation works. In case of the thesis, the author discovers the topic of Digitalisation and its impact on the industry.

4.2 Digitalised Business Models

Companies from different business spheres are seeing the increasing need of digitalisation involvement into the operations of the company. The trend is caused by the demands of consumer groups, world technological progress and the changing perception of services for customers. User Experience is playing one

of the key roles for the potential clientele, when choosing one company's services (Tonder 2020).

Following the customer needs, companies are acquiring business models that imply the digital technologies. As a result, researchers are discovering new digitalised business models integrated into leading companies in all industries. On the case studies of modernised companies, researchers are illustrating examples of how digitalisation of company's operations can help one to succeed on the market.

According to World Scientific academic paper (Schallmo & Williams 2018), Digital Transformation of Business models has to consider four core aspects:

- Digital Data – collection and analysis of digitised data;
- Automation – combination of artificial intelligence technologies;
- Digital Customer Access – mobile internet enabling access to clientele;
- Networking – wired networking for supply chain synchronisation

Digital Transformation of Business Models

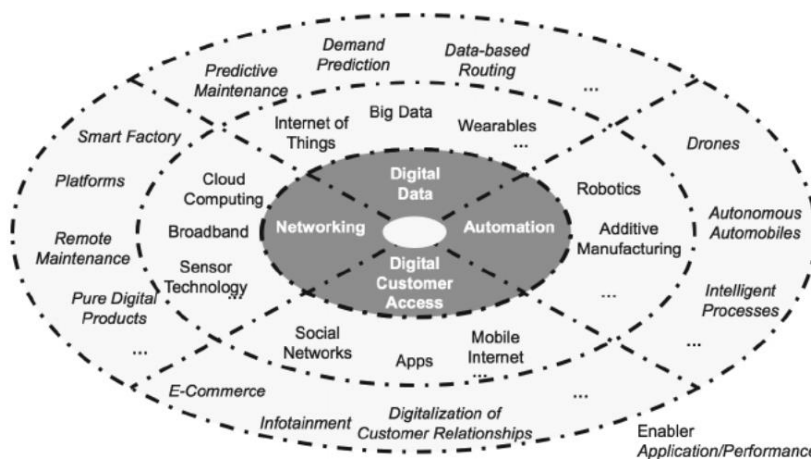


Figure 3. Digital Transformation of Business Models (Schallmo & Williams 2018).

The graph above shows the four core aspects, or *enablers*, as introduced by the researchers Schallmo and Williams, which compose the digital transformation of business models (Schallmo & Williams 2018). Each of the four enablers are di-

vided into numerous branches that create the digitalised experience for the customers of the company. An example of a Digital Business Model from Hotel Industry is introduced in chapter ten.

4.3 Information and Communication Technologies (ICT)

When referring to Digitalisation, as a process that has contributed to digitisation of business operations, Information and Communication Technologies, or ICT, is the industry which stands for overall technological progress. Topic of Digitalisation cannot be covered without mentioning the major infrastructure of ICT which is impacted by digitalisation. ICT refers to technologies that provide access to information through telecommunications. Similar to IT – Information Technologies, ICT is concentrated on communication technologies and facilities. (TechTerms 2010.)

ICT includes seven major components:

- Cloud Computing;
- Internet Access;
- Software;
- Hardware;
- Data;
- Communication Technologies;
- Transactions.

On the basis of these components, ICT can be used for measuring the extent to which a particular group is digitalised. ICT DI – Information and Communication Technologies Development Index stands for measuring country's ICT level. In other words, the Development Index (DI) is measuring the overall performance of a country in each of the seven components of ICT. The list of countries with the values of ICT DI is published every two years in open access in the Internet. (Search CIO 2018.) For example, in year twenty seventeen, Finland had twenty second place among the world, being one of the most ICT developed countries. (ITU Development Index 2017).

ICT is also referred as Fourth Industrial Revolution, due to radical change it has made to the world, creating a new *Digital Age* (Search CIO 2019).

4.4 E-Business

Digitalisation process has significantly contributed to the business development. In other words, digitalisation has introduced E-Business to the market – a new way of organizing business. If ICT composes all the information and communication facilities, eBusiness is *an application of information and communication technologies in support of all the activities of business* (Lanu 2020). In fact, eBusiness is closely related to the Digitalisation, as both of the processes imply the interaction with businesses, not just digitisation of physical operations.

Paul Beyon-Davies has defined eBusiness as an *area which involves the interaction of ICT, information systems and information with organisational activity* (Beyon-Davies 2013, p. 2). The definition itself proposes that eBusiness is a modern way of business organisation, which is impossible to be applied without strong ICT. Companies, which are based in countries with high Index of ICT, are more likely to succeed in eBusiness management, as the demand for modern and digitised patterns of organisation is higher for most of the consumer groups. As a consequence, companies are integrating eBusiness models to enhance the online sales. Moreover, some of companies would not exist without eBusiness, as they possess themselves fully digital online selling platforms, for example, Amazon (Lanu 2020a).

4.4.1 E-Business Environment

As mentioned before, innovations introduced to the market are revealing new challenges and requirements for its participants to be able to survive in the new environment. Along with eBusiness development, the online marketers were affected by the new standards and rules, that ones have to obey: eBusiness environment.

The eBusiness environment considers five major types of environment, compassing an eBusiness establishment nowadays:

- Economic Environment – economic system, in which the business is operating. Economic system considers three core mechanisms of controlling: Hierarchies, Markets and networks. With the introduction of eBusiness, the Hierarchies and Markets were reformed to eHierarchies and eMarkets. (Beyon-Davies 2013, pp. 21-22.)
- Social Environment – consideration of cultural life of particular consumer groups, which are segmented, for example, according to their demographics. In other words, an eBusiness company should consider the fact, that the older the customer group is, the least is the chance to make one needed in ICT. (Beyon-Davies 2013, pp. 22-23.) The comparative analysis of customer groups segmented by age is demonstrated in the chapter nine;
- Political Environment – concern for issues of the power and its distribution (Beyon-Davies 2013, p. 24).
- Physical Environment – concern of sustainable business development. E-business is considered as one of the core introductions of recent years, which could affect the global environmental problems, for example – climate change (Beyon-Davies 2013, p. 24). According to the researches, digitalisation of businesses and their transformation into eBusinesses can significantly affect the overall pollution problem in different ways
- Business Models – a concept, which considers the extent to which a particular business can survive in current environment. Due to radical changes in most of industries caused by digitalisation, Business models help the marketers to understand the potential and actual profitability of a certain establishment. (Beyon-Davies 2013, p.25.)

In the way it was described above, the marketers in Hotel industry are following the requirements of all the eBusiness environments:

- Consideration of the age of customer groups in correlation with integration of digital technologies in a hotel
- Existence on online selling platforms, creation of websites of the company

- Specific Revenue Management for organisation of revenue generation from selling through middle persons, e.g. OTA – Online Travelling Agencies.
- Integration of forms of eBusiness: B2B eCommerce, B2C eCommerce, Mobile commerce, eProcurement and eMarketing.

Analysis and observation of eBusiness environment adaptation in Hotel Industry is described in chapter ten.

4.4.2 E-business Metrics

Besides eBusiness environments concern, the companies, which are integrating in online existence and online selling, should consider the metrics for measuring the success of company's operations. For example, eMarketing management campaigns can no longer be measure with classic marketing measures, e.g.:

- Brand Awareness
- Share of Market
- ROI – Return on Investment
- Share of Voice
- Sales, Revenue, Profit, Margin

In addition to the mentioned metrics, marketing managers are dedicating time to the eMarketing metrics, which show the performance of the company on online market. (Lanu 2020b.) The Online platforms, like Facebook Insights, Google Analytics, CRM and CDP tools for measuring customer retention and acquisition are measure with:

- Conversion rate
- Engagement rate, comments
- CPA, CPC
- Likes, followers, etc.

On the basis of these eMetrics hoteliers are able to understand their customer needs and values, increase the customer satisfaction level by analysing CRM data collected.

4.4.3 E-Business Management Strategy. Case: OTA

Besides the worldwide consumer demand on modernised and digitalised services, that assure fast access and user experience, companies involve eBusiness management strategy for decreasing the cost of product/service delivery to the customer.

The graph below shows the core advantage of choosing eBusiness, instead of traditional – the possibility to omit the traditional steps of product delivery to the customer.

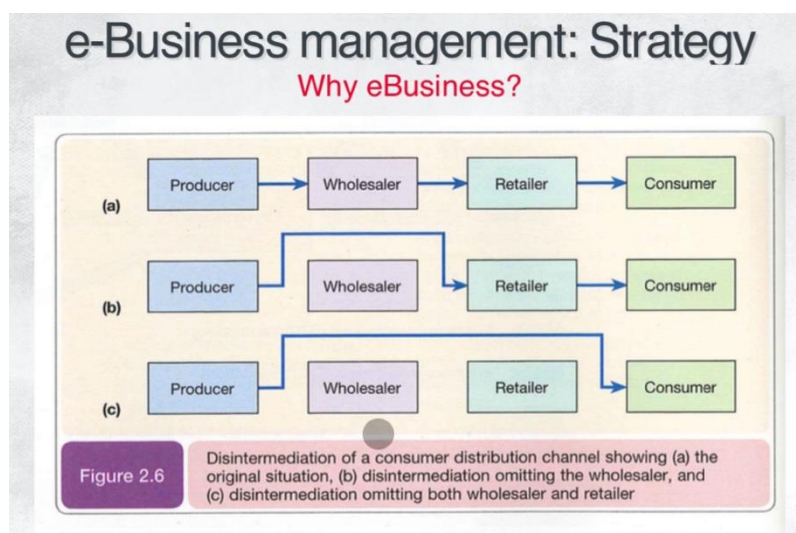


Figure 4. E-Business management: Strategy (Lanu 2020).

If a particular company uses its own designed online selling platform, it erases the need for the middle persons, that are in charge of delivery. The traditional way of business management considers fees and costs that are paid to the wholesalers and retailers, which can be avoided with the help of eBusiness strategy. (Lanu 2020a.)

Hoteliers have already acquired the habit of organising official website, which also has the role of directing booking. Nevertheless, hotel industry has been impacted by eBusiness strategies in a less profitable way (if comparing with other industries). E-business, being a powerful tool for organisation of business management nowadays, has caused the appearance of Online Selling Platforms, like

Booking.com, Trivago, Hotels.com, Momondo, etc. The mentioned Online Selling Platforms are also referred as OTAs – Online Travel Agencies. OTAs have become the most convenient tool for research, analysis and booking the desired accommodation for modern clients in twenty first century. From the other hand side, OTA's along with offering a huge spare of choice to the potential consumers, have significantly impacted on the hotel business: it is almost of vital importance for a hotel to exist on at least one of the OTAs, what makes the hotels pay huge commissions to the middle persons.

For example, in order for a hotel to be present on Booking.com, it has to pay a certain percentage fee. In such way, the room rates are sensibly higher on Booking.com in comparison with booking directly from the hotel website. Using a gorgeous marketing strategy, which has described Booking.com as a best tool for searching and booking the accommodation, millions of people around the world enjoy using it. It is the matter of fact, that Booking.com app has a really high level of User Experience. Potential consumers do not prefer booking directly from the website of a hotel, even if room rates have lower value.

Once again referring to Sami Lanu, the author would like to highlight the opinion of professional marketer, shared during course eBusiness Management in LAB University of Applied Sciences: *I hate Booking.com. I really hate it. But still I am using it sometimes* (Lanu 2020c). The phrase was said in the context of describing the impact of OTAs on the Hotel Industry, being on the side of the marketers in this industry. The author described the impact of OTAs with consequences it has caught in chapter ten.

5 Meaning of Hospitality in Hotel Industry

In the second chapter of the theoretical framework of the thesis, the author has given a brief introduction to understandings of *hospitality*, in order to allow the reader link the background of the term with the digitalisation trend and clearly see the problem statement in question. In this chapter, author deepens into the role and influence of hospitality particularly for hotel industry, as well as the way it perceived by a human.

To start with, the author suggest to refer over Bashar Wali, who has described Hospitality as *feeling expressed by a human only* (Wali 2017). In terms of scientific definition, hospitality can be described as *the activity of business of providing service to guests in hotels, restaurants, bars, etc...* (Cambridge University Press 2020). Hospitality, as a feeling has always been a part of human relationships, which has characterised one's positive attitude and intentions. For example, Brazilians, who are famous for the warmest hospitality manifestations, had a marvelous tradition in the past: inhabitants were putting fresh pineapples in the front of their house door, to show their ability to welcome any stranger passing by (Chon & Maier 2010, p. 3). In fact, pineapple is most commonly counted as symbol of Hospitality.

The first evidence of term *hospitality* dates back to first century, in Mesopotamia. Even though the understanding of hospitality as *satisfying and serving the guests* exists for more than two millenniums ago, the industrial value of it was created in fifteen century, as it was mentioned in previous chapter. Through years, the business world was acquiring a brand new industry – *Hospitality Industry*. In many countries all over the world, hospitality industry composes the biggest share of total GDP, what makes it the most profitable and economically strong industry. However, there were times, when industry was facing crisis. A terrifying example of industry crisis can be observed nowadays, in the period of pandemic caused by COVID-19.

5.1 Hospitality from psychological point of view

The author suggests to take a look on hospitality from a prospective of psychology, to observe how the term influences human feelings. This will help the reader to see the vital importance of hospitality in the industry.

Eva Simkova in her research paper (Simkova 2013), suggests the model of customer psychology, when one is choosing tourism destination:

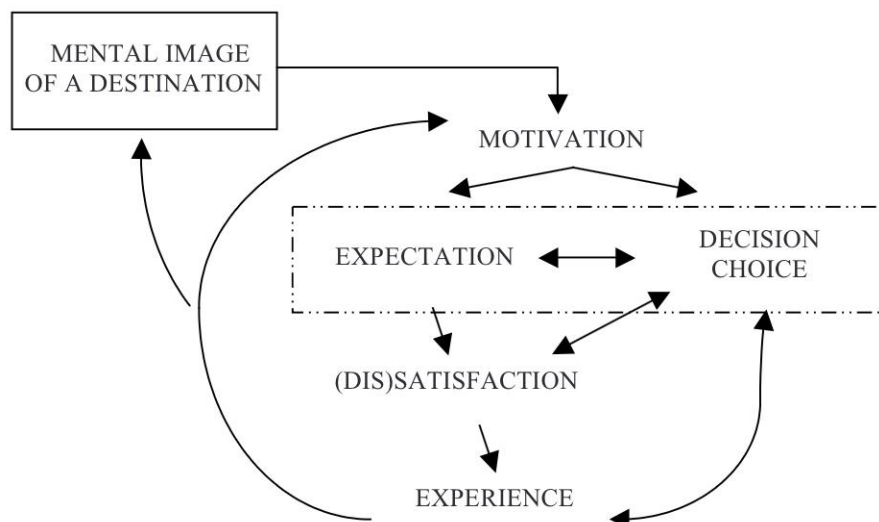


Figure 5. network of relationships forming a mental image of a tourism destination (Simkova 2013).

The figure demonstrates a client’s mental image, when choosing tourism destination and reveals the importance of client’s needs. Responding to the customer needs of the client help to reach satisfaction after experience stage, in order to leave a positive image of the destination. Understanding of these stages of client’s behaviour significantly helps the marketers to manage their business properly.

In order to follow customer’s personal needs, marketers should consider hospitality as a top priority. Usually, there is no matter on how an establishment appeals, its architectural and designer decisions are just garnishing the look of a building. What actually stays in clients’ mind – is the manifestation of hospitality towards them.

An accident happened in Four Seasons hotel in Toronto illustrates the example of what differs hospitality from all other components composing a hotel. Long-term bellhop Roy Dymont has received a call from a guest, who has left the hotel few hours ago and flight to Washington D.C. It came out, that the client has forgotten his luggage in the hotel. Without any doubt, Dymont booked flight tickets from Toronto to Washington with his own money and delivered the luggage to the

client personally. The CEO of Four Seasons Isadore Sharp has described this case as devotion, which money cannot buy. (Chon & Maier 2010, pp.119.)

On the other hand, Hotel Management theoretical framework considers a phenomenon determined as *Moments of Truth*. This includes all the opportunities for a guest to form an impression about the services and hospitality organisation. Moments of Truth can demonstrate both: positive and negative emotions. It should be mentioned, that Moments of Truth do not always consider human interaction between guests and staff of the hotel – it can be any object organisation that delights or frustrates the customer. (Hayes & Ninemeier & Miller 2017, pp. 45-46.)

Such customer service shown in any hospitality establishment leave indelible experience for the clients, what makes them choose the services of the same company again. Clientele's psychology is designed so, that the more hospitality one feels, the higher the chances are for a company to acquire the guest.

5.2 PPePPS Acronym

Sebastien Fernandez – is a specialist in Human Behaviour, who is currently representing Ecole Hotelier Lausanne. In his article, on e-Hotelier Insights, (Insights eHotelier 2017), he describes the way hospitality is acquired in restaurants and hotels, so that is notably influences customers' perceptions and behaviour. To illustrate the case, Fernandez is using PPePPS acronym, which stands for:

- Personalization
- Positive emotions
- Proximity
- Professionalism
- Surprise

The author suggests to take a look on the examples of how each of five components are used in action.

5.2.1 Personalization

Personalization – is a term, that has been repeatedly mentioned by the author, as it can be counted as a core development trend in any industry. For example, Fernandez suggests that employees in hospitality establishments should introduce themselves using their own names, what immediately brings together customer & employee relationships. A friendly and cozy atmosphere is perceived by a customer from the first minutes, notwithstanding the type and level of the establishment: whether it is a luxurious a la cart or Cjust a small family brasserie. (Insights eHotelier 2017.) Besides, to seal a contact with a customer, the employee might ask name of the client. In some opinions, this gesture can be seen rude, though Mr. Fernandez contradicts the statement by giving own research results: *studies have shown that guests generally respond positively. If employees remember and call the guests by their name, they will send a strong signal that they care about their guests.* (Fernandez 2017.)

From personal experience, the author wants to mention the service level in Starbucks cafes. The author, who has been repeatedly visiting the same Starbucks café, whilst writing the thesis, was ordering the same espresso macchiato every time. Starbucks is famous for asking client's name to personalise service.

For the first four times, baristas were asking author's name and the desired drink. Finally, for the fifth visit it turned into a friendliest relationship ever experienced by author: for that time, as soon as getting to the café, the barista has not doubted saying following: *Good morning Ben, would you like to have espresso macchiato as usual?* The level of personalization and friendliness has again proved the high level of customer service in Starbucks. From that accident, each of baristas were greeting the author in the same way.

5.2.2 Positive emotions

Positive emotions component refers to the most important requirement of Hospitality Industry to its employees: to smile. Studies have shown, a simple smile or a subject to smiling increases the comfortability of a client in the hospitality establishment. (Insights eHotelier 2017.)

5.2.3 Proximity

Proximity between customer and employee, for example waiter who leans down to the customer or touches shoulder of the customer is a sign of friendliness and trust (Insights eHotelier 2017). Even though proximity increases the cozy atmosphere of hospitality, according to Fernandez statement, with which the author of thesis fully agrees, it is totally unaffordable in current situation caused by COVID-19. With high chances, proximity will be totally erased in the nearest future of hotel and restaurant industries, what affects the overall perception of hospitality.

5.2.4 Professionalism

Professional skills of employees in any industry is always a subject to delight and satisfaction of clients. In hospitality industry, it has even bigger role, as it directly affects the level of service provided. Slight manifestation of professionalism by employees are always noticeable by the clients. For example, a waiter who gently and properly opens a champagne bottle, remembers the order of the guest and then mirrors it in words to avoid mistakes are always delighting the guest.

The author will add an example of such professionalism in practice of own experience, while working in Hilton Kalastajatorppa A la Carte Restaurant Meritorppa located in Helsinki, Finland.

Two gentlemen, who have ordered three course menu, were served by a professional waiter, who is famous for delighting guests for customer service skills. The three-course menu consisted of:

- Cesar salad with croutons
- Ribeye rare steak with Chianti Wine sauce
- Blackberry cake

Whilst serving bread before first course arrived, one of the guests rejected from having bread due to his allergy. However, the customer has forgot to tell the waiter to exclude bread croutons from the Cesar salad.

When bringing the first course to the guests, it came out that one portion of salad did not include any croutons, what surprised the guest. The waiter has asked the

kitchen to exclude croutons from the salad, as the guest seemed to have allergy on any kind of bread. Professionalism and attentiveness delighted the guest, who, later on, generously awarded the waiter. Attention and attentiveness to small details are always a subject of high customer satisfaction.

5.2.5 Surprise

Making more, than promised – is the rule, that works for the *wow* effect from clients. Nowadays, it is a common strategy to offer supplementary to the order of the guest, to cause the effect of surprise. Mr. Fernandez mentions that even a candy, that is served with a coffee already surprises the guest, as the reality of order service has overcome the expectations at first glance. (Insights eHotelier 2017.)

5.3 Guest perception of a hotel

Nowadays, there are few travellers who perceive a hotel as an accommodation space for an overnight. A hotel is a complex of services, products that are designed for its guests. A famous Hospitality and Restaurant consultant Andrew Freeman, describes a hotel as *an extension of home – but with an air of escapism* (Psychology Today 2009). Client wants to feel comfortable in a hotel, as it happens at home, but with a sense of new and delighting experience. By escapism, Mr. Freeman means the independence from ordinary household duties, that are taken at home. For example, Freeman describes that *one of the pleasures of a hotel is coming out of a shower, throwing your towel on the floor, and knowing that when you get back to your room later that day, the towel is going to be picked up and your bed is going to be made* (Psychology Today 2009). Hoteliers goal is to maximise comfort of guests' stay by implementing all of those household duties by themselves.

From the moment of entering hotel's building and first greetings of front desk agents until the check-out – guest wants to feel freedom under certain extent.

5.4 Four Seasons motto

Treat others as you would like to be treated – the official slogan of Four Seasons hotel, which is the basis for their concept (Solomon 2016, pp, 128-130). The current CEO of Four Seasons hotel has strengthened the concept throughout the years, making Four Seasons hotel chain one of the most customer-oriented companies in the world. For two consecutive years in a row, Four Seasons was named the Best Luxury chain hotel in the world. (Press Four Seasons 2019.)

Andreas Rippel, an executive concierge in Four Seasons hotel located in San Francisco, describes the mentioned position as job based fully on human relationships. Consideration of a positive attitude, smile and approach, that consists of customer care and customer service are the basics that create hospitality in Four Seasons hotel. (Solomon 2016, p.129.)

In the book *The Heart of Hospitality*, the author Micah Solomon has interviewed Andreas Rippel, in order to find out the core aspects of concierge job (Solomon 2016, p.128). In the interview, Solomon gives arguments on the usability of concierge services in the era of digitalisation, when the client is able to find all the important information about any destination using a smartphone, instead of addressing to the concierge. However, experienced concierge contradicts interviewer's argument, stating with the fact that human provided assistance cannot be replaced with the Internet: even though the clients have the possibility to check the full description, for example, from TripAdvisor, the nuances that are important for the clients, cannot be researched – in such cases concierge has a significant value. Knowledge of all destinations in city, allows concierge to give his personal *live feedback* on the issues related to the service and atmosphere in the places. For example, if guest has researched on the nearest restaurants, but cannot decide what will be the best option for a quiet and cozy evening on the terrace, concierge will definitely advise the right place. Obviously, the Internet will not share opinion about such small details. (Solomon 2016, p. 130.)

5.5 Hospitality in Human Resources Practice (HRP)

The employees of any hospitality establishment, that are interacting directly with the customers are recognised as *the face* of this establishment, no matter how

cautious and strategic the management is: if the Front Line employees are not able to provide good level of service, a company can never reach success. For that reason, a proper management in, for example, a hotel, considers adjacent relationship with its employees. Regular briefings, which help the management to share the Mission and Vision of the company, are involving each and every employee of the hotel, so that they feel important. The best practice for managers to connect with personnel in a hotel, is to follow the principle of Servant Leadership, introduced by Ken Blanchard. Servant Leadership proposes managers *to serve their employees*, as if ones were clients. (Blanchard & Broadwell 2018.)

Servant Leadership considers a whole system of processes, that should be suggested to the employees of the company. Besides giving an overlook on company's position on the market, management should consider HRP – Human Resources Practice, that develops the skills of frontline staff members. With regular HR practices, the employees are enhancing their skills in communication, human interaction and service delivery increases the level of hospitality in the establishment. Nevertheless, the researches propose that most of hotels do not consider HRP as an important factor, what lacks the overall service quality. (Powell 2016, pp.16-19.)

5.6 Georgian Hospitality

Belonging to the Georgian nationality, the author of the thesis would like to dedicate a separate paragraph to the most essential of this nation – Hospitality. Georgians are most commonly described as nation, which has a *Compulsive Hospitality Disorder*. (Anna Dolce 2018.) According to Anna Dolce – a famous restaurateur in USA, who originally comes from Georgia, has described this incredible phenomenon of Georgians during performance organised by TED Talks in Daventryport (Anna Dolce 2018).

Being extremely appealing to all people, Georgians are trying to suggest the best to all guests visiting, starting with assuring a table, offering drinks and food and providing a night cab. Simply asking a direction in the street, a foreigner can easily be suggested with a drive and dinner. Georgians' hospitality has become more than a customer, it is *a social currency, which is valued more than generosity*,

reputation or courage. (Anna Dolce 2018.) Through history Georgians have established a phrase fundamental for Hospitality understanding: *Guest – is the missioner from God, he cannot be limited with food and drinks* (Mir 24 2019). Such kind of belief, has made Georgia appear frequently on the *where-to-go* lists of many tourists all around the world.

The CHD – Compulsive Hospitality Disorder, introduced by Anna Dolce, can be understood as the core feature of an ideal Hospitality manifestation. The concept of such hospitality is lying in its roots – *to put people ahead dollar signs and money, ahead of anything else* (Anna Dolce 2018). By offering your employees proper conditions for work, the attitude of those mentioned is obtaining a totally new sense. If having the staff treated well, they will overdo and offer more to the customers of the company. Doing more, that is required, showing hospitality – is the way to become unique and priceless among all others composing the market.

Mrs. Dolce has shared her real-life case of service, that has reminded Georgian hospitality in St. Louis, USA. Having a fancy breakfast in a conference hall, Anna was served by a head waiter Chiara, who was supervising the overall process of the breakfast. Mrs. Dolce was surprised by the attitude of Chiara to the job one was doing: Chiara knew every single visitor of the breakfast that day, who they were and what they came for. The way Chiara was addressing each client at the small dining room is described by Mrs. Dolce as *we all were guests in her house*. The service and hospitality showed by Chiara has broken the borders between visitors, so they all seemed to be familiar to each other. (Anna Dolce 2018.) Mrs. Dolce has used this example as a demonstration of how Georgian Hospitality works.

With the help of professional social media LinkedIn, the author of the thesis managed to connect with Mrs. Dolce and asked for participating in the Online Survey as part of quantitative research method.

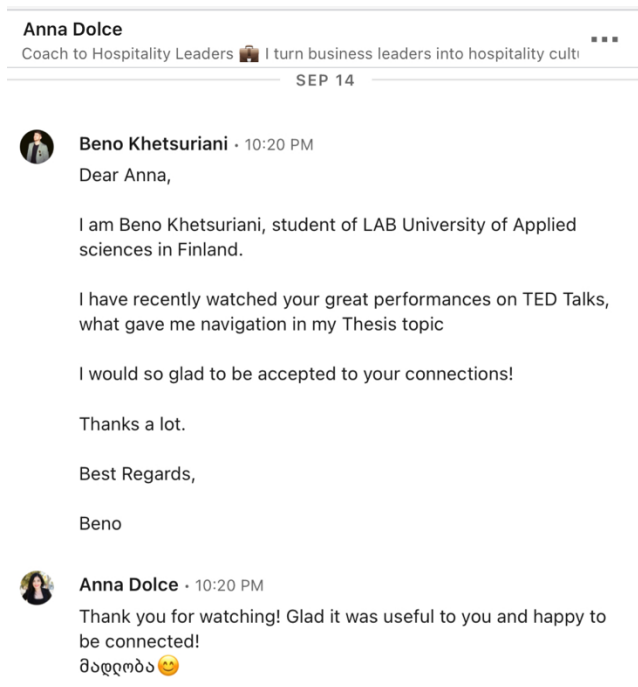


Figure 6. Connection message to Coach Hospitality Leaders Anna Dolce.

6 Problem Statement

What has been observed in previous three chapters is the fact that more and more human-provided services are exchanged with high-tech devices partially or sometimes fully replacing a human. The trend of decreasing the communication between customer and guest is developing significantly. The author has described and analysed the history of hotel industry and has shown its direct relation to hospitality. The graph Hotel & Hospitality development through history created by the author has illustrated how value of hospitality has been increasing through years and which level of hospitality is available for clients nowadays.

The research made on the impact of digitalisation on the hotel industry has brought priceless information on its importance and positive effect. Though, as it was mentioned in the Research Questions chapter, the research gap has been discovered when the negative side of digitalisation had to be revealed. As the other, negative side of digitalisation has not yet been observed or has been underestimated, the impact cannot be described as transparently obvious. The lack

of knowledge on the *clandestine* impact of digitalisation creates the research gap, what helped the author to select the research questions.

At this stage, the author is able to state the subject of the thesis, which will be illustrated and observed in the thesis. In author's opinion, the digitalisation process and technological progress can be seen as the core factor of erasing the meaning of *a hotel as a place of hospitality*, as well as changing the understanding of a hotel in the next ten years. If the trend of replacing the human service by a high-tech device continues, it will lead the industry to the total change of the hotel concept.

The Hospitality, as a feature will no longer take place in a modernised, fully equipped and digitalised hotel. *Hospitality – is the feeling provided by a human only*, - as it was said in the beginning. This is only human's feature is impossible to be projected by a high-tech device. A throwback to the introduction, answering the question what is a hotel without hospitality in it? – *Bricks & mortar, glass & steel* (Wali 2017). The concept of replacing hotel staff members with automated devices breaks the idea of a hotel.

In author's opinion, a hotel will change its function and most probably get back to its basics. In other words, a hotel will become *a Lodging and Accommodation space*, as it was during the Roman Empire many decades ago. Of course, it will be totally different, modernised and digitalised building, full of services, that can be ordered by clicking few buttons on the iPads and smartphones. However, human's hospitality and customer service will not be involved in this process.

According to Levy-Bonvin, lodging accommodation is not anymore responding to its real definition of *a lodging accommodation for travellers* (Levy Bonvin 2013). It is just more than that, when nowadays the hoteliers are trying to reach customers' satisfaction using all kind of resources. The goal of hotel industry participants nowadays is to reach customer satisfaction through excellent hospitality in order to reach high level of customer retention.

The term of *human connection* will no longer have any power in digitalised building – *the Internet connection* will become the issue of vital importance.

For that reason, the thesis is designed so, that it reveals the negative impact of digitalisation on the hotel industry accompanied by examples. However, the goal is to compare both sides of digitalisation, in order to make proper conclusions and recommendations in the final chapter of the thesis. As a result, the reader is able to identify the problems occurred with the industry and make proper conclusions.

7 Digitalisation Trends: Two Points of View

According to the author's opinion, the digitalisation process has a twofold impact on the hospitality industry. Most commonly, digitalisation is described as a trend, that is "a necessity" for hotels in order to request a particular customer group needs nowadays. Referring to World Hotels Collection article, *with a new generation of travelers who want innovation and technology in their rooms, many hotels put technology first* (Hospitalitynet 2018). Though, to see the *clandestine* impact of digitalisation, perceiving digitalisation as a trend is not enough.

For that reason, author suggests to split the meaning of digitalisation in hospitality industry in two parts:

- Impact of Digitalisation on Hospitality Industry from the Customer POV
- Impact of Digitalisation on Hospitality Industry from the Employer POV

8 Customer and Digitalisation

The question is: what has made the hotels become so innovative, comfortable and user-friendly? The answer is simple – digitalisation and automation process of all services and products in the Hospitality and Tourism industries.

From the client point of view, the digitalisation of the services gave the best benefits for the customer. A potential customer is able to book and pay the hotel room online, choose the best option suitable by filtering out the unnecessary features just by clicking few buttons on the smartphone screen. A potential client has instantaneous access to any kind of hotel offers, while surfing among OTA services. Booking.com, and websites of the hotels give the option to compare the

prices and choose the best one. Trivago.com – the most famous hotel and restaurant review platform –, where everyone can share their experience. In fact, “robotization” and digitalisation of hotel processes has created a new, user-friendly experience for the customers, which has never existed in the history. For the current moment, hotel customers are experiencing the best, what can be offered by hotel industry. *Finally, technology has facilitated people’s ability to travel by increasing economic prosperity, leisure time, and the efficiency of transportation systems* (Chon & Maier 2010, p.143).

As a customer, person perceives digitalisation as a simplification of services, that creates a new customer experience. Nowadays, accessibility and comfortability are the core features of any service offered by a company. That is why, the hotel, which is able to respond to all automation trends has a bigger value, comparing to those which is not following the digitalisation trend.

8.1 Digital Innovations in Hospitality to improve user experience

In this chapter, the author would like to illustrate examples of the existing digitalized services that exist on the market, including those, that were left out by other topic-related research works. As mentioned in the title of the chapter, these services are expected to increase the user experience, which is understood, according to Norman, D, & Nielsen, J. as *a compilation of all aspects of the end-user’s interaction with the company, its services, and its products* (NN Group 2016).

8.1.1 Digital Key Access

To avoid the common problem of a guest – losing the room key of the hotel, as well as to modify the way of opening the door, the digitalisation has brought a contactless access to the accommodation in hotels. Using a smartphone only, a customer can easily open the room assigned to him by making few touches on the screen. According to Barbara Krzywoszanski, *smartphone usage is nearly universal at this point, which is driving the widespread adoption of digital key that we are seeing in hotels* (HotelManagement.net 2018). The problem occurred with the digital key access is the app itself, that is needed for the door lock. Referring to Hertzfeld, E. clients are not eager to download a new app each time they book a room in a new hotel. The innovation is still quite raw and needs modifications:

hotels, instead of creating their own app designed specifically for their usage, should look for existing application on the market that are capable to operate in numerous hotels around the world. There are still dozens of apps that can be installed by hotels and the leaders are yet not defined (HotelManagement.net 2018).

Digital key access has a positive advantage mostly in chain hotels. For example, Hilton, which has created HHonors app a long time ago for its loyal customers, has added the feature of door access to this app. The decision brought Hilton new downloads and users of the app, who wish to try the feature of door lock in compilation with many other functions. (Hilton 2017.)

8.1.2 Online Check-in & Check-out

Along with the function of the key access, a smartphone is capable of providing the guest with digitalized amenity of Check-in (C/I) and Check-out (C/O). It is a recent trend in hotel industry, where guests can pass the check-in and enter the room without the assistance of front desk agents. This feature has sensibly decreased the queueing time of guests, in order to pass all the common procedures of checking in the hotel. According to *Handbook of Hospitality Operations and IT*, the customers dislike waiting in lines, as it affects their impression on service level of a hospitality establishment (Jones & Pizam 2008, p.92).

Nowadays, in the pandemic period, online C/I & C/O is a demanding feature as it minimizes the personal contact between customers and employees (Home2nite 2020a). Hilton company, in their turn, has shared their opinion about importance of digital C/I and C/O, as they always try to put customers' needs on the first place in their priority list. *We believe that making guests' life easier is really important. People are really busy today; they want to control their life from the palm of their hand.* (Business Traveller 2016.)

According to Roslow et al. research made in nineteen ninety-two (Pizam & Jones 2008, pp. 96-98), the bank customers prefer short waiting time and avoidance of queueing lines in comparison to good service quality. Even though the research was made for the customers in the bank, the case can be applied for the hotel industry as well: would the customers prefer waiting liens in order to proceed with

traditional welcoming procedure of Check-in with the help of Front Office Agents or rather prefer to Check-in using a smartphone without losing a minute of spare time in queue?

8.1.3 Recognition technology

Digitalisation has brought the possibility for guests to Check-in to the room with the usage of Recognition Technology. It can be face recognition, fingerprint or even voice that can be identified by the device to allow access to a customer. The recognition technology, which is practiced in high tech hospitality establishments in Japan and China are replacing the Front Desk Agent, to avoid extra contact with human staff. (Revfine n.d.)

As an example, Revfine (Revfine n.d.) has illustrated the case of facial recognition technology implementation in Marriott hotel in China. The mentioned source describes how convenient the client is able to book a room without entering any payment details, as they are saved in the account. When reaching the Marriott hotel's lobby, the client simply scans ID card and receives the room key in few seconds. (China Internet watch 2018.)

8.1.4 Virtual Reality (VR)

Virtual Reality, VR – *is a computer technology that combines specific hardware and software to generate realistic images, sounds and sensations in order to immerse the user in a simulated three-dimensional environment.* (Hotelier Magazine 2017). Virtual Reality system is most commonly perceived as part of gaming industry, where the VR headsets are used to fully deepen into the atmosphere of the gameplay. However, VR has gone far more than that: the technology is rapidly developing in business sphere, hospitality industry in particular.

Marriott Hotels & Resorts company has introduced VRoom Service in twenty fifteen. The innovation introduced in collaboration with Samsung, allows the guest to order the VR set to the room, to experience a *unique reality*. (Hotelier magazine 2017.) To respond to the trend of digital innovations in hotel chains, Best Western Hotels company has published photos in *VR 360 format* in collaboration with Google, which allows the guest to experience the hotel room surroundings before

the actual arrival. More than two thousand properties have been honored to receive this VR feature from Best Western Hotel chain. (Hotelier Magazine 2017.)

8.1.5 Augmented Reality (AR)

Augmented Reality or AR, is most commonly described as *integration of digital information with the user's environment in real time* (Tech target 2016). With the AR features, users can interact with digital devices, which are, in fact, linked to their real environment. Instead of creating a full artificial experience, as it works in case of VR, AR is just enhancing user's surroundings with graphical overlays. (Revfine n.d.)

Hospitality industry employers are integrating AR in all possible applications. However, it should be mentioned that the technology is quite raw for nowadays and needs further development for better user experience. Revfine gives the examples of travelers, who can browse information about any location, while doing city tours, just by directing their devices' camera on the desired Point of Interest (Revfine n.d.). The app gives the full description of the pointed location, so that the user does not have to do *Google search*.

According to Sagar Sharma – Chief Technology Officer at Credencys Solutions Inc., Augmented Reality is already an important aspect in hospitality industry: by the year twenty twenty-five, the market size of AR is forecasted to reach one hundred ninety eight billion dollars, where Hospitality Industry will be the one, leading AR to this revenue goal. (Hospitality Technology 2019.)

Premier Inn's core feature is AR technology which is integrated into the map walls in each room of the hotel. By pointing smartphone's camera on this local map of hotel's surroundings, the user can collect information about availability and accessibility of these places of interest (Hospitality Technology 2019).

8.1.6 Online Review Platforms

With the help of the Internet, the power of customer feedback has significantly affected the status of the hospitality industry establishments. Online platforms, like TripAdvisor.com, Booking.com, Expedia and Pocketguide help the potential customers to observe, discover and analyze the places they are planning to visit.

The mentioned platforms include a great number of reviews and feedback, which is, according to the customer promise of the companies, include only verified and real feedback.

Instead of traditional Word of Mouth Marketing – *consumer’s interest in a company’s product or service reflected in their daily dialogues* (Investopedia 2020), the online platforms like TripAdvisor allow the customers to judge the quality of the restaurant and build their own expectations based on the reviews of existing guests. The statistics of current year mentions that almost eighty percent of travelers spend up to four weeks on TripAdvisor making research on the desired destination (Condor Ferries 2020).

Nevertheless, regarding the point of usability of TripAdvisor, there are several problems that have occurred in past years. According to the Statista analysis on the question: *Do you trust online customer reviews as much as personal recommendations*, the results through last six years have a significant change. In overall, among a thousand respondents the behavior and relation to one of the most trusted review platforms has been changing year after year.

Data from year 2014 shows that the trust of the customers was relatively higher in comparison with the next years: the respondents rely on the online review platforms in most of cases (Statista.com 2018).

Do you trust online customer reviews as much as personal recommendations?

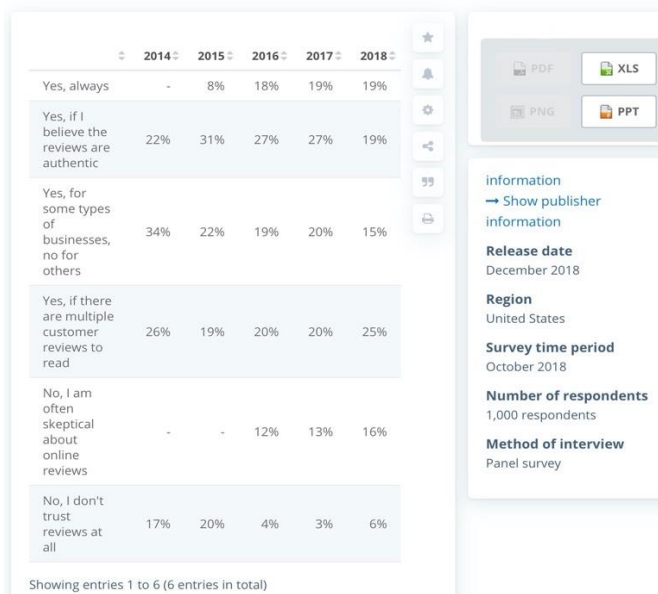


Figure 7. Survey Results (Statista.com 2018).

However, year after year, the reliability of such sources has significantly decreased and credence has sensibly lowered. The reason for such change is caused by the digitalisation development: the more the technologies develop, the more developed the online scammers are. Nowadays, it is not a big deal for the scammers to falsify and adulterate reviews on any of the existing Online Travel Agencies.

The example of how the reviews can be falsified in TripAdvisor was shown by Oobah Butler. The idea was to create a fake restaurant on the TripAdvisor and ask for positive reviews from friends. As a result, the restaurant gained popularity as a top first dining place in London. Butler has set up a café using everything available on the backyard of his house. By asking close friends to write reviews using different computers, Butler has overcome the anti-scam function of TripAdvisor. When the rankings of the fake restaurant were on top, Butler started receiving numerous amounts of bookings and reservations. All that left to do is to postpone the bookings and reply with *no vacant tables are available within next six weeks* (Vice 2017).

8.1.7 Mobile Devices in Hotel Rooms

When booking a hotel room in a four or five-star hotel, each guest is used to see a communication facility which is placed on the commode near the bed. In the beginning of twenty first century, an old-fashioned landline telephone was having the role of the communication facility. For the mentioned period, the telephone was most commonly used to make calls to the reception or housekeeping, in order to request any supplements for the bathroom or find out the exact time of the check out. Besides, long distance calls to foreign countries made by the guests were an expensive issue for the hotel – such calls had an egregiously high fees charged. (USAtoday.com 2018.)

Though, according to the Nancy Trejous, the telephone which is even nowadays placed in the hotel rooms has a different role. A landline telephone is a source of an emergency call for the guest, which helps to identify the exact location of the victim. Such telephones are still placed in the rooms, as smartphones are not

considered as a secure way to communicate from a hotel room in case of emergency. (USAtoday.com 2018.)

Nevertheless, the old-fashioned landline has been replaced with modified mobile devices, like tablets or iPads, that have conserved the role of the safe communication in urgent matters and have obtained even more options. The phone calls previously made to the reception or concierge for basic reasons, like ordering extra bathroom supplements, extra bed or room service from the restaurant have been replaced with a digitalized device, where such basic requests can be ordered just by clicking few buttons on the tablet. For example, in case, if a guest would like to request a housekeeper to his room, he can simply press the button on the tablet, that will display the room for the housekeeping manager in *unclean status*. On the contrary, if the guest does not want anyone to enter the room, he can simply press the button *Do not disturb*, instead of using the old-fashioned sign usually placed on the external side of the door.

Integration of smart tablets to the guest rooms have significantly simplified the process of sending and accepting requests for both guests and employees.

8.1.8 Texting Concierge. Chat Bot.

Conrad Hilton's company has always been a leader in the innovations in hotel industry. For example, Hilton hotel was the first hotel in the world to introduce in-room air conditioners, room service and TV screens located in the guests' accommodation. Till nowadays, the company is surprising the industry with their unique decisions, which are designed in Hilton Innovation Lab in Northern Virginia, USA.(Thepointsguy.com 2019.)

In March 2016, Hilton company has introduced a brand-new way of communication with guests – Chat Bot *Connie*. The bot was an Artificial Intelligence designed to replace a concierge, which can reply to basic customers' requests. The technology invented by Hilton Innovation Lab in collaboration with IBM had the goal of maximizing the customer Digital User Experience. The same way as it works with the in-room tablets, the Chat Bot was supposed to answer the frequently asked inquiries by the guests. Under the core functions of a Chat Bot, the following features are considered:

- Increase the customer experience of the client
- Multilingualism of the bot to be perceivable for different nationalities
- Convenient fast reply

Obviously, Hilton was not the only company who managed to insert Texting concierges: Marriott International has adopted their own Chat Bot in 2017, which even *had a sense of humor*. (Ristova & Dimitrov 2019.)

8.2 Summary: Customer and Digitalisation

As it can be seen, customer has been dominating in hospitality industry in past years. With the trend of digitalisation, customer has received even more facilities and capabilities for decision-making, what guarantees full freedom of choice. All of the mentioned digitalised inventions in hotel industry have increased user experience. The Customer Buying Behavior path has been improved and has experienced novelties. Nowadays, the User Experience is combined with Customer Experience from the very beginning till the end.

On the basis of *Buying and Consumption process*, demonstrated by Ville Lehto on the course of Planning Marketing, (Lehto 2020), each of the four stages has experienced a significant digital development. Buying and consumption process – is a path of creating user experience, which depends on the *service design* of the product. Author suggests to link the digitalisation trends with each of the four stages:

- Dreaming Stage

At first stage, digitalisation has given a possibility to experience the journey using Virtual Reality system, as it was described previously. In fact, digitalisation has widen the length of user experience, so that it starts already at the dreaming stage. However, as the technology is quite raw, the audience can expect its full implementation in the next five years of development.

- Planning Stage

Travelling has never been a facile purchase, which does not need much time and investment. Booking a journey to another country needs a lot of patience, accuracy and time, in order to achieve successful experience. Nowadays, when the process of journey planning has been digitalised, it has totally changed the traditional fuss, substituting it with simple gestures with the usage of apps. Basically, any kind of service related to planning can be purchased online, using a specifically designed web site or application. Service design and productization plays a great role for the client, as he / she tries to find the most convenient and accessible solution for the booking. Biggest hospitality establishments struggle in the fight for the client, offering more and more personalized and customized service to improve User Experience.

- Booking Stage

Selection of room type, special requirements, diets in food consumption, desires of the clients – are now available to be mentioned through online. Customer Data Platform, which collects data for hotels, helps them to interact with the guests in a more friendly and convenient way, what facilitates the Booking stage.

- Sharing Experience Stage

Besides traditional WOM – *Word of Mouth*, consumers, who are eager to share their experience with others, can simply use Online Review Platforms, like TripAdvisor. With their reviews, they create the reputation for a hospitality establishment, what is of vital importance for the company.

As a result, customer has received the power of domination over hotels. A modern consumer is able to choose, specify and decide everything according to his / her preferences. Consumer will choose the most customized and personalized service, leaving others out. Finally, consumer is the one who decides whether he is linked to the service or no and can easily impact the reputation of an establishment just by leaving a short review on online review platform.

9 Comparative Analysis of Different Target Customer Groups: Millennials and Seniors

Chapter Eight has shown in examples the way customer perceives digitalisation in hotel industry and how it has facilitated a hotel stay. However, the digital innovation in the hotel industry is not a point for each customer's satisfaction. Moreover, for some customer groups digitalisation is rather seen as embarrassing aspect. In this chapter, the author will describe different target groups based on the age segmentation.

9.1 Population Segmentation by Age Groups

In order to compare the relation of each age group to digitalisation trend in hospitality industry, the author suggests to, first of all, define and describe each generation as they were identified by Howe, N. & Strauss, William (Thoughtco.com 2020).

9.1.1 The Silent Generation

The Silent Generation, also known as *older seniors*, are the ones born in first half of twentieth century. For this customer group, digitalisation process can be counted as one of the most embarrassing aspects of life. People of this age, due to their own customs, are not able and eager to get used to newer trends of the world. According to the European Association for the Education of Adults, *yet to date few older persons are able to fully benefit from technologies due to unavailability, high costs, restrictive eligibility criteria, lack of integration within existing systems of support, inadequate information about service and limited awareness and skills necessary to engage with technological solutions (EAEA 2017)*. Nowadays, this generation composes the smallest part of all population in the world (Mental Floss 2019).

Besides, The Silent Generation is not often counted as frequent travelers and hotel bookers in the hospitality industry, due to their comparably low capability in most of the cases.

9.1.2 Baby Boomers

Baby Boomers generation are considered as people, who were born right in the middle of twentieth century, and whose age right now is around sixty years old on average. The perception of digitalisation has a different attitude for this group, though still not as appreciated, as it could be for younger generations. Baby Boomers are associated with those travelers, who prefer booking hotel rooms directly through the Front Desk of a particular hotel. Though, in comparison with year twenty eleven, Baby Boomers generation is more likely to use smartphones and other devices nowadays, what increases their mobility. (Pewresearch 2019.)

9.1.3 Generation X

Coming closer to customer groups, that admire the technological progression and digitalization, Generation X should be added to this category. Almost nine out of ten percent of population from Generation X use smartphone not only as a source of communication, but also as a facility, replacing a traditional laptop. Quite a big share – seventy-four percent of Generation X representatives are registered in Social Media platforms and are using those on daily basis.

9.1.4 Millennials/ Generation Y

According to Pewresearch, Millennials nowadays are the most important demographic segment, they compose the biggest share of the whole population (Pewresearch 2019). Besides, Millennials are those, who are most commonly associated with digitalisation and technological progress. In fact: ninety three percent of millennials own a smartphone for accomplishing multiple tasks. Eighty six percent, at the same time, are registered in Social Media and consider it a vital element of their daily routine.

Meanwhile, when discussing the type of the device used by different target groups, it should be mentioned that Generation X has a higher value for tablets – fifty five percent, in comparison with Millennials – fifty three percent (Pewresearch 2019).

Lena Hemsworth – Freelance Writer and Business consultant, has described current situation in hotel industry, where marketers are trying to be Millennial-oriented by adding digitalisation technologies to respond to this customer group's needs. Nevertheless, Mrs. Hemsworth mentions that orientation should not be based on the type of Generation, but on a *mind-set* of clients. In other words, Hemsworth states that *there are no Millennial hotels – there can be only hotels which share the mind-set and principles of this generation and thus appeal to anyone with similar thinking, including older people.* (Hospitalitynet 2018a.)

9.1.5 Generation Z

In twenty eighteen, Generation Z group was not confessed as an independent age group: it was linked to Millennials and had a common term of *Post-Millennials*. Though, nowadays, Generation Z is eligible for being admitted as a separate group, which has grown into *an economical and cultural force that is hard to ignore.* (Mentalfloss 2019.) According to Data collector and Researcher Pamela Bump, the two mentioned groups have some differences in their needs, so that those should not be perceived as a single audience. Among the aspects that differ Generation Z from Millennials were:

- Generation Z is more likely to make mobile purchases
- Average time spent on Social media is similar for both groups, though the Platforms themselves differ
- Millennials seem to be more interested in online ads
- Different Career Motivations

In the research published on Hubspot, the results have shown that almost half of the respondents have disagreed on the statement of *combining Generation Z and Millennials as one customer group in order to use the same marketing strategy* (Hubspot 2019).

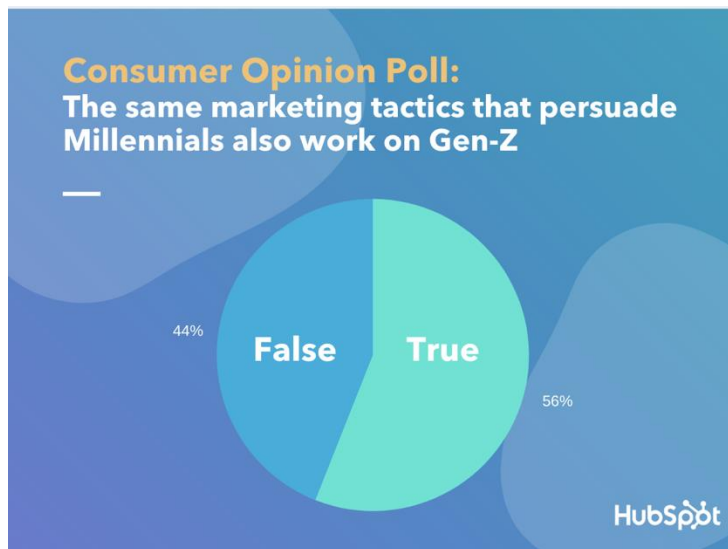


Figure 8. The same Marketing tactics that persuade Millennials also work on Gen-Z (Lucid press 2019).

The mentioned aspects are considered by marketers nowadays when proceeding with audience segmentation and strategy choice for different target groups.

9.1.5.1 Generation Z – Lonely Generation

Experiencing all the best facilities of digitalisation in twenty first century, generation Z is frequently called as *lonely generation*. According to the U.S statistics, seventy nine percent of all Gen Z's are feeling according to the data of year twenty nineteen.

The cause of loneliness can be the Social Media – one of the major inventions of digitalisation for the human life. The Internet has partially isolated youngsters, as it significantly decreased the level of real human connection.

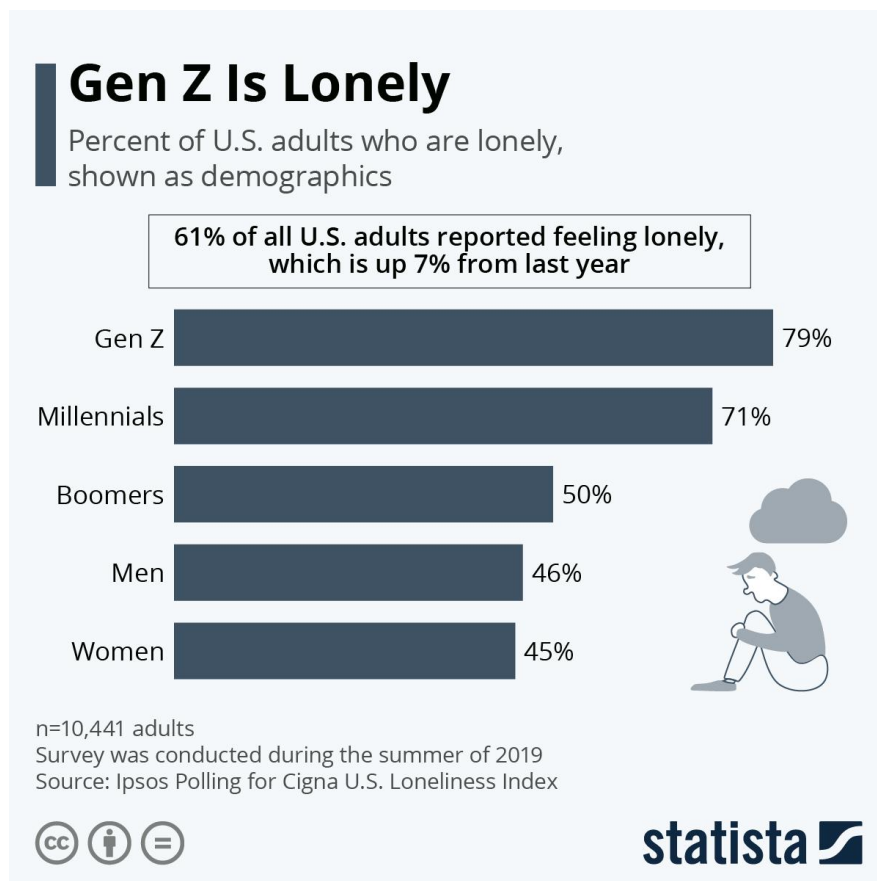


Figure 9. Percent of U.S. adults who are lonely, which is up seven percent from the last year (Statista 2020).

9.2 Statistics

Each of the four mentioned generations have an essential impact on the business industry and hotel industry, in the case of the thesis. According to Kasasa, the highest average of net worth is owned by Baby Boomers generation, while the least amount belongs to Millennials. Generation Z cannot be reported, as they do not obtain any net worth for now. (Kasasa 2020.) However, the value of younger generations is not underestimated by hotels, as it was described before. Millennials, composing the biggest share of population and being the ones who follow the worldwide trends, are cared with special intention by the businesses.

Highlighting the value of Generation Y/Millennials demographic, Home2Nite states Millennials as *the most important demographic nowadays*. (Home2Nite 2019b). As it was mentioned previously, Millennials are the ones, who set up and

follow the world's trends. Being the most important demographic, they are deciding the future of numerous spheres of everyday life. Considering the fact, that Millennials are also honored as *Digital Natives*, it is obvious why each sphere in the environment tries to go digital to respond the needs of the most important demographic. The term of *digital natives* was coined by Marc Prensky (Prensky 2001).

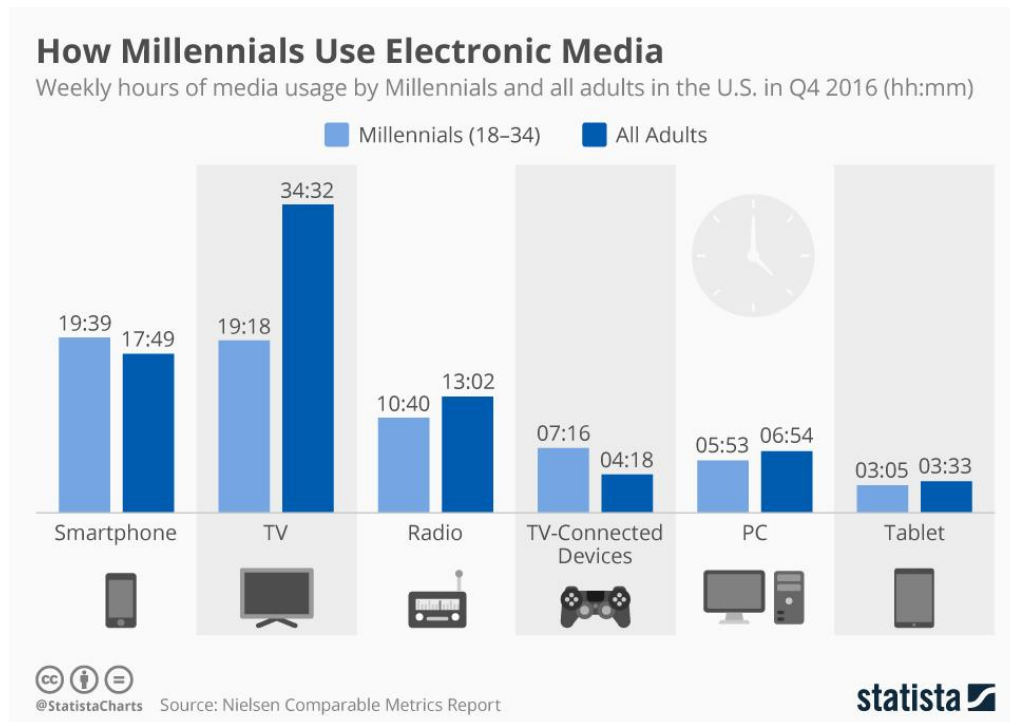


Figure 10. How Millennials Use Electronic Media (Statista 2017).

The graph above shows the difference in using electronic devices by Millennials in comparison with older age groups. Preferred devices for Millennials are Smartphones and TV connected devices, whilst Older Age Groups are more used to TV, Radio, PC and Tablets. The last ones are considered as more traditional sources of Information and Communication Technology, and their usage is sensibly decreasing with years.

The results shown on the graph can be directly linked to the way of making hotel reservations. Obviously, younger generations are the ones using smartphone as prior tool for proceeding with all kind of bookings. Google's *Think with Google reports* has demonstrated that travel-related searches including words *tonight*

and *today* have a significant increase of one hundred fifty percent through the last years (Think with Google 2018).

The demand of online payments is increasing, so that hotels are following it. If a hotel does not obtain a preferred method of payment, which is most commonly online payment, customers continue their search for more convenient. Booking.com says, that there are twenty percent of guests who are not making reservation for the property, as it lacks their preferred method of payment. (Cioreview 2019.)

Regarding the topic of Online Travel Agencies usability, it should be mentioned that Millennials and Generation Z demographics are the ones who are making booking from the *middle persons*. Fifty two percent of those who book from OTA, also prefer checking for more information from the web site of the product after the booking. (Condor Ferries 2020.)

In fact, in year twenty twenty, ninety percent of all travelers are doing online research, including all demographics. However, only eighty percent proceed with booking. The left ten percent prefer booking via phone or directly in the place of destination, what is more common for older generations. (Condor Ferries 2020.)

Finally, according to Think with Google report (Google 2016), forty-one percent of millennials are booking flight tickets through a smartphone, whilst older generations compose only twenty-five percent of those, who use smartphone for the year twenty fifteen. Even though the data is relatively old, it shows the difference in the user experience between young and older generations. For Millennials, as well as for Gen Z's, using a smartphone is considered to be more reliable in comparison with traditional desktop: As Google says, *sixty-six of millennial travelers are confident they can find all the same flight and hotel information whether searching on a mobile device or a desktop computer* (Think with Google 2016).

10 Hotel and Digitalisation

From the hotel point of view, the digitalisation of most services has facilitated the overall work of the hotel and brought some challenges at the same time. The use

of technology has sensibly increased the efficiency of service production because of making some tasks easier and faster. (Chon & Maier 2010, pp.58-59.) The creation of online selling platforms and e-business has increased hotel sales numerous, now when almost all hotel bookings are done online. At the same time, the hotels have started offering more and more competitive prices on the market, to increase their market share. Booking.com platform is the most used application for booking a room by customers. For that reason, hotels are eager to pay the commission fee collected by Booking.com (around thirteen-eighteen percent) for placing the hotel's offer on the platform. Is Booking.com a solution for a hotel to stand out on the market or a formation tool of *Red Ocean strategy*? (Ruotsi 2019).

At this point, the author refers to the lecturer of LAB University of Applied Sciences Sami Lanu, who has repeatedly described Booking.com and con-similar applications not only as online-selling platforms, but as a threat, affecting profitability of hotels and their cost effectiveness. Hotels are not able to withstand the requirements of the existing market, especially on Booking.com, where high price competitiveness and commission payments interfere hotel's cost effectiveness. (Lanu 2019.)

It should be mentioned, that the negative impact of OTA and online selling platforms is rather related to small owned businesses: two or three-star hotels, which do not have a huge fame in the industry. The paid commission to the booking platforms, own website development and competitive price selection – are the factors that frequently destroy small business hotels. From one side, this means elimination of businesses, that do not have a successful outlook and cannot float in the Red Ocean strategy environment. From another side, the lack of investments into digital technologies is the crucial factor for small hotels failure.

Online existence of a hotel among a great number of other offers can dramatically affect the revenue generation due to high competition. A potential client is able to filter out all the necessities needed for the stay. Not responding to the guests' requirements fully, means defeating in the competition.

10.1 Digital Innovations in Hospitality Operations

Besides online existence and e-business development, there is another side of the hotel industry digitalisation. In the previous chapter, the services of the hotel that have been impacted by the automation were described from the customer point of view. To see the other side of digitalisation, author suggests to take a look on the innovations' impact on the hotel establishment itself.

The following chapter will be dedicated to the innovations brought by the digitalisation into the hotel operations processes.

10.1.1 Chat Bot Usability

Previously described Chat Bot is not only a beneficial tool that customers can use in order to save their time, but also a helpful function for the hotel employers. Among the most important functions of Chat Bot are:

- Customer acquisition and retention by offering a new product.
- Overall increase in revenue.
- Customer involvement and engagement into loyalty program of the company.
- Cost effectiveness of the app in long term prospective, as it saves time and labour of the employees.

The Chat Bot, which is available for anytime use for the guest, is a perfect assistance for the concierge and front desk agents. Instead of asking the basic questions from the staff, customers can do it through the Chat Bot app, what saves time of both parties. (BotKonveier.com 2017.)

10.1.2 Virtual Reality: Travel Industry POV

The trend of Virtual Reality was described as a rapidly growing trend in biggest hotel chains to improve use experience, previously in the chapter Customer and Digitalisation. However, there is another side of the coin related to this trend.

According to Ilkka Lehtola, the course of Visions of the Future and Global Travelling, has described VR trend with a different attitude. Mr. Lehtola has described

the case of Virtual Reality implementation in the Tourism and Travel industry. In the mentioned case, the trend was described as a solution for future travelling, where *guests would not have to leave their room in order to, for example, visit all the magnificent places of interest in Rome, Italy* (Lehtola 2019).

Using only the specifically designed VR headset to fully plunge into the atmosphere of travelling, the users do not see any need for the actual travelling process with all its inconveniences. In fact, if the trend has a chance to develop in nearest future, it will harm the hotel and tourism industry, which will feel the decrease in real bookings.

10.1.3 Property Management Systems

One of the biggest advantages brought by digitalisation into the hospitality industry is the ability of the employers to control and organize the management using a computerized system – Property Management System. PMS includes a wide range of specializations, which are assigned for particular departments of the hotel/restaurant. The invention of the PM systems in the industry can be considered as the main point of starting the computerization and digitalisation process of hotel operations.

Nowadays, PMS allows the hotel personnel to concentrate on the guest care and customer service, whilst the program does all the rest. Such systems help the establishment to collect, store and even analyse the data. To ensure the proper work of the PMS, staff members of the hotel are recommended to proceed with systematic diagnosis of the hardware and software constituents. (Hayes & Nine-meier & Miller 2017, pp. 293-296.)

For example, a front desk agent can easily access all the information of bookings from the desktop by clicking few buttons. The system allows the employee to see the availability, status, price and many other features of each room in the hotel (Otelms.com 2013). For now, the most reliable and most popular PMS is provided by Oracle company. Oracle company has introduced dozens of Property Management Systems, suitable for all hospitality departments. The products of Oracle company are classified in five main groups:

- Cloud based systems
- On Premise systems
- Central Solutions
- Distribution and Revenue Optimisation
- Hotel Food and Beverage

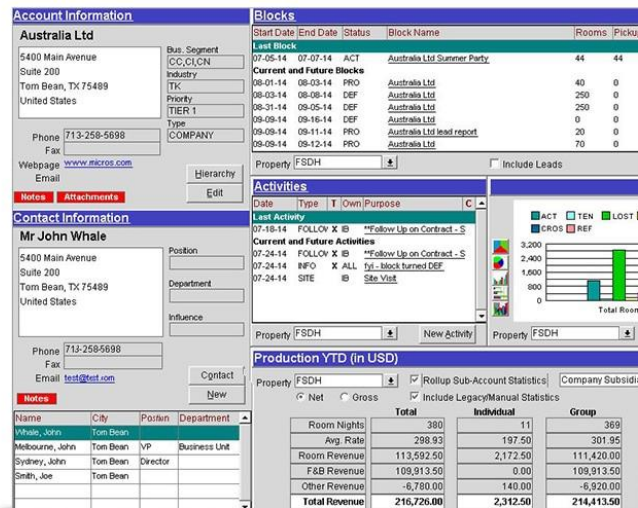


Figure 11. Oracle Opera Room Reservations (Oracle 2018).

Each group serves a particular department of the hospitality industry. For example, Hotel Food & Beverage group includes famous Micros MS with its modifications and subtypes, that serves greatly in restaurant. Micros PMS plays the role of the R-keeper, as well as connects two departments of the restaurant: kitchen and dining hall. According to author's own experience after working in several A La Carte restaurants, Micros has always been admired by the employees. Nevertheless, the old versions of Micros have created some problems for the staff, when higher performance was needed in rush hours in the restaurant (Ellie Hagg 2019).

However, the newest versions of Micros are excellently implementing their role and have obtained even more functions. Author, while working in Kuusi Paala Restaurant located in Marski Hotel, Helsinki, has experienced the work of newest version of Micros. As the hotel with the restaurant inside has been established in July, twenty nineteen, all the equipment was new. The new version of Micros has offered higher performance and fast-motion features for the employees. With the

new version, the table setting structure can be seen clearer, as well as the availability and vacancy of the tables can be specified. For this version, Oracle company has even created special tablets that the waiters can carry by themselves, which are connected to the landline computer and are projecting the core information about the tables.

Basically, Oracle company has conquered the world of hotel PM systems because of having a great range of most reliable systems for all hospitality departments. Besides, Oracle company is open to support start-ups and offers low-priced and beneficial propositions for managing their business digitally (Oracle.com 2020). Oracle PMS's multi-applicable facilities have helped the company to become the solution for hospitality industry and other businesses. The OPERA platform helps the management to enforce booking rules, schedules and helps in dealing with overbooking for particular room types. Recently, OPERA has introduced mobile application for C/I and C/O guests in case of large queues (Hoteltechreport 2019).

10.1.4 Customer Engagement and Data Collection

One of the main reasons why hotels are following the trend of digitalisation is caused by the possibility of customer engagement. In the era of digitalised services, potential clients pay prior attention to the customer service, as the core factor of making a decision. According to Walker study, hospitality industry nowadays is experiencing the era when customer and user experience have overtaken over price and quality of the products (Walker 2018).

Service personalisation and subsequent customer satisfaction are key factors, which are setting trends in almost all industries in twenty first century. The role of *Service Design – productization process of a product, in order to improve its qualities* (Tonder 2020) is evolving with huge steps. Consistent productization of an existing service/product helps to increase the level of customer satisfaction.

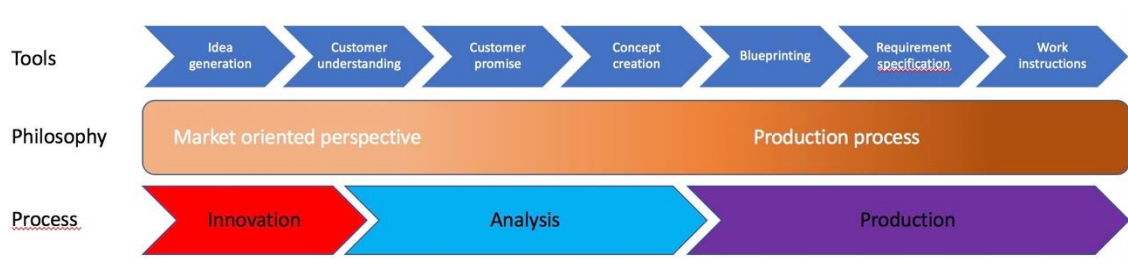


Figure 12. Stages of Productization and Product Development (Tonder 2020).

For hospitality industry, service design can be implemented by collecting customer data. The collected data is analysed and reported so, that it helps the managers to create customer profiles. As a result, hotel has a *Buyer persona Canvas* for each of its clients, who has been engaged (Maijanen 2020).

Figure 13. Buyer Persona Canvas (Maijanen 2020).

Approximately seventy-five percent of customers are eager to buy products and services of the company, if they recognize them by name and have stored their previous preferences for future usage (Accenture 2018).

Besides, customer engagement and data collection helps the management to interact with the budgeting and investments issues of the establishment. Most commonly, part of the budget of a company is allocated for the marketing campaign of the company.

Cost of Acquisition/Retention, Net Promoter Score, Churn Rate – are the formulas that help to define cost effectiveness of the marketing campaign based on the customer profile. Customer data, collection in this case, help the company to see the preferences of the clients, their demographics and value propositions. As the result, more accurate values of both formulas are received. (Maijanen 2020.)

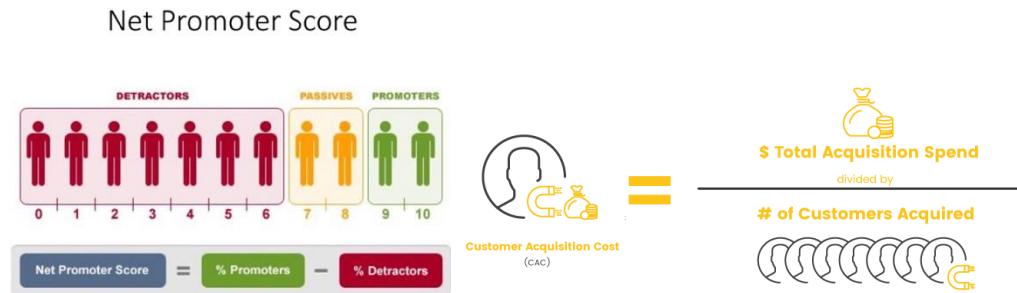


Figure 14. Net Promoter Score formula & Customer Acquisition cost (Maijanen 2020).

10.1.5 Customer Relationship Management and Customer Data Platform

Customer engagement and data collection are excellent tools introduced by digitalisation process, that perfectly assist the management in making decisions over revenue pricing and customer acquisition, in the way it was described previously. Besides, knowing the customer and creation of customer profiles help the hotel to manage customer relationships on a new level.

Nowadays, when the information about the customers is stored in the cloud, it is easier to increase the level of customer satisfaction. Availability of data allowed managers to analyse and report it so, that strong company-customer relationship can be created. For implementing reporting and analysis of customer data, hotels most commonly use Customer Relationship Management software.

CRM system aims at improving the connection between the two parties by tracking the customer behaviour through purchase history. On this basis, the managers are able to set up more accurate marketing strategies as well as to automate sales process. CRM solutions core feature is helping the company not only to connect with their audience and target groups, but with the individuals in particular (Salesforce 2020).

A huge range of CRM platforms allows companies to make the best choice for their particular case. Using such systems has never been considered as a hard and in-depth process. The crucial point with CRM systems is making the right choice from the market: choosing improper system for the business can significantly harm it, if the system does not respond to all the needed tasks. Because of that reason, careful consideration of the *what is essential for the business* is required. Based on this, employer has to choose from the following:

- Operational CRM system – sales and service automation, marketing management
- Analytical CRM system – KPI measurement, data collection and analysis, buyer persona canvas creation
- Collaborative CRM system – sharing information within the organization

Besides known CRM systems that are used in numerous companies, technological progress has invented a modified and more functional version of CRM – *Customer Data Platform*. This type of software performs the same functions as the CRM, but has additional features that make it even more beneficial for the company. (Maijanen 2020.)

In most cases, famous chain hotels are using CDP software, as it provides more holistic customer data in comparison to CRM. Besides, the feature of Cross-channel Personalisation allows the marketing team of a hotel to connect with the customer through numerous channels and create more deep and long-term relationships with the audience (The Bridge group 2020).

10.1.6 How Hilton uses CDP systems to improve the strategy?

In the era, when each hotel tries to reach the highest level of customer satisfaction, chain hotels are improving their loyalty programs in accordance to customer's needs. Hotels like Hilton Worldwide, Marriott international, IHG and others, are dedicating their efforts to strengthen *customer connection* by retargeting and reforming their customer promises (Dubovsky 2016).

In case of Hilton, that has, in author's opinion, the most powerful customer promise implementation, the process of reconstruction the marketing strategy is directly related to Customer Relationship Management systems, introduced by digitalisation. As it was described previously, Marketing management team is collecting customer data in CDP for further analysis. Keeping the customer data helps Hilton to customise guest stay every time he / she enters the hotel in any part of the world.

With the help of customer data collection and analysis, Hilton was able to reinforce the famous strategy of *Swim Lane*. Hilton, which manages and operates in already eighteen various brands, is able to keep the customer promise in all of the eighteen branches, even though the target groups' needs differ. (Ting 2016.)

Hilton owns brands like Hampton, which is targeted for upper-midscale low cost stays; DoubleTree by Hilton, which is famous for being the friendliest and cosiest hotel from the chain; Conrad, which is amongst the most luxurious hotels in the world, competing with Ritz-Carlton and fifteen other branches with different target groups. Nevertheless, according to Smith, K. Hilton's success secret is buried in the historical roots of the company: even though having eighteen differentiated strategies, Hilton always keeps the essential customer promise referring to all the branches – Operational Excellence. (Smith 2019.)

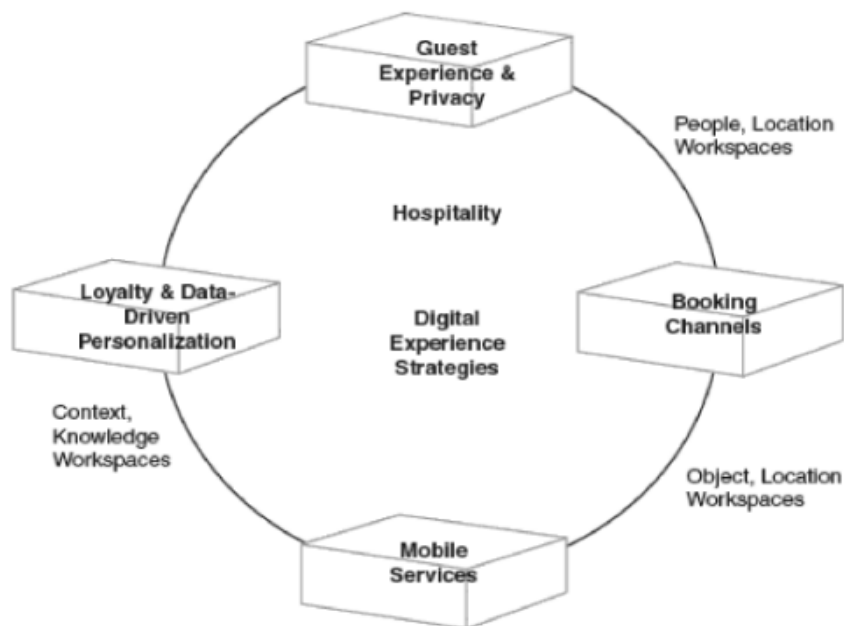


Figure 15. Hilton Digital Business Strategy (Research-Methodology 2016).

The success of Hilton would not be possible without the digitalised inventions made to the industry, as the company positions itself as a top innovative hotel chain in the world (Hilton 2018).

10.1.7 Online Reputation Management

When talking about online existence of hospitality establishments, one understands it as creation of web site and involvement into OTA – online travel agencies. It cannot be denied, that involvement of hospitality establishments into online sphere is of vital importance: *If you are not on Google – you do not exist at all* (Lanu 2019).

As a consequence, the appeal of hospitality industry professionals to *go online* to all hospitality businesses is creating a high level of competition. It is not a common process in hospitality industry, but there is still a chance of *Negative advertising and Libel* that occurs between highly competitive or contradicting in their ideology companies.

For example, in twenty fourteen, Greenpeace International has published a video, which was insulting the decision of Lego company to agree on a partnership with

Shell – one of the biggest companies which trades oil drilling, especially in Arctic. The published video showed a Lego city built in Arctic, which was sinking under a black mess of oil. Greenpeace International blamed Shell company for drilling oil in the Arctic, which has caused accidents and oil spills, which were killing the environment. (Greenpeace 2014.) The *brand jacking* organised by Greenpeace resulted in contract cancellation between Lego and Shell companies (The Guardian 2014).

From the marketing management point of view, the process of avoiding brand jacking cases is called *Online Reputation Management*. Another name for ORM is SERM – *Search Engine Reputation Management* which stands for practice of strategy development, that will affect the brand perception and reputation of the establishment. The main goal is to define the negative impressions that are addressed to the company and react to those. (Wikipedia 2020.)

In case of the hospitality industry, *brand jacking* is not a common thing. Though, online reputation management is an important thing to follow, as it is closely related to the OTA. For example, the negative feedback received from customers that are addressed to the restaurant / hotel should be dealt in nearest time by the CRM team of the company. Usually, customers share their experiences on the web site of the company or the online review platforms, like TripAdvisor or Booking.com as described before. If the feedback is negative, the companies, showing their hospitality skills, are trying to do everything to convince the customer to change his / her opinion.

10.1.8 Undeniable Problem of TripAdvisor

In twenty sixteen in France, a person has left a detailed negative review on one of the restaurants in France, several days before it was even open. French court require TripAdvisor to reveal the person's identity, after what one was fined with seven thousand five hundred euros. In the same year, a customer who has visited an a la carte restaurant in New Zealand, was extremely disappointed in the restaurant for not having any vacant space. To show aggression and discontent, person has promised to publish several negative reviews from the six fake accounts available for him. (Egan 2016.)

Finally, Italian Court has fined TripAdvisor with five hundred thousand euros in twenty fourteen, for not being able to control the process of faking reviews from insufficient accounts (Egan 2016).

By describing the mentioned cases, the author wants to concentrate the attention of the reader on the negative side of using Online Review Platforms, in particular, TripAdvisor. As it can be seen, falsification of negative / positive reviews for any restaurant is a common problem for both: customers and businesses. From the customer point of view, it can never be clear whether the positive or negative feedback is sufficient and can be a source of trust. From the other side, employers have to persist the *brand jacking* demonstrated by fake negative reviews on the page of their establishment.

Though, according to Egan, Mike (Stuff 2016), review falsification is more related to the restaurants, rather to hotels, as those most commonly receive similar reviews in terms of contents.

10.1.9 Online Travel Agency

In chapter related to Online Review Platforms, the author has already mentioned the importance of interaction between the guest and OTA. As Online Travel Agencies, one understands as *agencies that arrange and sell accommodations, tours, transportation and trips on an online platform for travellers* (Colorwhistle 2020). With the help of OTAs, hospitality establishments are able to sell more and increase the revenue generation. These are the third parties, which help to connect the company and the potential client. Obviously, for implementing the task, OTAs require a specific commission, which varies according to the agreement between parties. The commission range can vary from five to twenty percent. Among the most popular OTA's are: Expedia, Booking, Priceline, TripAdvisor.

High commissions paid to the OTAs often deter hotels from using this method of booking and selling, in order to increase capacity. Though, it is not clear whether it is better not to sell any rooms at all or rather sell and earn at least seventy-seventy five percent of revenue (GLO Kamp Collection Hotel 2019).

OTAs from the hotel operations point of view, create a huge competition and price transparency, which assists the choice of the client. Client has a range of choice, filtering options and smart search engine, while the hotel has to struggle in the fight for each client by cutting down the prices and costs, or manipulating the revenue pricing using strategy of *Seven C's*: Card, Clock, Commission, Cancellation, etc (Ruotsi 2018). Most commonly, hotels which yet have not built their brand awareness are more likely to suffer from the circumstances caused by OTAs. As a result, part of new and small hotel *dies* in the Red Ocean strategy.

If hotel industry's usage of OTAs has a two-side impact, both – positive and negative, customers see only positive and beneficial use of those due to its convenience and wide possibility of choice. According to statistics of OTAs, eighty two percent of bookings were made online in year twenty eighteen, without human interaction. The popularity of online bookings has significantly increased the overall travel industry revenue. For example, it was expected to have eight hundred seventeen billion US dollars generated revenue to year twenty twenty (Condor Ferries 2020).

In twenty eighteen, most reliable and preferred by customers OTA's were Expedia and Booking, among ten most used ones.

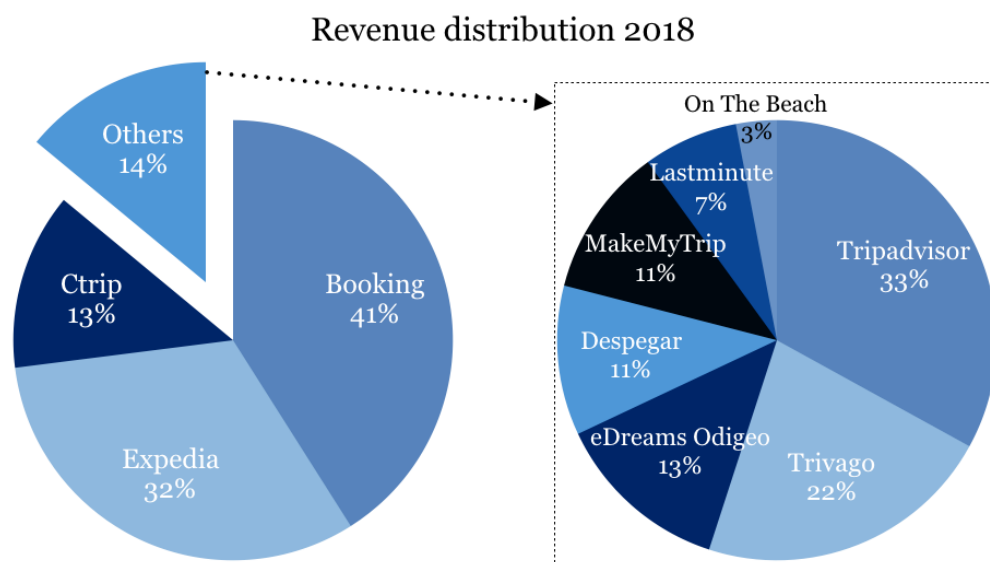


Figure 16. Revenue Distribution 2018 (Medium.com 2019).

In opinion of some famous hoteliers, OTAs should be considered rather a threat, than an opportunity. Hoteliers are struggling to convince the guest to use original website of the establishments and proceed with direct bookings, rather than researching and booking through third parties Online Travel Agencies. According to Ruotsi, Lari-Pekka (Revenue management 2018), hotel management personnel are not officially allowed to set up room rates at lower price in comparison with the price on the OTA, with which agreement was made. Though, such practice is used nowadays in many cases, in order to attract the customer to book directly. Statistics have shown, that fifty two percent of customers prefer booking hotels through an external channel, however, still research on company's website for extra information (Condor Ferries 2020).

10.2 How Hotels handle the challenge of OTAs? ROOMKEY

As it can be seen from statistics mentioned above, the dominance of OTAs over direct website bookings is considerable. For that reason, hotel industry giants have combined their efforts in order to deal with the obstacles. A marvellous collaboration of six biggest chain hotels, like Hilton Worldwide, Marriott International, IHG, Choice Hotels International, Hyatt Hotels Corporation and Wyndham hotels & resorts has resulted into creation of a new organization named Roomkey. (Room Key 2018.)

The idea of the Roomkey is to provide the customers with a channel, where clients can make their research on the hotels, instead of surfing on OTAs. Referring to van de Logt, J. (2017, pp. 10-11), Roomkey has acquired more than seventy thousand hotels worldwide.

In fact, Roomkey can also be considered as a third-party source, as it also makes fee charges on the hotels that they involve, though the fees are sensibly lower. Roomkey channel is a channel that should replace the existing OTAs. The mentioned hotel chains under the union of the Roomkey are blaming the OTAs for several reasons.

10.2.1 Aggressive Sales Tactics

The union of biggest chain hotels in the world, (Roomkey 2020) blame OTAs for using *aggressive sales tactics* towards the clients, in order to sell as more properties as possible. Most commonly, OTA clients are used to see statement, which says: *only two rooms left, book right now!* In reality, hotels can have the way more vacant rooms, as they publish only few of those on OTAs. The real amount of vacant rooms can be checked directly through the official website of the hotel. This shows the inhospitable attitude towards the customer, as the main goal for OTA is to sell the property.

10.2.2 Unfair Property Sales Management

Room Key union also blames OTAs for unfair property filtering and search results. In other words, OTAs are dimming hotels that do not make as much revenue as those, which do. In twenty sixteen, one of the largest Online Travel Agencies – Expedia, was caught for advisedly deleting photos of some hotels' properties, in order to make them look less attractive. This manipulation was made to downgrade the hotels' status and make the potential clients hesitate on selecting the property, as the partnership with these hotels has considered lower commission fees comparing to others. (Roomkey 2020.)

10.2.3 The False Feeling of Choice

OTAs like Booking, Expedia, Priceline always try to give the customer the possibilities to control the room selection based on their preferences. However, mentioned hotels' union is considering the filtering options on OTAs only as a tool for manipulating a guest. In fact, Booking, when offering filters to guests, only creates *the false image of choice*: the filtering options only allow a limited amount of basic modifications and preferences they can select when choosing the property. The personalization and customization of the order, which is possible when booking directly from the hotel, is not considered. Because of this reason, Roomkey encourages clients to refuse from the OTAs as they are false providers of hospitality and have very few in common with understanding of travel, stay and hospitality. (Roomkey 2020.)

10.2.4 Overbooking

Overbooking – is a common and legal process, when airline and hotel companies are eager to sell more services, than the actual possible capacity. This helps to increase the revenue, in case of *no-shows* of the clients. According to the Hotel Union Room Key (Roomkey 2020), when booking a property through OTA, a client automatically becomes a customer of the OTA, but not the hotel. This means, the chosen third-party channel is the responsible person for the customer's stay. In case if the reservation is lost (what happens frequently when booking a room through OTA), or if the overbooking is occurred in the hotel, the OTA will be in charge of problem-solving. Obviously, if hotel itself handles the problem of the customer, the chances of subsequent customer satisfaction is more possible, in comparison with the same case handled by OTA. (Roomkey 2020.)

10.2.5 First Concern of Digitalisation problem

According to author's opinion, Roomkey can be considered as one of the first warnings of digitalisation problem in hotel industry. The reason for creating the union was caused by the OTA, which, due to the technological development and progress, has started to dominate over hotels and hospitality. OTA – is just an online service, a channel, which allows a potential client to make a research, observe, analyse the prices on the market and, in consequence, book the best suitable option. Besides the threats and tricks OTAs are hunting, they destroy the understandings of hospitality.

Booking directly through hotel is always a possibility for the employer to show all its hospitality to the client and to provide customer with satisfaction already on the point of booking. Reaching customer satisfaction and creating customer experience with no human connection involved, as it happens with OTA, is impossible.

It should be mentioned, that nowadays, the Roomkey website has stopped its functioning caused by unknown reasons (the issues can be related to the COVID pandemic). The official website of the hotel union says: *Roomkey is in the process of redefining our business operations. Thank you for trusting Roomkey.com with your hotel search needs over the years.* (Roomkey 2020.)

10.3 Summary: Hotel and Digitalisation

To make a short summary on the impact of digitalisation in hotel industry from the hotel point of view at first-hand, the author suggests to refer to Google Reports. The report has shown data of consumer behaviour in travelling industry. Google suggests that all employees of hospitality industry have to follow three core aspects:

- *Be There*

The first aspect suggests to always be an assistant to the customer, as nowadays, users want to be assisted by the company, providing service. That is why, Google highlights the importance of measuring properly the Online Activity of the company in order to be able to facilitate the customer purchase path. (Think with Google 2018.)

- *Be Useful*

Google report suggests, that employees have to understand the customer needs and keep the customer promise, to increase the ratios of acquisition. Consumers are most likely to respond to brands that know perfectly their needs. (Think with Google 2018.) Like it works in case with Booking.com, the users are always eager to engage with the app, as it is easy to understand and implements the role of an OTA perfectly.

- *Be Quick*

Fast and Easy access to the desired destination – is the motto of all digital users in twenty first century. For that reason, employees should improve the accessibility and availability of their products, avoiding any extra inconveniences. This explains the need of online distant C/I and C/O. (Think with Google 2018.)

In overall, what can be seen is that hotel industry is able to facilitate its operations and cut the costs by making long-term investments in the technological devices. It is obvious that keeping and maintaining devices considers lower costs in comparison with human employees. For example, Finnish working law considers high quality of employee care, with expensive insurance, high wages and fifty percent

of salary payments to the government (Mytty 2020). The expenses of an employee are incomparable with the expenses of devices, where all is needed is an investment for purchasing the devices and money allocation for their future maintenance.

Along with facilitation of hotel operations by integrating digital devices, hotel is also experiencing new challenges to overcome caused by digitalisation. The Online reputation management, Online Travel Agencies, high competition and Customer Domination – all of these cause problems for hotel industry. Though, as Digitalisation is counted as an *Industrial Revolution*, it requires changes and accustom from all business spheres.

11 Empirical Study: Qualitative Semi-Structured Interviews

Research is understood *as something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge* (Saunders et al. 2009, p. 5). As the thesis is structured on deductive method of logic, the author is proceeding with the research part after observation and analysis of theoretical framework. The goal is to find correlations between the research results and the theory suggested. The first research results to be introduced will be the qualitative semi-structured interview results with Restaurant Manager in Hotel Helsinki Kalastajatorppa.

In author's opinion, qualitative data has a higher value in comparison with quantitative for the topic of the thesis. Non-standardized data, which is expressed through words by a Hospitality industry Professional has higher reliability margin comparing to respondents of hotel customers' sample group. Taking a look from the professional's point of view helps the author to strengthen arguments mentioned in the thesis.

11.1 Case Study: Hilton Helsinki Kalastajatorppa

The following chapter introduces the results of semi-structured interview organized with the management in hotel Hilton Helsinki Kalastajatorppa. The hotel was selected as a case study for its unique characteristics.

11.1 Research Description

To proceed with qualitative method of data collection, the author has contacted a Hospitality Professional who has a strong background of working in the industry. In the beginning of the research, it was planned to carry out several interviews with employers from different hotels. Though, due to the pandemic, most of the potential interviewees rejected. As a result, the author has managed to arrange a meeting with only one interviewee. Ellie Hagg – a professional restaurant manager with years of experience working in hospitality industry in Nordic countries. For the moment of the interview, Ellie was a restaurant manager of Meritorppa restaurant located in hotel Hilton Helsinki Kalastajatorppa.

The author has designed a set of open-ended questions, which compose a semi-structured interview type. The set of questions were suggested to the interviewee in an oral format. During the interview, the respondent was sharing opinion about each question, along with the author suggesting own ideas.

The interview took place directly in the Hilton Hotel, in restaurant Meritorppa part. Ellie has kindly reserved a table in *Laajalahti* cabinet for the private discussion. The whole meeting lasted for forty-six minutes, where only twenty-nine minutes were recorded as the part of the interview.

Before starting the interview, the author has introduced the core aspects of the topic, has stated the theoretical proposition and has explained the aims of the thesis. The author's goal was to explain the main intentions as well as share personal opinion about the topic.

11.1.1 Type of approach

As for the entire thesis, the author has implemented deductive approach of qualitative analysis. Deductive approach is referred to as a process of existing theoretical framework collection with further analysis and adoption to the qualitative analysis. Deductive framework relies on sharing author's prior knowledge on the topic and describing the existing theory. Besides, mixture of the existing theory with author's prior experience helps to build explanatory framework to direct the analysis of data. (Saunders et al. 2009, pp. 488-490.)

11.1.2 Type of qualitative Analysis Process

After careful consideration, the author's aim was to choose a proper way of analysis process of qualitative data. In order to comprise long texts received from interviews, the author has used Summarizing method. Summarizing considers identifying the key takeouts from an interview and giving a brief overview of crucial points of the results. (Saunders et al. 2009, pp.491-492.)

11.1.3 Type of Analytical Procedure

The author has used deductively based analytical procedure, where the theoretical framework is collected prior to the data collection. As a result, the theoretical framework is tested by the qualitative data collected in order to find correlations. For the type of deductively based analytical procedure, the author has chosen a variety of *pattern matching* analytical procedure type – *explanation building*. The type considers devising a theoretical proposition and examining it in the qualitative analysis through finding correlations between proposition and qualitative data results. (Saunders et al. 2009, pp.500-501.)

11.1.4 Hilton Helsinki Kalastajatorppa

Hilton Helsinki Kalastajatorppa is a famous hotel located in Kalastajatorppa, Helsinki. The hotel's core feature is the magnificent view from the *Seaside Wing* hotel accommodation to Laajalahti – The Gulf of Finland. Location of hotel is surrounded by nature and water, creating a peaceful atmosphere of holiday vacations.

Hotel was first built in nineteen-ten, designed as fisherman's croft. The area, in which croft was created had a vision of a recreational area, until the First World War. The first re-opening of the hotel dates back to year nineteen thirty nine, when restaurant Kalastajatorppa has become the largest restaurant in Nordic countries. During the Winter War, restaurant was operating as a Military Hospital. (Wikipedia 2020.)

Finally, in nineteen sixty nine, the first hotel building was created. The further development of the hotel resulted into two hundred thirty-eight rooms accommodation facility (Hilton n.d.).

For the current moment, the hotel belongs to Scandic Group. To be more precise, Hilton Helsinki Kalastajatorppa is operated by Hilton Resorts company, though the building itself is the asset of Scandic. In this way, the hotel is following mainly Hilton standards, which considers more hospitality, meanwhile responding to some of the Scandic requirements. (Hagg 2020.)

The hotel has twenty conference rooms located in a separated area, designated for business meetings and events (Hilton n.d.).

11.2 Results of the Interview

During almost half an hour conversation, Ellie Hagg has shared her valuable opinion regarding the topic chosen by the author. As it was mentioned before, author's goal was to test the theory on the basis of industry professional's opinion. Being a long-term employee in Hilton Helsinki, Ellie has all acquaintance with both: hotel and restaurant operations. As the topic of thesis considers the hotel industry, it was important that the chosen respondent obtains enough knowledge about the industry. The answers to the questions were summarized, so that author could design an essay with all important aspects excerpted from the whole interview.

After introducing the topic of the thesis to the interviewee, the author has asked questions concerning the hotel itself. A unique feature of Hilton Hotel Kalastajatorppa is the targeting that management has used. Hotel targets on two groups which, at first glance, have nothing in common with each other: families and business people. From the words of interviewee, the customer groups do not disturb each other during their stay. The large size of accommodation facilities and their division, do not allow the guests from different customer groups to come across with each other. Even in the restaurant, business people prefer visiting Meritorppa during lunch time, while families are arriving to the restaurant in the evening. Such unique combination of customer groups can be rarely seen in other hotels across Europe.

As Ellie has mentioned, online existence of Hilton Helsinki is a vital aspect for the hotel's revenue management. More than 65% of monthly reservations are made through OTAs, whilst the rest are booked directly from Hilton. On average, busi-

ness customers are the ones who book hotels directly from the company's websites, due to specific agreements with Hilton. Besides, Hilton Kalastajatorppa has large number of loyal business customers, that have experienced numerous nights in Hilton worldwide. The obtained status gives them more benefits to book directly, rather than from Booking.com. For the COVID-19 period, the booking fees have not brought any sensitive harm to the hotel's revenue, though the occupancy rate is still on its minimum. On average, the hotel fills 20% of its occupancy per day.

Regarding the extent of digitalisation in the hotel, Ellie Hagg has stated that the company does not possess a strong digital technologies' equipment. As for the hotel rooms, the most common digital equipment is a TV set, used for different purposes. For example, besides watching TV programs, customers can search for information about the hotel's facilities and their working hours. TV set also allows the guest to discover the menu of the restaurant in different languages. In such way, the customers get acquainted with the menu and form their preferences for making an order, when calling the room service.

The author has shared, that some Hilton hotels obtain digital room service feature, which allows to order room service using a tablet only. Mrs. Hagg stated that she was familiar with the feature and Hilton Kalastajatorppa planned to integrate similar system to the guest rooms. In interviewee's opinion, such digital procedure would definitely facilitate the work of restaurant, for which taking orders through phone was always a problematic case during the rush hours in the restaurant. Though, Ellie stated that facilitation of operations could sensibly decrease the level of hospitality. Taking order on the phone always allowed the employees of the restaurant to show their hospitality and try to help the customer to make proper choices from the menu list. However, such hospitality cannot be possible when proceeding with order through a tablet.

As one of the digital trends used in the hotel, Ellie has shared the Digital Key in Hilton Honors mobile application. By demonstrating the app on phone, Ellie has mentioned that besides numerous functions of the app, the guests can even Check in themselves without contacting the hotel staff. Hilton Helsinki kalastajatorppa is the first and only Hilton hotel in Finland to acquire the new feature. The

digital key was most commonly used by business people with loyalty programs, whilst holiday spenders preferred traditional C/I way. Nowadays, the app feature is experiencing significant increase in usage due to COVID-19 pandemic. The clients are trying to avoid human contact by using the digital C/I.

The author has shared prior knowledge about the chatbot, that plays the role of a digital concierge, which is used in biggest chain hotels. Ellie described the feature as a useful tool for customers to receive information about the hotels services as well as ordering them online. Though, she agrees that chatbot is harming the hospitality level.

For the final discussion regarding the preference of High Tech or High Touch for the guest of future, Mrs. Hagg has chosen High Touch as an answer. In interviewee's opinion, customer service, personalization, human interaction would still have the dominance over technologies for a future hotel guest.

Ellie Hagg being an industry professional, has always been dedicating all efforts for the industry. Ellie values the traditions and concepts of Hilton, what she has been demonstrating to all the employees of Hilton Helsinki Kalastajatorppa. Most commonly used phrase *we are working here with our hearts*, could perfectly describe the relation to the customers Ellie was achieving. Finally, Ellie stated that digitalisation in hotel industry is an inalienable process, without which industry can be damaged. *The world is changing – so we do*, referring to the words of the interviewee. Nevertheless, it was stated that employers should be aware of all actions regarding the digitalisation in hotel industry, by valuing traditions and concepts of hospitality. Digitalisation should be integrated to a certain extent, which would not damage the hospitality from the customer point of view.

11.3 Comparative Analysis: Correlation of Digitalisation & Hotel Type

Besides the primary qualitative interview organised with Restaurant Manager Ellie Hagg, the author decided to include two minor interviews in the thesis. The conducted interviews helped the author to discover the topic of correlation of digitalisation & hotel type from a wider prospective.

The first interview consisted of an excursion to Rivoli Jardin hotel, which was part of Hotel Management course held by Lari-Pekka Ruotsi. The students were given a possibility to interview the hotel manager of Rivoli Jardin boutique hotel. The author have saved the answers for future consideration in the thesis.

Another interview was conducted with a temporary employee of Cheap Sleep Helsinki Hostel – Victoria Shustova. The interview was processed in order to find additional information about the hostel's characteristics, as the official sources lacked information about needed for the thesis aspects.

Considering the point, that the mentioned interviews were not organised according to qualitative research method requirements, author still found value to include the data collected in the thesis. The representatives of both hospitality establishments have shared valuable information, that was useful for discovering the topic correlation of digitalisation and hotel type.

Coming back to analysis on the affection of digitalisation from the customer and hotel points of view, the author suggest to describe and analyse the extent of digitalisation in hotel industry based on hotel type. Obviously, the quality level of hotel, which is most commonly rated by amount of Stars, directly correlates with the need of digitalisation in the establishment.

The core aspect of business development – Mission clarification, is the most decisive factor for the marketers in order to build the right business for right people. In hotel industry, mission clarifies the ways of how a hotel will add value to their guests' stays and tells the customer its story (Hayes & Ninemeier & Miller 2017, p.35). On the basis of Mission of the establishment the hoteliers are able to understand the customer needs, what consecutively tells them the level of digitalisation to be integrated into the business.

When measuring the need of digitalisation, hoteliers are considering two core aspects of business: positioning and targeting. As for positioning, hoteliers are seeing the trend of digitalisation in terms of suitability for their customer promise. Meanwhile, targeting aspect consideration demonstrates whether integration of digital technologies will respond the needs of their audience.

11.3.1 Case 1: Boutique Hotel Rivoli Jardin

The author suggest to take as an example hotel *Rivoli Jardin*, located in the centre of Helsinki. A boutique hotel, owning fifty five private rooms, sauna and fitness amenities is having a marvelous location with accessibility to all central places of interest in Helsinki (Rivoli.fi 2020). The author has chosen this particular hotel for analysis, after an excursion, which was part of Hotel Management course, where the manager of the hotel has revealed its core features (Hotel Management 2019). The Semi-structured questions were asked by a group of students to the Owner and General Manager of the Boutique hotel. A careful consecutive analysis of the respondent's answers helped the author to make conclusions on the Manager's point of view on the digitalisation in this particular hotel.

Rivoli Jardin is an old-fashioned boutique hotel, which has created a strong audience through many years. The target group of the hotel is Seniors Generation, who, in most cases, know the owner of the establishment personally. The clients are used to the atmosphere of the hotel, as they have visited it repeatedly. According to the words of the hotel manager, employees are not using online marketing strategies to acquire new customers.

For a hotel, who targets on existing Senior customer group, integration of digital technologies will definitely not suit the needs of the clients. In such case, digitalisation can even harm the concept of the boutique hotel.

Implementation of Digitalisation in case of Senior-oriented hotels cannot respond to the main rules of Business Model. Integration of Digitalisation in Rivoli Jardin can affect the relation of its loyal permanent customers to the company. Hotel's clientele is eager to choose this particular destination due to its customs and traditions, that are beloved by the customers. As it was mentioned before, digital technologies are not mostly perceived as a positive change in the daily life for older Generations.

Integration of new and unfamiliar, can break the concept of friendly and cozy atmosphere of the hotel. In other words, the digital changes in the boutique hotel Rivoli Jardin can destroy the understanding of *Primary Customer Values* (Harvard Business Review 2014).

11.3.2 Case 2: Cheap Sleep Helsinki Hostel

At the same time, if taking a look on a hostel, which is targeting young generations, digitalisation might have a totally opposite impact. Author suggests to take a look on the *Cheap Sleep Hostel* located in Helsinki, Finland. The author has contacted one of the employees – Victoria Shustova, who is accomplishing her Professional Placement in Cheap Sleep Hostel, in order to organize a short semi-structured interview. The questions of semi-structured interview stated to the respondent can be found in the Appendices part. The goal was to reveal the core operations in the hostel and the way they are processed, as well as the extent of digitalisation in the establishment.

Cheap Sleep Hostel – is a low-cost lodging space, which is targeting on young visitors, who are willing to save money on accommodation. Hostel has twenty four private and fourteen dormitory rooms in availability. According to Online Reviews, Booking.com rated Cheap Sleep as *Fabulous*, giving it eight points out of ten (Booking.com 2020).

At the moment, the hostel's average occupancy rate is floating around fifteen to twenty percent per day, as a consequence of worldwide pandemic. Due to the occurred situation, target group of young tourists from other countries has been disorganized, so that now the hostel is a point of interest for any customer, who is willing to save money for the accommodation. In the previous years, summer time was considered to be a high season, when hotel's occupancy was at least at ninety percent load. Cheap Sleep Hostel also uses tactics of overbooking, as they are selling most of their rooms with non-refundable policy. By offering low rates for the accommodation, hostel is able to exclude the cancellation option to guarantee the revenue generation. However, if the client is doubting about the arrival, the free cancellation option can be selected, which adds few euros value to the room rate. Cancellation should be done at least twenty four hours before arrival (Booking.com 2020).

Cheap Sleep hostel does not obtain any complicated system for departments' cooperation. According to the respondent, hostel is using *Cloudbeds* software solution, which is facile for use and can be mastered in few days period. Cloudbeds

is a low-cost software, which is suitable for privately owned small hotels and hostels. On the website of Cloudbeds, a potential client can estimate the cost of the PMS for the business, by inserting key ratios. (Cloudbeds 2020.)

In order to build communication between different departments of the hostel, employees are using WhatsApp chat, which is cost efficient for the operating costs of the company.

As Cheap Sleep Helsinki positions itself as a low cost accommodation for young tourists, management is taking an opportunity to cut unnecessary variable and fixed costs. This leads to the fact, that digital technologies are not an issue of vital implementation. Integration of devices, that improve the user experience is a subject to expensive costs and high long-term investments. For that reason, Cheap Sleep Helsinki has not made investments in digitalisation of operations, as it would significantly harm the budget, especially in the current period. Neither management has discussed any inventions in nearest future.

For the current moment, the hostel has several core integrations of technologies in the company:

- Cloudbeds management system for proceeding with reservations
- Online existence on OTAs, for example Booking.com
- Room Key card, which is used for door accessibility all over the building.
- WhatsApp Chat for communication between employees

However, the author suggests, that digital innovations can enhance the positioning of the company, especially in post-covid period. Digitalisation will play one of the core roles in hotel industry, in the period of post – covid. The mentioned aspect will be described in details later, in the following chapter.

What digitalisation can mean for Cheap Sleep Helsinki hostel? If the target group has been partially ruined due to pandemic and re-transformed into a new target group of *everyone, who is willing to save money on accommodation*, the future development of the hostel's mission can be improved with the help of digitalisation.

By integrating basic technologies, that can improve user experience, the company can possess itself as a new generation hostel, that *minimizes human contact for consideration of safety and increases user experience*. As a result, the hostel will be able to adjust to the new rules of the post-pandemic period, in order to continue its existence.

12 Empirical Study: Quantitative Method of Data Collection

The Empirical study proceeded with Qualitative research methods has shown the reader the point of view of a hospitality professional regarding the topic. To make the research more reliable, the author has used quantitative research method in order to survey everyone else, besides hospitality industry professionals, from the hotel customer point of view.

12.1 Research Description

From the seven major strategies, the author is using Survey strategy, as it is usually associated with deductive approach and helps to collect data from a large population (Saunders et al. 2009, pp.144-145). The Survey method considers descriptive and inferential statistics methods of data analysis, which author has used in Research Results chapter.

12.2 Population and Sampling

12.2.1 Population

As the topic of thesis addresses to a global topic of hotel industry, the author's decision was to collect data from all possible respondents. The respondents were supposed to be at least eighteen years old and experienced in travelling and booking processes. The full set of cases from which a sample is taken is called a *population* (Saunders et al. 2009, p. 210).

For that reason, from the whole population, under which author means everyone who has ever travelled, booked and stayed in hotel rooms, a sample was selected.

12.2.2 Probability Sampling method

The probability sampling method was chosen, which is referred to a method, where the respondents are not chosen on purpose. This requires statistical estimation of characteristics of total population on the basis of the sample group. (Saunders et al. 2009, pp.212-213.)

The sample size of the research was not obvious for the author, as the large topic related to Hotel Industry considered having as bigger amount of respondents as possible, to ensure the low rate of *margin error* (Saunders et al. 2009, pp. 218-219). Thus, error margin came out to be relatively high, as amount of participants in sample group needed for the research is closely impossible to respond to the total amount of population (every person who has ever travelled, booked and stayed in hotels). Nevertheless, according to the author, the data received from the survey is reliable and fully represents the opinion of the population.

12.3 Data Collection Process

The questionnaire, represented as Online Google Form Survey, was delivered among following Social Media Platforms:

- Instagram
- LinkedIn
- Facebook

The biggest attention was dedicated to LinkedIn, as it represents a Professional Social Media. It was of vital importance to promote the Survey form on LinkedIn particularly, as the opinion of professionals from different sphere would have significant value.

Facing that, the author of the thesis has been developing LinkedIn Profile through last 6 months. From 93 connections achieved, the author formed 1850 connections profile. This was important to widen the target group, increase views, likes and reposts of the survey. Besides, proper organised profile, gave the author a possibility to connect with Mr. Bashar Wali and Anna Dolce – the two successful

Hospitality Industry Professionals, that inspired the author for choosing the topic for the thesis.

The delivered questionnaire consisted of:

- Cover letter
- Short introduction of the topic
- Background of the author
- Link to Online Google Form

The message of the author to the audience consisted of plea to contribute to thesis research process by answering few questions from the survey. Author has shared the problem of the thesis in the connotation of the message in order to catch the attention of a potential respondent.

12.4 Survey Questions

The survey consisted of sixteen close-ended and open-ended questions. As the population size was huge, the author designed four introduction questions for identifying the respondent's background. The introduction questions were observing the following information:

- The Age Group of the Respondent
- Nationality of the Respondent
- Current Occupation (e.g. student, employed, unemployed)
- Studying Organization name, if selecting *student* in previous question

The questions mentioned above helped the author to understand the respondents' audience. The results from these questions were used for analysis of Age group and Digitalisation Impact correlation.

The major twelve questions designed for the survey were discovering the following aspects:

- Preferred method of Planning stage of a trip (e.g. OTA or websites of desired destinations)
- Preferred device for Booking a trip (e.g. Smartphone, Laptop, Tablet)

- Awareness of respondents about possible falsification of reviews on TripAdvisor and Booking.com
- Preferred type of accommodation
- Awareness of respondents about Online Check In and Check Out systems
- Preferred method of Check In in a suggested case by the author
- Opinion of respondents about replacing Human provided services with Digital Devices
- Consent with a statement about Digitalisation limiting human interactions
- Consent with a statement about Digitalisation erasing the concept of hospitality
- Explanation of choice to the previous question
- Does the guest of Future want High Tech or High Touch?
- Thought, Opinions and Suggestions about the topic

13 Results of the Research

The following chapter introduces the reader all the results received after proceeding with the Online Google Form survey, as a part of quantitative research method. The results of the survey are demonstrated in graphs and charts automatically structured by Google. Some of the answers to open-ended questions are qualited and analysed using qualitative method.

In total, the survey was filled out by 148 participants, what is considered to be a high amount for a quantitative survey.

13.1 Results of Introduction Questionnaire

Herewith, the author presented the results of the introduction questions for identifying respondents' background. The results' analysis was needed for correlating the background of respondents with the chosen option from the survey.

13.1.1 Age Group

The results of the first question show the author the average age of the respondents.

Please select your Age Group

147 ОТВЕТОВ

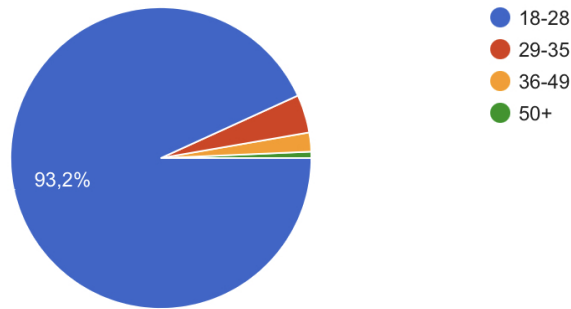


Figure 17. Age group of the Respondents.

As most of the respondents are students, the chart shows value of 93,2% of age group 18-28. The biggest share of respondents belong to the Generation Z group. Only 4,1% from the total amount of respondents belong to Generation Y group: Age group 29-35. At the junction of Generation Y and Xennials – age group 36-49 composes only 2% of total sample. Finally, the oldest generation X and Baby Boomers – Age Group 50+ composes 0,7% of the whole sample.

13.1.2 Nationality

The following results introduce the diversity of nationalities involved in the research made by the author. In total, author was able to survey twenty one nationality.

Using Bing in Excel, the author demonstrates the countries participating in survey on a world map.

Nationalities of the Respondents

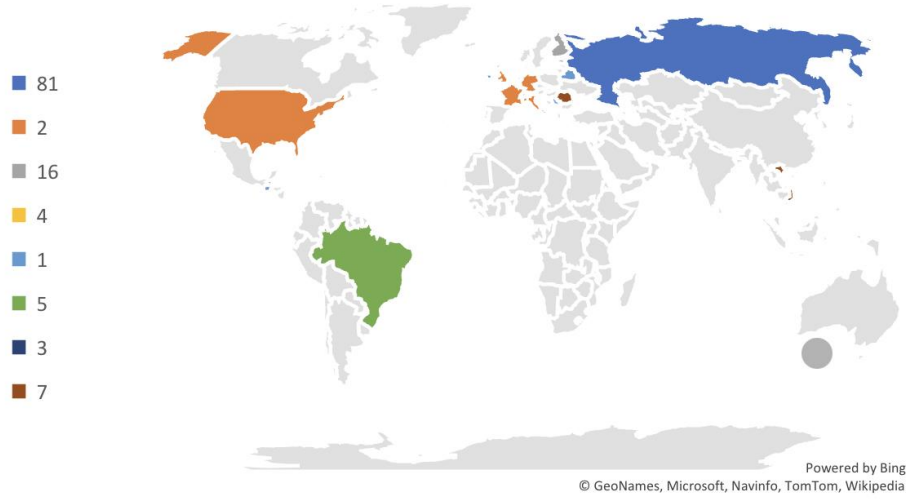


Figure 18. Countries participating in the survey.

The next graph shows the percentage value of each countries' respondents.

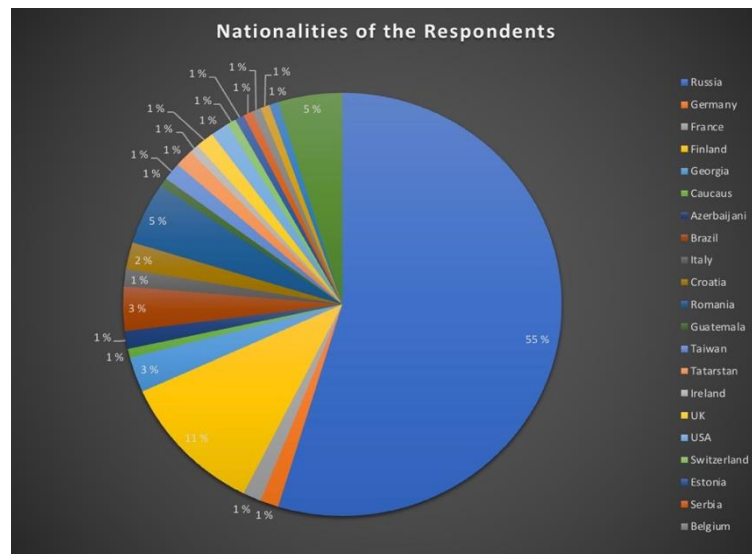


Figure 19. Nationalities of the Respondents.

As it can be seen, more than a half (55%) of respondents are from Russia. The next largest group is Finland making value of 11% of total respondents. The values of each nationality groups are rounded for easier perception of the chart.

13.1.3 Current Occupation

The following chart demonstrates the occupation each respondent has.

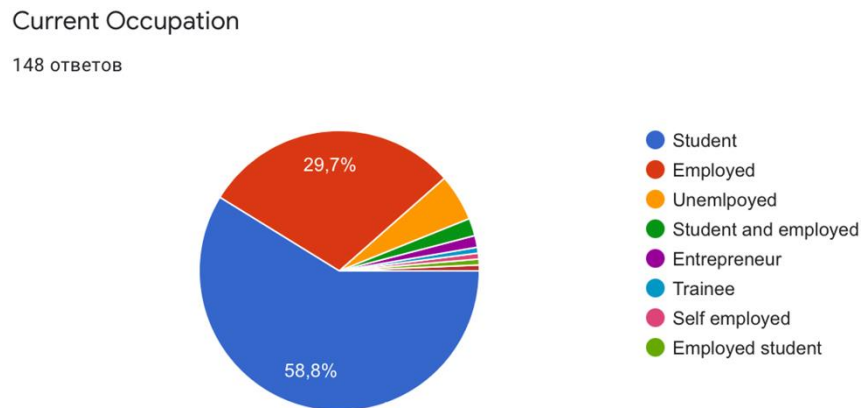


Figure 20. Current Occupation of the respondents.

Figure 20 shows that more than a half (58,8%) of participants are students, while only 29,7% are employed. Other replies compose minor share of total replies.

The domination of students' respondent group was predicted by the author, for what a separate question regarding the Student Organization was created.

13.1.4 Studying Organisation

The following question was marked as non-compulsory, as it relates to students only. The aim of the question was to find out the studying organisations students were representing. It was of vital importance to see the diversity of professions and spheres of study participating in the survey in order to make it more reliable.

If you are a Student, please select the Studying Organization

97 ОТВЕТОВ

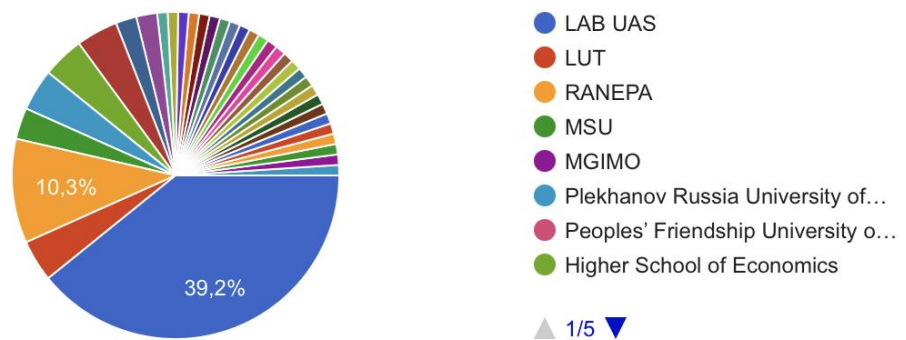


Figure 21. Studying Organizations.

The results from figure 21 have shown 34 Universities and Universities of Applied Sciences. Among those, the most prestigious Universities in Russia, Italy and Finland are selected. The results demonstrate, that students' respondent group are studying:

- Tourism and Hospitality Management
- Business related studies
- Mechanical Engineering
- Marketing and PR related studies
- Fine Arts
- Micro and Macro Economics related studies
- Intercultural Communication
- Chemistry and Physics related studies
- Biological sciences
- Transportation and Tourism related studies
- Language and Linguist related studies
- Law and Politics

13.2 Topic-related Questionnaire

The following part analyses the results of the respondents on the questions related directly to the topic. Besides close-ended questions, some open-ended questions were asked to the respondents.

13.2.1 Planning a Trip

The purpose of the question was to find out the preferred method of planning the trip. The respondents were suggested to choose one from the three options:

- I prefer using OTAs
- I prefer surfing among official websites of desired destinations
- Other

The respondents were given a possibility to share their own opinion, if none of the suggested answers were suitable.

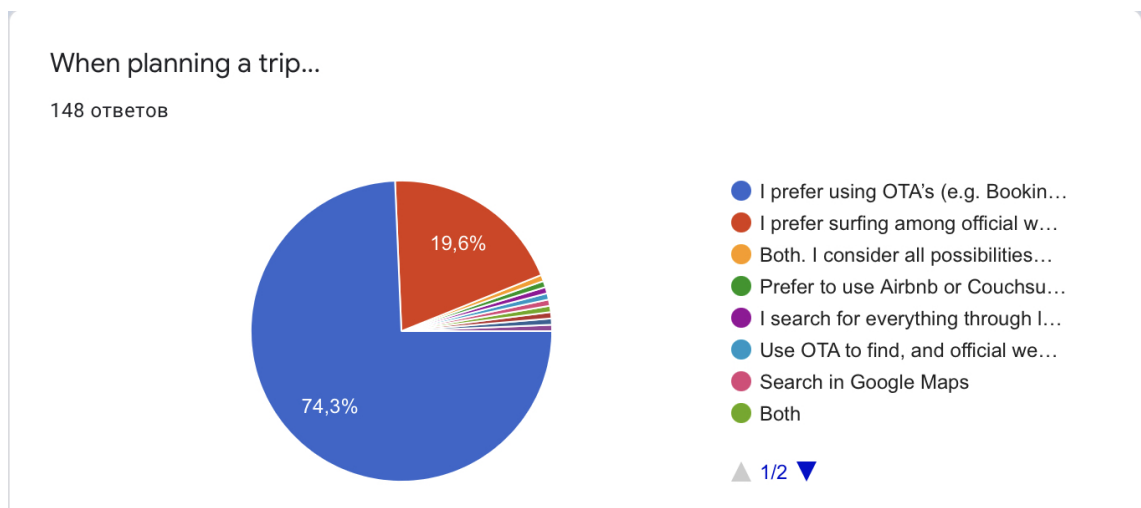


Figure 22. Sources used for planning a trip.

The chart shows the tendency of respondents to prefer using Online Travel Agencies, what composes 74,3% of all answers of a sample group. Only 19,6% are surfing among the official websites of the desired destinations. The results describe OTAs as most efficient and accessible tool for planning a trip. Besides, the respondents have given the following answers:

- Both
- Use OTA for planning, but booking through an official website
- Both and Blogs
- Local forums
- Travel books

13.2.2 Booking a Trip

The survey results stated that 72,3% are more likely to use laptop/computer as means of booking the a trip. At the same time, 25,7% of respondents were used to book through a smartphone, while only 2% gave the preference to a tablet. The results can be seen from figure 23.

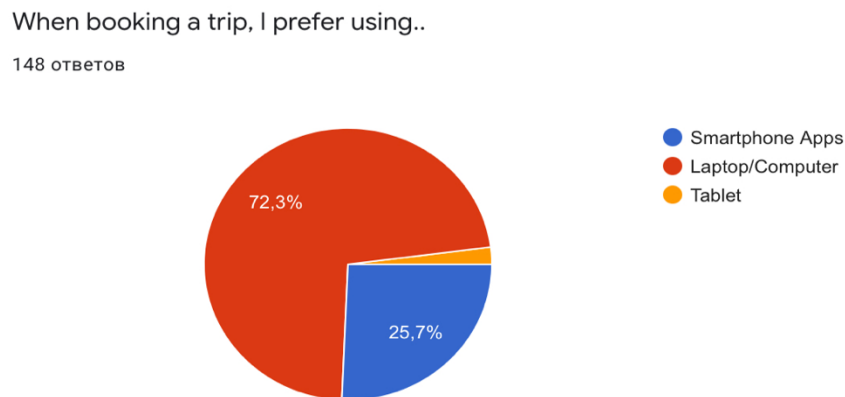


Figure 23. Means of Booking a Trip.

The results demonstrated, that even the major share of the respondents were younger generations, smartphone yet had not become a trustful tool for making bookings and purchases. The preference is still given to laptops, what shows that smartphone travel apps will still need development to become an independent appliance for purchasing travel related products and services.

13.2.3 Reviews' Falsification on TripAdvisor/Booking.com

The survey resulted into 65,5% of respondents that were familiar with accidents of false reviews on TripAdvisor and Booking.com, while the rest – did not hear about it.

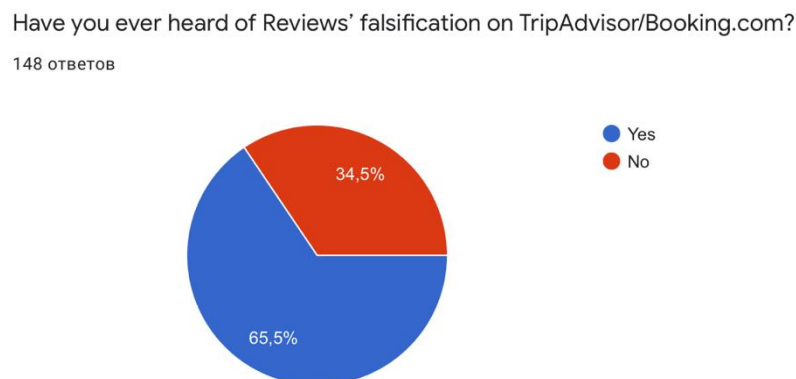


Figure 24. Reviews' Falsification on TripAdvisor/Booking.com

The tendency of results shows the conversance of the respondents about the topic. Thus, Figure 22, contradicting this fact, demonstrates that still most of respondents are utilising the services of OTAs.

13.2.4 Preferred type of accommodation

The following survey has helped the author to analyse the answers to the previous question in correlation with the type of accommodation the respondents are giving preference to.

Select the preferred type of accommodation

148 ОТВЕТОВ

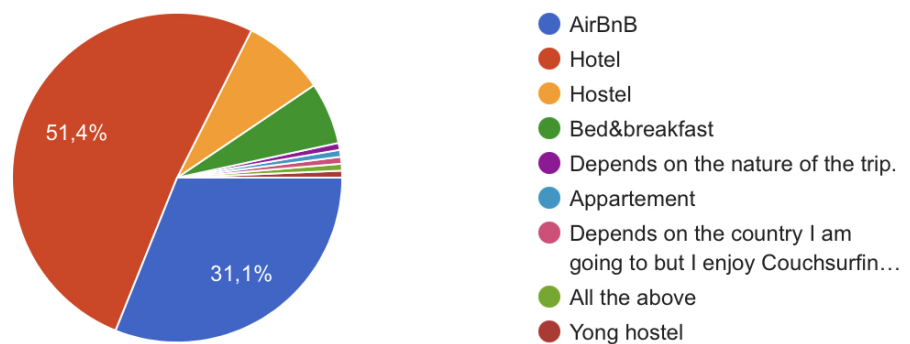


Figure 25. Preferred type of accommodation

More than a half of respondents (51,4%) tend to choose hotels as accommodation type. Thus, 31,1% prefer booking through AirBnB and 8,1 % prefer Hostels. The results are shown in figure 25.

13.2.5 Awareness about Online Check In and Check Out systems

The results have shown that major part of the respondents have heard about Online Check In/Check Out features in modernised hotels. This shows the tendency of Digital innovations in hotels to be familiar for most of the population

(75,7%). According to the answers, author can conclude that topic of digitalisation in hotel industry is a global issue.

Have you ever heard about Online Check In and Check Out systems?

148 ОТВЕТОВ

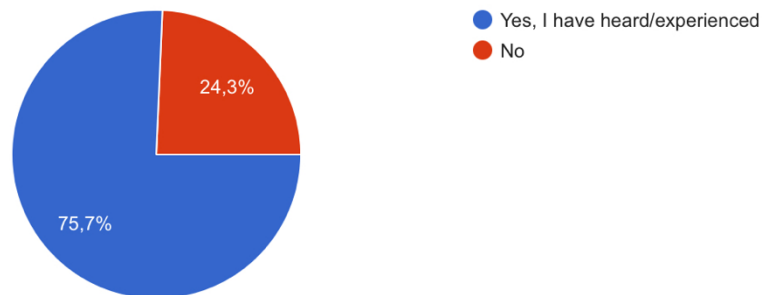


Figure 26. Awareness about Online C/I and C/O systems.

13.2.6 Visiting a hotel: case

One of the most important question of the survey is dedicated to a short case illustrated by the author. The idea of the question is to understand the guest preference of registration when visiting a hotel.

Case: You have visited a hotel, where you are able to proceed with Check In in two ways: 1)Through a specifically designed tablet, excluding staff intervention; 2)Address the front desk staff to Check In in a traditional way

148 ОТВЕТОВ

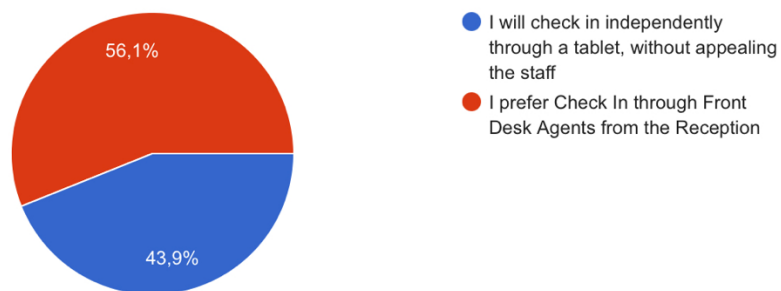


Figure 27. Visiting a hotel: case.

Surprisingly for the author, the frequency of answers has been divided into relatively similar values. Yet the major part – 56,1% prefer addressing front desk agents to proceed with the registration. Meanwhile, the minor part – 43,9% consider digital check In more convenient.

The survey results for this particular question cannot be described in a one certain way, as the percentage values of both answers is almost on the same level. Author has analysed each answer of this question in correlation with the age of the respondent and revealed that age has not been the core factor: equally same amount of Young Generations vote for first and second answer.

Moreover, the author notes, that the results for this question are contradicting the data from previous question to some extent. Results regarding the question about awareness of Digital Check In systems (Figure 26) showed that 24,3% have not heard about ones mentioned. Meanwhile, the percentage of those who would proceed with registration digitally is 43,9 %, which is 19,5% higher.

The explanation to this phenomenon is hidden in the formulation of the answers to the question:

- The first answer, which has minor choices states the following: *I will check in independently through a tablet, without appealing the staff.*
- Second answer, with major replies, states following: *I prefer Check In through Front Desk Agents from the Reception.*

The conclusion made on this survey is related to a specific formulation of *...without appealing the staff*, what gives the respondent the feeling, that the procedure can be done without human intervention. The author proposes that larger amount of those who have chosen to be registered digitally is related to the one's personal qualities: avoiding extra contact with unfamiliar persons, if possible.

13.2.7 Human provided Services vs Digital Devices

Analysing the results of this question helps the author to reveal the genuine opinion of potential hotel clients about digital devices replacing human provided services.

The respondents have been offered with three answers to be chosen:

- *I would prefer using Digital Devices, without addressing staff members of the hotel*

- *I enjoy experiencing Customer Service, provided by the staff members of the hotel, instead of going digital*
- *Other, please specify*

What do you think about replacing Human provided services in the hotel with Digitalised Devices?

148 ответов

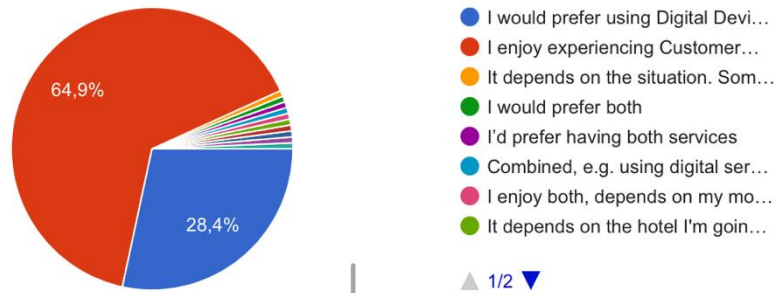


Figure 28. Digital Devices replacing Human provided services

The results show that 64,9 % of all respondents put in prior customer service provided by Humans; whilst 28,4% prefer User Experience and Fast Access to the services of the hotel.

As it can be seen, respondents value the importance of hospitality in hotels and prefer having human interaction. Nevertheless, there are part of respondents who have selected *Other, please specify* answer and have described their answer as finding a balance between both, combination of both: hospitality and digital technologies. Unfortunately, no specifications about these answers have been received. The results are shown in figure 28.

13.2.8 Consent with statement 1

The question with a gradation choice has been based on the citation of Margaret Rouse: *Digitalisation has allowed more and more people to limit their interactions with others, creating what some people fear is, a population, that could lose some of what makes it human.*

Do you agree with the statement? “ Digitalisation has allowed more and more people to limit their interactions with others, creating what some people fear is, a population, that could lose some of what makes it human ”

148 ответов

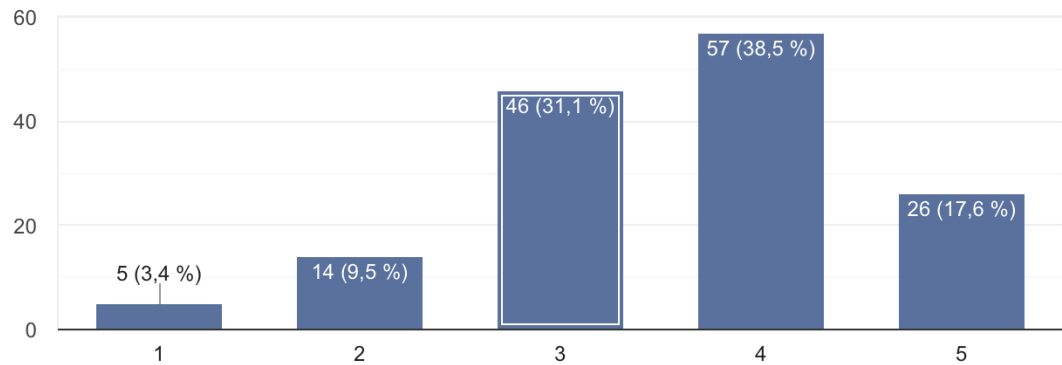


Figure 29. Consent with statement 1.

The biggest share of the respondents (38,5%) have selected number 4, which stands for *agree* with the statement. Those, who were doubting about the correct answer selected 3, standing for *I do not know*, which compose 31,1% of total responses. Option 5 was selected by 17,6% of respondents, meaning *totally agree* with the statement. Finally, percentage share of those who *disagree* or *totally disagree* are 9,5% and 3,4% accordingly.

The results from Figure 29 demonstrate a tendency of respondents to rather agree to the statement or doubt about the topic. In total, more than a half might consider digitalisation as process of limiting human interaction. Thus, quite many doubt about answering the question.

13.2.9 Consent with statement 2

The following chapter illustrates the results for the consent with statement, introduced by the author in Problem Statement chapter.

The author suggested the theory about hospitality, which is the most important feature of a hotel. On the other hand side, digitalisation, which considers replacing human provided services with digital devices, is efficiently integrated to the industry. In an outcome, a contradiction is created: how can process of replacing

human provided services with digital devices industry integrate in the industry, where human connection plays the most important role?

Hospitality - is the core feature, which differs hotel industry from all other business fields. If hospitality is defined as a "human provided feeling only", do you think Digitalisation of hotel services can minimize hospitality, what will erase the concept of a hotel, being "the place of hospitality", as a consequence?



148 ответов

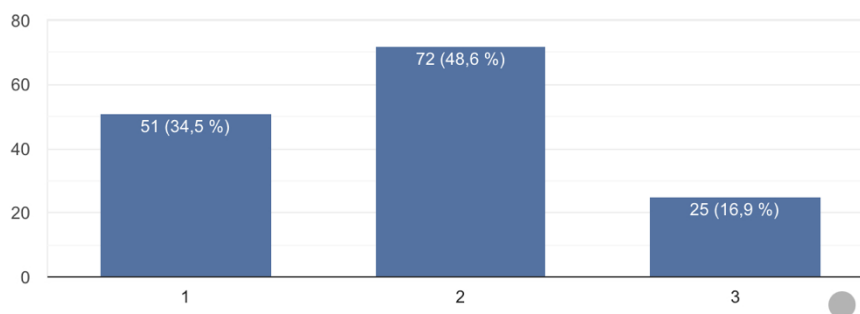


Figure 30. Consent with statement 2.

The respondents were given a choice of three possible options in a gradation for agreement with statement:

- 1 – Agree
- 2 – Doubt answering
- 3 – Disagree

In this case the author decided to limit the diversity of gradation answers, that was why the respondents were giving only three options, instead of five.

As it can be seen from the Figure 30, most of respondents prefer not to predispose to negative or positive opinions. Almost half of respondents – 48,6% wish to stay unconfident in their choice. The rest part of respondents which compose 51,4% from the total have already created an opinion about the topic. From this the following results have been concluded:

- 34,5% agreed with the statement and observe the possible threat of digitalisation in hotel industry.
- 16,9% disagreed with the statement and do not consider digitalisation as a potential problem for hotel industry.

The major metric for analysing the question is the superior percentage value of respondents doubting to answer the question. Half of respondents who cannot state firmly their opinion, shows that the topic observed in the thesis is extremely new. The discussions about correlation of digitalisation and different business spheres has been taken place in last years. However, no special attention has been dedicated to the hotel industry. One cannot yet state an opinion, as the topic is unfamiliar and describes the possible events of nearest future.

Seeing the nescience and lack of knowledge about the problem, the author has chosen this topic for the thesis.

13.2.10 Explanation of choice

In the following chapter the respondents were suggested to explain the choice made in the previous question. This data, as it was mentioned before, was qual-
itised – analysing using qualitative methods, as it did not relate to any type of quantitative data.

Through a spreadsheet, the author was able to see the answer of the respondent and its correlation to the explanation. The following survey question was uncom-
pulsory, what resulted into 78 answers from the total amount of respondents (52%).

The answers to open-ended questions received were sorted in three groups:

- Those, who are doubting to answer and incline to have a balance between digitalisation and hospitality
- Those, who consider digitalisation an important process that can optimise the hotel industry's processes
- Those, who are cautious about digitalisation and prefer experiencing tra-
ditional customer service

As for those, who would like to see the balance, state that complete denial from the digitalisation is impossible, as it is a requirement of surviving on the current market. Some of the respondents from this group have suggested that hospitality does not only mean human interaction: it also includes the total environment and

atmosphere of a hotel. One of the respondents suggested that digitalisation of a hospitality establishment should never be a goal, but a wisely used tool to enhance the operations in a company.

Basically, the mentioned respondent group was giving arguments to the both: encouraging moderate digitalisation and keeping hospitality as a prior feature of a hotel. Besides, many of respondents have stated about the personal preferences of the customer and the customer needs. Those who doubted about inclining to one of the answers, repeatedly mentioned, that the extend of digitalisation depends on the customer's preferences. The author has linked these responses to the accommodation type the respondents have chosen: most of these answers were given by Generation Z and Y Age groups who prefer staying in Hostels, B&B and AirBnB. A person choosing low cost accommodation is giving priority to the low price upon the service quality and hospitality. That is why, the need of hospitality is a hesitating objective for those, who stay in low cost accommodation.

On the other hand side, major share of respondents choosing Hotel as means of accommodation, are giving the value to hospitality by illustrating examples of how digitalisation can harm. The respondents that have agreed with the statement describe the potential threat of digitalisation in the open-ended questions. As the author has noticed, most of the respondents from this category were describing the potential impact on future of the industry instead of thinking about current situation. It should be noticed, that average age group was older for this respondent group.

Some of the respondents described human connection as an irreplaceable feature of hospitality industry, that is why they were doubting about positive impact of digitalisation.

Finally, few respondents shared opinion about digitalisation being a valuable process, which has to be integrated in the hotel industry. Respondents from this category did not see threat in digitalisation; moreover, they do not see hotel industry in nearest future without being fully digitalised. Besides, the respondents suggest

the idea that digitalisation should be perceived as process of facilitation and automation in hotel operations, which has no impact on the staff member of the hotel. To their opinion, integration of digital devices could form even a better form of hospitality.

13.2.11 High tech or High Touch

To finalize the survey, the author included one of the most crucial questions of the thesis: *Does the Guest of future want High Tech or High Touch?* (Ruotsi 2020). The aim was to recap the results of the survey in one question, which would state the opinion of respondents on the topic.

Does the Hotel Guest of future want High Tech of High Touch?

148 ОТВЕТОВ

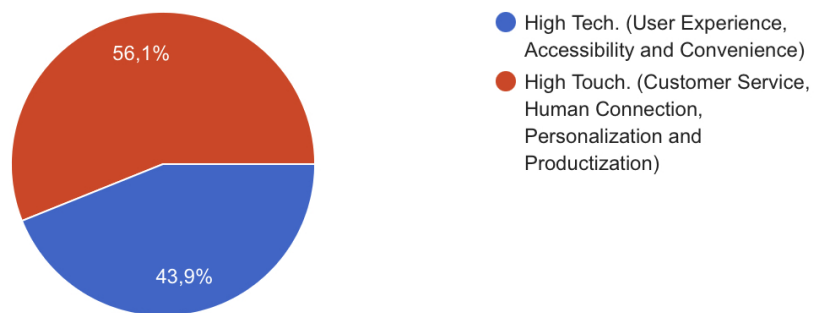


Figure 31. Does the Guest of future want High Tech or High Touch?

The results have shown a non evident percentage division: 56,1 % voting for High Touch and 43,9% voting for Hight Tech. Dominance of High Touch preference can be traces, though the nearly equal results of opposing opinion cannot be denied.

As a result, the surveyed sample group is split in two almost equal shares with contradicting opinions about the future of hotel industry. Ones see the need of High Touch, meaning personalization of services, human connection and customer service; while the opposing opinion suggests convenience and accessibility to be prior.

13.2.12 Opinions, Suggestions about the topic

The complementary part of survey included an open-ended question. Among 39 answers in total, major of replies consisted of admiring the chosen topic by the

author and giving positive feedback. The topic came out to be new for most of the respondents of this particular question. Some of the respondents encouraged choosing the topic as it is current for the pandemic caused by COVID-19, observes and analyses the future prospectives of hotel industry.

14 The Best practice of Digitalisation with Consideration of Hospitality. Airbnb

To oppose the ideology of the author about the hazardous impact of digitalisation, sceptics mention the AirBnb application, which is a result of digital technologies implementation into hospitality and tourism industry.

AirBnb – is an online marketplace for arranging or offering lodging, primarily home-stays, or tourism experiences. The application was founded in 2008 and has a great usage nowadays. Airbnb can be definitely called a phenomenon, that was created after the digitalisation has entered the Hospitality industry. It is a totally new level of travel, room bookings and customer experience. In fact, Airbnb cannot be addressed as a new way of *hotel* stay – moreover, the platform is the major enemy for the hotels. Airbnb's price is always lower, in comparison with hotels' ones: everyone, who is willing to rent their apartment, is able to use Airbnb and pay just a slight fee to the company.

The damage of Airbnb on low cost Hotel Industry's profitability was huge – great number of tourists willing to spend less on accommodation, preferred choosing the option of cheap apartment from Airbnb, rather than a two-three star hotel room.

From the other hand side, opposing opinion can make conclusion that Airbnb came out to be more useful and convenient, comparing to low cost hotels. This means, that a digital application is more suitable for clients, what breakdowns the theory of the author of the negative impact of digitalization. Though, Airbnb has earned its value not because of being modern and digital tool.

The success of AirBnB was achieved to a unique *host-guest* feature. The first thing Airbnb proceeds with, after selecting the accommodation, is transferring the

client directly to the *host*. Airbnb is the only one digital tool in hospitality industry, which does not break the rules of hospitality and preserves them. Airbnb marketplace became famous and beloved because of letting the client to connect the host directly and agree all other things related to the stay.

In comparison with other Online Booking facilities, AirBnB gives the hosts opportunity to express their hospitality to the guest. Instead of selecting all the need requirements from Booking.com and proceeding to the payment, AirBnB suggest the client to discuss everything with a client. Concept of AirBnB – is the matchless and exclusive way of modernised and digitalised hospitality expression. Repeating the fact, that AirBnB has damaged low cost hostel industry, it can be counted as an innovation in hospitality industry.

Unfortunately, for the current moment, AirBnb is experiencing huge loss due to low travel demand during COVID-19 pandemic. The revenue earned for the two thousand twenty accounting year is expected to be less than half of what was earned in two thousand nineteen. Besides revenue damage, AirBnb decided to cut twenty five percent of its workforce (Kan 2020). The future of AirBnB is still not evident, as the clients fear of booking rooms from random hosts, who are not able to proof the cleanliness of their apartments. For that reason, the customers who are allowed to travel, prefer booking rooms in chain accommodation services that are certified and are recognised by health organizations for following the COVID related measures.

15 COVID-19 Pandemic related Digitalised Measures In Hotel Industry

The process of subject selection and analysis has been processed several months ago, before the world pandemic has occurred. At that time, digitalisation impact on hotel industry topic had an either meaning for the author. Afterwards the first wave of infections has finished, hospitality industry employers have already designed a *rescue plan* for handling the virus. The biggest hotel chains in the world, have dedicated their efforts and investments in order to overcome the difficulties of post-covid period and recover the industry. Almost ninety percent of

all changes made were based on minimising human interaction and replacing it with digital technology for customer safety reasons.

In other words, the negative side of digitalisation impact described by the author has been narrowed, as for now, digitalisation – is the only way to recover the industry. It can occur so, that hoteliers will consider the current trends of digitalisation handling covid topic for the rest of the industry future. At the moment, minimising human contact in hospitality establishments has become an undeniable tool for surviving in the industry.

The author agrees with the mentioned statement, though considering that covid-related measures have only fasten the process of replacing human provided services with technological devices. Post-covid period can become a crucial moment in hospitality industry, when the trend of Hospitality importance in hotel industry can experience a significant decrease in nearest future. Unfortunately, this change is inevitable and will lead the industry to the creation of new understanding of *a hotel*.

15.1 Mobile F&B orders for guest's safe stay

First trials of mobile application for F&B orders in restaurants have been launched already after the establishments have re-opened. The new order system allows the guest to select the desired products using smartphone, without contacting waiter in person for safety reasons. The mobile app also avoids the interaction with paper material like menus and brochures, where viruses can spread easily (Home2nite 2020). The system will create a safe atmosphere for the guest, which is the prior requirement of potential clients in the current year.

15.2 Touch-less Check in

The topic of Online C/I& C/O has been observed previously, however this time the mentioned option will become a top priority aspect for the guests. Clients still have little trust to the transparent glass panels located on the front desk, in order to avoid customer and employee personal contact. That is why, the preferred method is to proceed with Check In independently, using a smartphone only. With

the help of the app, customer can directly move to the booked room, skipping the stage of visiting reception (Home2nite 2020b).

In the chapter related to Hospitality in Hotel Industry, the author has mentioned HRP – Human Resources Practices, that help the management to train their staff in order to increase the service quality (Powell 2016, pp.16-19). It should be stated, that these practices are bypassed by the managers, as it is regards high costs as part of Operational Costs of the company. Regular trainings which are organised by professional coaches require higher investments into employees' maintenance in budgeting of a company. For that reason, the replacement of human interacted front desk Check In with Digital Key Check In would require less investments in a long term period. Doubtless, that integration of such digital technologies would have extravagant value, though further utilisation in a long term prospective might may off its price. As a result, the maintenance of digital technique and human resources has compelling diversity.

15.3 Digital format of Printed Documents

One of the SDG goals, is to diminish the usage of paper material in the whole world and use digital materials instead (Sustainable Development Goals 2020). Though, with the pandemic starter, the goal has reached a totally new level. Nowadays, the goal of paper usage reduction has become not only issue of sustainable future, but also an important safety consideration to avoid any viruses spread. Instead of using paper, Home2nite suggests to place all the necessary customer information in a digital platform (Home2nite 2020c).

The author has experienced an example of digitalised menu in a modern bar located in Moscow, Russia. In lieu of brining a paper menu, the waiter has asked us to scan the QR code inserted in the table. The QR code directly transfers the guest to the digitalised version of the menu. Besides, the digitalised menus allow the guests to receive detailed information about each position in the menu just by touching the screen. As a result, the customer has less questions to the contents of any product of the company, what minimises human interaction as a consequence.

15.4 Google advice to marketers on how to recover

Google, which is possessing an enormous quantity of data about consumers, is sharing Think With Google reports, that help employers to overview the current situation. For the case of pandemic, Google has published advisory articles, where data about consumer behaviour can be found.

On behalf of Google reports, Rob Torres has described the situation for marketers of hospitality and tourism industry, highlighting that the process of *Renaissance* has been already launched (Think with Google 2020a). Mr. Torres suggests, that the marketers should consider three core factors:

- *Take action early*
- *Track leading indicators*
- *Accelerate digital transformation*

Being flexible and adaptable to the shifting customer needs will help the employers of hospitality industry to recover and continue the business. Google states that *we also know that flexibility and safety are now table stakes*, highlighting again the importance of following the trends, that are set by consumer market (Think with Google 2020a).

15.5 Hilton Recovery Programme

Being the leader in hotel technologies, Hilton was one of the first companies in the industry that introduced its recovery plan in collaboration with RB (Lysol and Dettol maker) and Mayo Clinic – top ranked hospital system in the US (Hilton 2020). To increase reliability and return consumer's confidence, Hilton Worldwide has introduced the whole plan responding to virus on its website - CleanStay, creating a new customer promise – *safe and cozy environment*. The author suggest to take a look on the major changes Hilton has introduced to struggle with COVID-19:

- CleanStay Room Seal: Put a seal on the guest room, after deep cleaning and disinfection, to assure the client that the room has not been entered after cleaning.

- Deep Clean Areas: extra disinfection of the most frequently touched guest room areas.
- Reduce paper amenities usage: Replace all papers and pens from the guest rooms with digital devices.
- Focus on Fitness centre: Double cleaning of fitness centres located in Hilton hotels
- Guest-Accessible Disinfecting Wipes: Place special disinfecting wipes-in the high traffic areas, for example elevator (to wipe the button of the elevator before pressing it).
- Contactless Check-In: Putting efforts in Digital Key system development, to allow guest to Check in the hotel without interacting with the employees.
- Innovative Disinfection Technologies: in collaboration with Mayo Clinic, Hilton introduces first ultraviolet light disinfecting mist to sanitize surfaces.

Your Hilton CleanStay Room

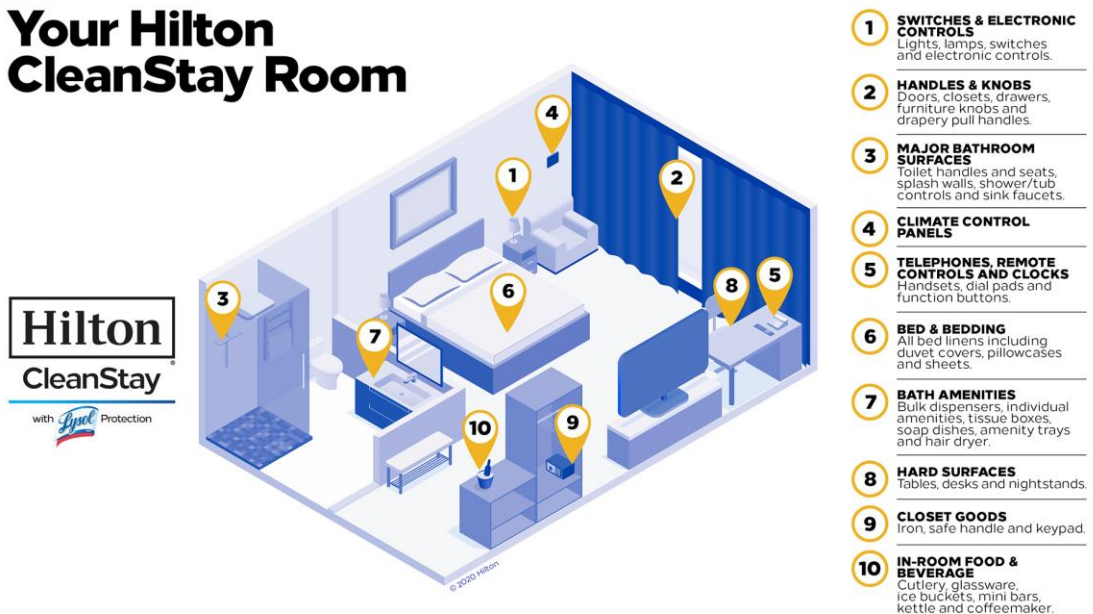


Figure 32. Your Hilton CleanStay Room (Newsroom Hilton 2020).

16 Does the Guest of Future want High Tech or High Touch?

After proceeding with in-depth analysis of the theoretical framework, conducting qualitative and quantitative researches and data collection procedures, the author suggests to forward to the core question of the topic: *Does the Guest of Future want High Tech or High Touch?*

As it can be seen, there is no direct answer to the question, as the consensus after analysing the data has not been reached. Even though the major part of respondents' data, including the qualitative interview shows that preference inclines to High Touch (Customer service, human connection and Personalization), High Tech cannot be ignored and bypassed. Digitalisation, which forms the understanding of High Tech, is unalienable phenomenon affecting all sphere of life. No matter which industry is taken as an example – there is a certain extent of digitalisation involved. So does hotel industry. Recognition of Digitalisation is crucial factor to follow up the world's current trends.

Nevertheless, from the data observed a statement can be made: Digitalisation should take place in Hotel Industry to a certain extent. It can be integrated in hotel operations to facilitate the working process of employees. In such way, digitalisation does not decrease the level of hospitality. From other side, when describing the current trends in the industry, most of the changes are made in order to increase User Experience for the customers: tablets, Online C/I and C/O, OTAs, Digital key, etc. In such way, along with creating and improving UX, digitalisation inconspicuously decreases human interaction what results in poor hospitality.

As it has been discovered from the respondents' answers, hospitality can be reformed and changed. If hospitality has always been a feature provided by a human only, in future, hospitality might stand for an overall service quality of a hotel. This includes the atmosphere, design and all what creates customer experience. At this point, author suggests to refer to Bashar Wali: *Hotel without hospitality – is just a building. Bricks & Mortar. Glass & Steel* (Wali 2017). If following the opinion of famous Hotelier, which also stands for opinion of the author, hospitality can never change its concept, as it describes itself as a human feeling only. In particular due to this reason, hospitality is impossible to be replaced by digitalisation.

17 Recommendations

Quality is understood as *the total composite product and service characteristics of marketing, engineering, manufacturing, and maintenance through which the product and service in use will meet the expectations of the customer* (Pizam & Jones 2008, p. 297). Service quality – is the core manufacturer of a hospitality establishment's success: it makes it unique, different from the competitors. As the thesis has discovered, the User Experience and Customer Experience are and will be the essential understandings in Hospitality and Hotel industries in particular. Excellent quality of High Tech will suit the needs of those, who need digitalisation to exist in all spheres of their life. Meanwhile, quality of High Touch will be vital for those, who value the human connection and unique feeling of hospitality in a hotel. However, if the amount of those, who want High Tech is dominating and is flourishing with time – what will happen with connoisseurs of hospitality? They are coherent (most likely) to disappear in nearest future. The author only assumes that the number of those who prefer High Tech will increase, as it is one of the core needs of Young Generations. These generations are the ones who are setting the current trends as they represent the future of the whole world.

17.1 Further research

The author's goal was to reveal the upcoming problem of the digitalisation. The author has combined theoretical framework, gathered from numerous Internet and literature sources, with two types of data collection. The finished thesis represents an academic work, where an important problem has been discovered. With the help of this work, employees and employers of the industry can make proper decisions in hotel business and try to avoid problems covered by thesis.

Nevertheless, *The Hazardous Impact of Digitalisation on Future of Hospitality Industry. Matter of Dispute* thesis is just one of the first steps in taking any actions regarding the problem. Author has described a phenomenon named *Room Key*, which is considered as a first reply of hotel industry to the harm caused by Online Travel Agencies. In a long term prospective, industry will experience new challenges caused by digitalisation and will introduce innovative ways of problem-solving.

In further research, one can analyse the ways of how digitalisation should be integrated in hotel industry, so that it will not harm hospitality. What is the extend to which digitalisation should integrate in hotels? How to save High Touch concept, when new generations require High Tech? Does *unique feeling of Hospitality* have a chance to survive in the Era of Digitalisation?

Figures

Figure 1. Hotel and Hospitality Development through History (Khetsuriani 2020).

Figure 2. Use over time for: digitalisation (Google form 2017).

Figure 3. Digital Transformation of Business Models (Schallmo & Williams 2018).

Figure 4. E-Business management: Strategy (Lanu 2020).

Figure 5. Network of relationships forming a mental image of a tourism destination (Simkova 2013).

Figure 6. Connection message to Coach Hospitality Leaders Anna Dolce.

Figure 7. Survey results (Statista.com 2018).

Figure 8. The same marketing tactics that persuade Millennials also work on Gen-Z (Lucid press 2019).

Figure 9. Percent of U.S. adults who are lonely, which is up seven percent from the last year (Statista 2020).

Figure 10. How Millennials use Electronic media (Statista 2017).

Figure 11. Oracle Opera Room reservations (Oracle 2018).

Figure 12. Stages of Productization and Product Development (Tonder 2020).

Figure 13. Buyer Persona canvas (Maijanen 2020).

Figure 14. Net promoter Score formula & Customer Acquisition cost (Maijanen 2020).

Figure 15. Hilton Digital Business Strategy (Research-Methodology 2016).

Figure 16. Revenue Distribution 2018 (Medium.com 2019).

Figure 17. Age group of the Respondents.

Figure 18. Countries participating in the survey.

Figure 19. Nationalities of the respondents.

Figure 20. Current Occupation of the respondents.

Figure 21. Studying Organizations.

Figure 22. Sources used for planning a trip

Figure 23. Means of Booking a trip.

Figure 24. Reviews' falsification on TripAdvisor/Booking.com.

Figure 25. Preferred type of accommodation.

Figure 26. Awareness about Online C/I and C/O systems.

Figure 27. Visiting a hotel: case.

Figure 28. Digital Devices replacing human provided services.

Figure 29. Consent with statement 1.

Figure 30. Consent with statement 2.

Figure 31. Does the guest of future want High Tech or High Touch?

Figure 32. Your Hilton CleanStay Room (Newsroom Hilton 2020).

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Cover letter for Online Google Form Survey.

Dear Sirs/Madams,

The following survey is designed by Beno Khetsuriani - a student of LAB University in Finland. The survey is a part of the Quantitative data collection method for the Thesis on the topic of “The Impact of Digitalisation on the future of Hotel Industry. Matter of Dispute”.

The survey results will help the author to reveal the genuine relation of hotel customers to the Digitalisation based on the Age Group.

*Digitalisation - converting of services/products into digital format.

Cover letter for Online Google Form Survey on LinkedIn and Facebook posts

LET'S SAVE THE HOTEL INDUSTRY TOGETHER!!

Yes, that was a clickbait.

Inspired by TED Conferences performance of the greatest hotelier and traveler Bashar Wali , I came up with a topic for my Thesis Work (<https://lnkd.in/eMNshAx>). Mr Wali has illustrated the importance of Hospitality in the Hotel Industry, what, in a consequence, directed me to the topic of: "The Impact of Digitalisation on the future of Hotel Industry. Matter of Dispute".

Considering the Pros and Cons of Digitalisation, I am stating that Digitalisation of Hotel Processes might totally change the concept of a hotel being "a place of hospitality ". If Digitalisation means converting everything what can be digitalised into a digital format, how can it be suitable for the Hotel Industry, where "Human Connection" plays the most important role?

Do we want future hotel to be a digitalised Accommodation Space, where almost all services will be accessed using a digital device without human intervention?

Or should we take a different look on digitalisation, and see, that besides convenience and fast access it also totally erases the human connection and hospitality - the basics of a hotel?

To help me develop my Academic work, I am kindly asking you to participate in 5 minutes survey:

Online Google Form Survey

Please select your Age Group

- 18-28
- 29-35
- 36-49
- 50+

Nationality

Current Occupation

- Student
- Employed
- Unemployed
- Other:

If you are a Student, please select the Studying Organization

- LAB UAS
- LUT
- RANEPА
- MSU
- MGIMO
- Plekhanov Russia University of Economics
- Peoples' Friendship University of Russia
- Higher School of Economics
- Mendeleev University of Chemical Technology of Russia
- Other:

When planning a trip, I prefer using...

- I prefer using OTAs (e.g. Booking.com, tripAdvisor, Aviasales, Hotels.com)
- I prefer surfing among official websites of desired destinations

When booking a trip, I prefer using...

- Smartphone Apps
- Laptop/Computer

- Tablet
- Other

Have you ever heard of reviews' falsification on TripAdvisor/Booking.com?

- Yes
- No

Select the preferred typr of accommodation

- AirBnB
- Hotel
- Hostel
- Bed & Breakfast
- Other:

Have you ever heard about Online Check In and Check Out systems?

- Yes, I have heard/experienced
- No

Case: you have visited a hotel, where you are able to proceed with Check In in two ways: 1) Through a specifically designed talet, excluding staff intervention; 2) Address the front desk staff to Check In in a traditional way:

- I will check in independently through a tablet, without appealing the staff
- I prefer Check in through Front Desk Agents from the Reception

What do you think about replacing Human provided services in the hotel with Digitalised Devices?

- I would prefer using Digital Devices, without addressing the staff members of the hotel
- I enjoy experiencing Customer Service, provided by the staff members fo the hotel, instead of going digital

Do you agree with the statement? “Digitalisation has allowed more and more people to limit their interactions with others, creating what some people fear is, a population, that could lose some of what makes it human”.

1 2 3 4 5

Totally Disagree Totally Agree

Hospitality – is the core feature, which differs hotel industry from all other business fields. If hospitality is defined as a “human provided feeling only”, do you think Digitalisation of hotel services can minimize hospitality, what will erase the concept of a hotel, being “the palace of hospitality”, as a consequence?

1 2 3

Totally Agree Totally Disagree

Briefly explain your choice in the previous question:

Does the Hotel guest of future want High Tech or High Touch?

- High Tech. (User Experience, Accessibility and Convenience)
- High Touch. (Customer Service, Human Connection, Personalization and Productization).

Thoughts, Suggestions, Opinions about the Topic?

Open-ended Questions for Qualitative Interview with Ellie Hagg

Please describe the core features of Hilton Helsinki Kalastajatorppa

What are the target groups of the hotel?

Does the hotel exist on OTAs? If yes, which ones?

What is the most common source of booking rooms in a hotel?

Have the OTAs' commissions damaged the revenue of the hotel in the COVID-19 period?

Businessmen Loyalty Programs in details.

What are the Digital Devices in the Hotel?

Is Hilton planning to integrate more digitalised technologies in nearest future?

Is there any special need for new technologies in the hotel?

What are the measures Hilton Helsinki Kalastajatorppa is taking in order to struggle with COVID-19 pandemic?

What is the average occupancy rate in the hotel during the current moment?

What are your thoughts about Digitalisation in Hospitality Industry?

High Tech or High Touch?

Open-ended Questions Qualitative interview with Victoria Shustova

Who is the target group for Cheap Sleep Helsinki Hostel?

What kind of PMS is used in the hostel?

What are the means of departments' communication in the hostel?

What is the average occupancy during the COVID-19 pandemic?

What kind of digital technologies are used in the hostel?

How do guests register in the hostel?

What kind of OTAs the hostel is using? What is the price difference between the original room rate and price on OTAs?

Appendix 5

1 (1)

Link to the audio recording from Interview with Ellie Hagg

<https://bit.ly/3jc4FMA>