



# BUSINESS DIGITALISATION HOSPITALITY

2023

# Welcome to the future

Business digitalisation is the process transformation where a company goes through various technological changes to optimise output - whether that is workflow efficiencies or increased sales. Digital transformation can include the way people communicate and work together, the overall management of the business from finance to forecasting, and the automation of simple business processes in the most efficient way. It utilises technology including hardware and software tools to optimise the flow of information within the business infrastructure. Overall, the business digitalisation of small and medium enterprises (SMEs) creates the foundation of a digital economy in a country and makes communication and processing with other businesses or partners in the region and the world more efficient and optimised.

The European Union's strategic initiative is to help its member countries to digitalise their business in order to improve their data flows and increase the number of connected devices working together to improve efficiency of a business. The EU recognises digitalisation as a way to modernise businesses and promote sustainable economic growth within member countries. Digitalisation support will facilitate increased research and development within SMEs and stimulate faster economic growth in the region.

The pandemic experienced by the entire world during the last two years was devastating to many SMEs, especially to the hospitality sector as travel restrictions did not allow people to move across the country or continents for business or pleasure. Some who managed to survive it stayed on top as clear leaders in their industries with the use of technology effectively digitalising their business. Technology is the way forward and it will make business using it to its full potential stand out from the rest.



# How to digitalise?



Two obvious and possible solutions come from the analysis of businesses in countries with digitally transformed businesses in the hospitality sector such as the US, UK and Germany. Success is closely related to how communication with the clients and customers is simplified, and how that flow of information is collected and automated. Also an advantage of digitalisation is increased direct bookings or growth of the direct channels which creates an organic community of customers and saves significantly on marketing costs. Also statistics like Revenue per Available Room (RevPAR) or percentage of fully booked rooms have shown to increase dramatically when one digitalisation is applied to hotels, apartments or resorts.

Digital technologies can be classified into three types:

- > Transactional
- > Informational
- > Operational

In practice some of the most efficient ways of making a digital environment within a hotel, apartment complex or resort are the application of an E-commerce system and a Property Management System (PMS). These systems encompass all three qualities as transactional, informational and operational support, so are popular tools for immediate impact. Moreover both systems have an easy and effective way to integrate with large booking platforms like Booking.com or AirBnB allowing not only direct source of customers, but a more diversified one with a larger statistical possibility creating more customers and retention of old ones.



## “ Loncom Consulting

helps hospitality businesses meet the European Union strategic goals, and bridge the digital gap by including and improving the competitiveness, and market inclusion of small and start-up firms, across the country."

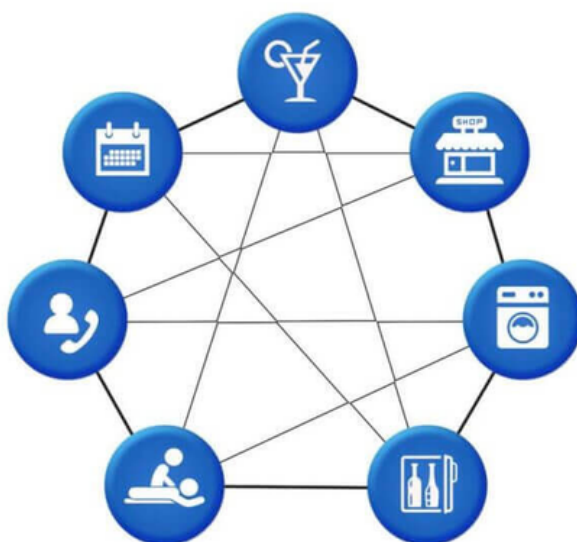
Stefan Loncar, CEO

# Property Management System (PMS)

Property Management System (PMS) or alternatively known as Hotel Operating System, is a system in which a property or multiple properties can be managed from a central place which is the software. This system is widely used in various sectors like manufacturing, intellectual property, lettings, government and hospitality to manage the tangible or intangible assets a certain business holds.

This system is simply explained as a centralised software where the users can record and manage the overall data from each aspect of their business. Based on the data collection of clients, processes and orders, this system can be very useful when it comes to forecasting and reporting allowing 'data-driven' business decisions. In those cases, data usage is being optimised and maximised to the advantages of a certain business.

An advantage of a system like the PMS is also to prevent various types of errors in managing the bookings or service provided to the customers. For example, the chances of overbooking, miscommunication of customer's orders or unmanaged staff are completely negated.



# Benefits of the PMS



## Manage Bookings

Management of bookings, seasonal pricing, products, inventory and customers. Handle bookings cancellations and extensions with ease.



## Connect the Business

With software integration and connectivity allow the communication between the front desk, maintenance, laundry, kitchen and any other department in the business.



## Customer Care

Manage customer bookings, check-in and check-out, cancellations and extensions all in one place. Create a record of each communication with the customer, providing a higher quality service. Explore new ways of generating business.



## Pricing & Sales

Dynamic products and services pricing, using the seasonal periods to its fullest. Increase the sales of the products and services during the customer's stay by using the best point of sale systems.



## Automation

Automate day-to-day tasks and save time and money while doing it. Meet the level of customisation for each customer the hospitality market demands. Use robotics to minimise the mistakes and save time.



## Central Management

Easier communication between the company employees and management in one place and securely. Monitor real-time data to know where the business is at.



# E-commerce

Electronic commerce or in short e-commerce, is a way of selling goods or services and capturing the payment on the internet. It is a type of commerce which can be applied to the hospitality industry as a central way of tracking reservations, customers, orders and any other aspect of the business and communication relating to the customer or client.

E-commerce is widely used in the retail and wholesale sector, but trends in western digital countries today is that even the hospitality industry is adopting this way as the best one to use for their needs. Simply explained, an e-commerce system allows you to have everything from the online presence to tackling internal processes. E-commerce is effectively a website for a business listing their products or services for sale, while in the background the management of the inventory.

Many businesses in countries like the US, UK, Germany, Italy and France where internet speed and penetration is high use e-commerce as the integral part of the business ecosystem. The most popular platforms to build such a system on are Shopify and WooCommerce allowing various additional plugin apps and integrations to tailor the system solution to the user's needs. Since E-commerce will bring a hospitality business closer to the customers globally, it will also allow a "backend" system which internally a business can use to improve all the stated benefits of the digitalisation.



# Benefits of e-commerce



## Manage Bookings

Management of bookings, seasonal pricing, products, inventory and customers. Handle bookings cancellations and extensions with ease.



## Bookings Forecasting

Forecast future bookings and use data to its maximum level through forecasting, reporting and deeper analytics. Identify new customers to increase the chances of booking in the future.



## Customer Care

Communicate with the customers fast and efficient with a user-friendly systems. Create loyalty and rewards systems to praise your best customers.



## Integrate Operations

Integrate the online presence and internal processes delivering the goods and services to customers instantly. Create metrics and dashboards to have a better knowledge of your business.



## Reviews

Communicate with the customers by publishing reviews, testimonials and ratings on the website (TripAdvisor, Trust Pilot, Google, etc.).



## Central Management

Manage all departments of the business in one place, allowing the delivery of the quality service at the highest possible level. Use e-commerce to integrate your business with all supporting services like accounting, payment solutions, etc.



# Other system integrations

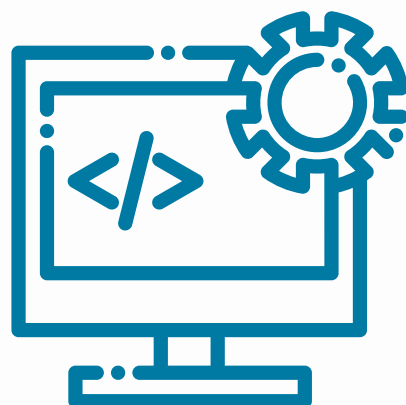
PMS and E-commerce systems are just a part of digitalisation available for hospitality businesses. Communication between departments of a business is crucial, allowing an efficient and professional way to deliver and pass on information. Communication solutions like Slack applications are shown to be used with a lot of online businesses to communicate internally.

Also Google Workspace and Microsoft Office are packages used widely by businesses to communicate with customers, suppliers, purchasers etc. and being large software solutions allow constant customer service and support which will provide a business with an immediate solution to any problem.

In combination with the mentioned two systems, these solutions perform the best as they digitalise (improve) company's presence, influence and reputation both internally and externally.

Integration of all these systems is possible with various hardware necessary to use the systems. For hospitality businesses that hardware can consider:

- > Laptops, PCs or tablets
- > Point of sale devices
- > Self serving robots specialised for hospitality industry
- > Merchant terminals
- > Servers (only for larger businesses)







# The facts and figures

- The global digital transformation market is projected to grow from \$469.8 billion in 2020 to \$1,009.8 billion by 2025, at a compound annual growth rate (CAGR) of 16.5% during this period (Research & Markets, 2020)
- 21% of North American and European enterprises say their digital transformation is done (Forrester, 2018)
- The implementation of digital technologies can help accelerate progress towards enterprise goals such as financial returns, workforce diversity, and environmental targets by 22% (Deloitte, 2020)
- The most successful organisations that dealt with the pandemic reported a variety of technology-related capabilities. 75% said they had the ability to fill tech jobs during the crisis, 67% said they were more advanced in using technology than their peers before the crisis, and 56% said they were the first movers in experimenting with digital technologies during the crisis (McKinsey, 2020)
- Executives say digital transformation's top benefits include improvement of operational efficiency (40%), faster time to market (36%), and meeting customer expectations (35%) (PTC, 2018)
- Accenture estimates that businesses can be 60% more productive with the implementation of AI automation tools.
- In 2020, the US research surveyed various directors in the hospitality industry and 84% said that they have someone in charge of digitalisation.
- After the goal of having more or maintaining the quality towards current customers, the hospitality industry said that bringing technology into their businesses is the top priority.



# How can we help?

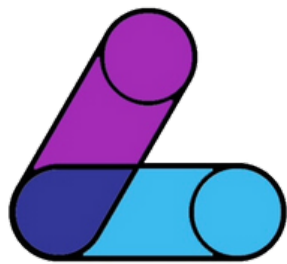
Loncom Consulting works with small to medium sized businesses internationally on the digitisation of their operations. The company has consultants based in the UK and Croatia with a global portfolio of clients in sectors like e-commerce, hospitality, finance, education, engineering and manufacturing.



Loncom Consulting undertakes a three step process:

- Analyse - together we will look at your company systems and how you handle data
- Improvement - our experts will identify the digital solutions and automation that you require
- Application - we provide full integration of any digital tools and systems we recommend

Loncom believes that bringing together digital transformation and hospitality is the way forward especially after pandemic years, allowing a better and more efficient way of managing the business.



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