

Hospitality Versatility Around the Globe A Case Study on Developments and Challenges in the Hospitality Industry in Panama

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Abstract: *The most successful hospitality companies are constantly evolving, but if you are going to achieve this, you need to continuously keep up with the very latest hospitality trends. This includes everything from marketing efforts and hospitality processes, to embracing the latest technology and responding to global events. With marketing, keeping up with the latest trends will give you the best possible chance of reaching your target audience and conveying what you want to convey. Embracing new technology, meanwhile, can help to make a business more efficient, while in other cases it can assist in improving the overall customer experience. On the other hand, a failure to keep up with the latest hospitality trends can have some serious negative consequences, such as providing rival companies with a clear competitive advantage over you. Worse Still, it can lead to your business failing to deliver the kind of experience customers might have come to expect.*

Keywords: Hospitality, Technology, Service

I. INTRODUCTION

The hospitality industry is competitive, and businesses need to keep up with the latest hospitality trends to avoid being left behind. Additionally, keeping pace with the industry as a whole is a great way to ensure your business delivers the kind of customer experience people want and expect. However, the needs and priorities of customers have also changed due to COVID.

The hotel industry is one of the fastest-growing sectors of the world and an integral as well as an indispensable part of the Hospitality industry. The hotel industry performed exceedingly well over the last few years until a pandemic destroyed the growth completely. Although things are looking up in 2022, the sector still faces serious challenges that could threaten its development.

The industry has signs of slowing down over the years even during economic recessions. However, the COVID-19 pandemic wreaked havoc to the industry which had not seen a downfall in decades. While it has begun to rebuild itself after the worst year of 2020-21, there are challenges that still need to be looked upon.

It is assumed through studies that by 2024 almost 1 in 10 people would be employed by the Hospitality industry. The hotel industry is an integral and indispensable part of the Hospitality industry

It has struggled in the past year and will continue to recover and grow in 2022. Many challenges regarding trends and customer expectations; the industry is rapidly growing, and are struggling to keep up with the demand in 2022.

The pandemic and ensuing economic downturn greater than the 2008 recession and chaos caused by fluctuation in demand have had a significant impact on hospitality throughout 2020 and 2021. Some innovative responses to this extraordinary situation like attempting to entice patrons back into food and beverage outlets and assure holiday goes that it is indeed safe to enjoy a hotel stay, have accelerated existing hospitality industry trends and triggered lasting change. The popularity of staycations, hygiene protocols and contactless technologies – is now in the daily activities of hospitality businesses.

An increased consumer awareness of all things sustainable, purposeful and health & well-being has set new benchmarks for hospitality enterprises in the hospitality industry of 2022.

Over the past year technology has ramped up within the hospitality industry; self check-ins, contactless service, online ordering and payment via apps has become the new norm. The hotel industry is still

Technology averse to an extent.

It's challenging to provide a good customer experience with a mix of human and tech-enabled interactions; customers crave experience thus the company must be doing everything they can to adhere to this. If the technology system is not in place at all or is down it can stop the whole production system, thus need to have back-up plans to be prepared for any issue thrown with the world of technology.

Some of the Best Hotel Industry Marketing tools are still unexplored or under-explored. As a result, sales and brand recognition have suffered immensely, which has affected the success of some of the businesses.

Hotels would need to use more of:

- Content marketing
- Mobile website
- Hospitality Apps for customer engagement
- Email marketing and Social Media marketing
- In house feedback for customers and employees using technology

II. COMPETITION FROM HOTEL INDUSTRY ALTERNATIVES LIKE AIRBNB

One of the biggest threats for hotels starting from 2017 itself has been the competition from Airbnb and similar apartment sharing websites. The valuation of Airbnb is well over \$10 Billion which is even higher than a lot of Large Hotel Chains in the world like Hyatt.

This app has impacted the hotel industry in a huge way because it provides customers with units at very much the same rates as new hotels or cheaper. And has siphoned demand from hotels and limited-service properties in key markets and high tourist areas. So far, it appears as though most of the people who opt to stay in hotels do so because Airbnb does not offer other services such as luxury and security.

III. REPUTATION MANAGEMENT

Online platforms are becoming increasingly popular every year, with customers giving companies online reviews, through comments, ratings and photos. The industry has been battling to establish strong relationships with their consumers to increase their reputation.

Reviews and comments can destroy or glamorize companies, thus need to utilize certain platforms to their advantage and manage their reputations

Poor customer satisfaction as delights become expectations. With more technological advancements, the entry barriers are lowered and new competitors and disruptors are appearing in the scene.

While luxury and boutique hotels have managed to take advantage of hospitality innovation ahead of them, others are dealing with the increasing pressure to succeed.

Managers are constantly working on multiple channels and issues to improve hotel operations, as well as their level of service.

Hotels with poor customer satisfaction are the killer of businesses in the hotel industry.

Once a hotel receives a bad review, it is extremely difficult to regain its reputable standing.

IV. SKILLED TALENT SHORTAGE [RETAINING AND ATTRACTING EMPLOYEE

It is known for high turnover rates, with about one-third of workers quitting their jobs after working for just six months and around 45% of workers holding on for an average of two years.

The industry needs employees to be hired every year, thus for companies to remain competitive and ensure they have qualitative employees. Employee expectations are always changing and growing, organizations need to keep up with the latest trends for attracting and retaining employees, which is proving to be an ongoing challenge within the hospitality industry.

Shortage of trained personnel with Hotel industry expertise

Hotels which do not take the time out to look for trained personnel are bound to face some challenges in its service delivery.

Although hospitality businesses have managed to stay afloat in a tough economy, recruitment is important for recruiters to understand the needs and wants of today's hospitality job seekers.

Usually, high-end luxurious accommodation providers recruit trained professionals at a high cost, which is an impossible feat for low budget hotels. With more automation and expertise based jobs, it is going to be a difficult time for finding and retaining the right talent in the hotel industry.

V. ENVIRONMENTALLY FRIENDLY PRACTICES

Over the past 10 years it has been a key focus for all to invest in. Sustainable practices make hospitality companies stand out, consumers want to know that the business they purchase from follows environmentally, socially and culturally sound practices. Especially with Millennials and Generations Z'ers, consumers will pay more for products that don't harm wildlife. A complete overhaul of the [1] systems and products to follow measures will become expensive and won't last, whereas small steps to socially responsible guidelines will have a lasting effect on your customers and the environment.

Difficulties with Energy Management as one of the Major Challenges is making A lot of hotels are going green and smoke-free. As a great initiative as the planet fights against global warming and other climate-related issues. However, it is also more profitable and edgy over the competition. Investing in eco-friendly and renewable energy sources for green and sustainable hotels.

People contribute positively to climate control initiatives and staying in eco-friendly and green hotels initiatives. Establishments that refuse to take issues of sustainability seriously have been impacted negatively as the overall profit margin has suffered.

VI. PERSONALIZING CUSTOMERS EXPERIENCE

Customers expect to be recognized and treated as individuals, rather than a steam-lined operations system. Expecting a greater level of personalization, businesses still struggle to translate data and insights into actions.

This information provides companies with customers past buying habits and their interests, enabling to alter offers and promotions to specific customers.

Loyalty Programs

One of the top-level strategies to obtain returning customers and most individuals expect a loyalty system when purchasing from a business. The hospitality industry battles each other to attract a loyal customer base and provide the best deals / product to consumers. Companies face challenges when implementing a loyalty[2] inaccessibility and confusion, as some customers will not participate in a system that has complex accessibility or that people do not understand. Furthermore, loyalty programs that are unappealing and obsolete to consumers are also extremely unsuccessful.

The Hotel industry can win big time by understanding changing consumer demands.

- Customer checks in the hotel in New York. Asks for an extra pillow and a Budweiser beer.
- The customer visits a Hotel of the same chain in Brussels and to his surprise, he finds an extra feather pillow on his bed along with sufficient stock of Budweiser beer in the minibar.

Helped in repeat business and customer loyalty. Which was profiting.

Continuously Changing Consumer Demands

This is no surprise. Technology has made us impatient and we want things in a jiffy. Less than perfect can easily throw compares out of business.

Changing regulatory norms like data security, credit card fraud, compliance, consumer protection laws and more make it more and more difficult for organizations to adjust based on demands and norms.

Top hoteliers which included few of the prominent names of the hotel industry like Bill Walshe (CEO of the Viceroy Group), [3].

Here is what they got from these hoteliers.

- The Hotel customer is more culturally oriented now which makes understanding the more difficult.
- Whether the customer spends \$200 or \$2000 for the room, they are always looking for the value of money.
- Luxury is a term which has many definitions now and changes around customer perception more than ever.
- Brand or a well-designed hotel is not enough anymore. It's about the experience.

Customers are becoming accessible through the use of technology and better tracking of the customer helps hotels retain customers.

Developments In Hospitality Industry 2022

Bleisure Travelers & Hotel Work Spaces

Working remotely has today become commonplace for many employees and is forecasted to become more than just a passing trend. A shift accelerated by the global public health crisis, an unprecedented number of high-profile companies – with big tech companies like Twitter, Facebook, and Amazon leading the way – announced that they will adopt a hybrid or flexible approach to working remotely. In 2022 alone, the percentage of workers around the world that are permanently working remotely was expected to double.

This means that hospitality venues are being used as make-shift offices for bleisure travelers, as well as locals seeking a change of work environment. This is a great opportunity for hotels and F&B venues to capitalize on the trend and adapt their offering to meet the needs and wants of this emerging segment; ample plug sockets, free high-speed WIFI and great coffee are good starting points.

Holistic Hospitality, Health & Well-Being

Preventative medicine and self-care are undisputedly trending right now due to the COVID pandemic. The wellness industry is transforming into a booming trillion dollar market and hospitality venues are well positioned to take a large piece of the pie, especially those with existing spa facilities.

In addition to the usual beauty and relaxation spa offering, there is rapidly growing demand for health diagnostic technology and bespoke treatment plans delivered by experts who conduct personal or group sessions to develop vitality, healing, stress management, emotional balance, mindfulness and better sleep. Discover more spa trends for 2022 in this article.

Digitalized Guest Experiences

Apps are increasingly important in the way hoteliers manage the services they provide to their customers and can now control many aspects of the guest cycle and experience. Needless to say, the trend towards digital and contactless services has gained new momentum since 2020. Traditionally, customer-facing services are being given an overhaul thanks to the more widespread use of technology-assisted options, such as mobile check-in, contactless payments, voice control and biometrics.

Consumers who have become accustomed to unlocking their smartphones and laptops using facial and fingerprint recognition will soon come to expect the same convenience in accessing their hotel rooms. Unfortunately for the establishments looking to welcome them, these upgrades may be costly to install and maintain. If you want to stay ahead of the curve, we recommend you dig deep and make the investment.

Personalization

Today's guests have grown to expect to be recognized and treated as individuals. Establishments are going the extra mile to personally greet their guests, while tools such as Mailchimp and Zoho have made personalized email marketing accessible to the masses, ensuring highly targeted audience-specific communications. Far beyond simply adding the customer's name to email greetings, data provides insight into past buying habits, enabling hotels to tailor their offers and promotions, and automatically provide similar services to previous stays.

Technological platforms such as CRM and CEM use big data to create one-to-one interactions between the guest and the host at scale. AI-powered chatbots have proven to be a customer service asset both during the booking process and in responding to recurring questions.

Hotel operations more generally are increasingly shaped by the use of management systems to monitor and optimize revenues, customer relationships, property, channels and reputation. Not to mention the rising importance of integrated messaging, predictive analytics, customer profiling and middleware, which seeks to connect any disparate systems.

Experience Economy & Essentialism

Customers request both extreme personalization and unique experiences. This could very well lead to the death of the travel agent and the rise of the independent traveler.

Travel guilt is real. Minimalism has reinvigorated the otherwise somewhat dusty saying “less is more”. Travelers are decreasingly seeking lavish displays of wealth, preferring instead to spend wisely, purposefully and make a positive impact on the world. Unique experiences that give back to local communities in meaningful ways are in demand, as are niche properties, adventurous holidays and relaxation retreats.

Asset Management Strategy

The asset-light approach has become prevalent in the industry. The separation between the management of operations and real-estate assets now allows hospitality companies to focus on their core business, thus improving efficiencies.

It however induces additional complexity and potential agency problems, explaining the emergence of new types of jobs, such as asset managers. In addition, new job profiles have emerged following the increasing complexity of the hospitality industry. In parallel, the need for quantitative competencies (for forecasting, budgeting, etc.) has also increased.

Solo Travel

In the age of mindfulness, many have embraced the meditative value of spending time alone and venturing out into the big wide world unencumbered, interacting and making friends to whatever degree suits. In an effort to make solo travelers feel comfortable, barriers between hotel staff and guests are being lowered, interior design choices made to evoke a sense of homeliness and an informal atmosphere cultivated. This, along with a less stark divide between guests and locals, encourages a feeling of hotel community.

Sustainability

A hospitality trend that is both current and a hallmark of recent years: “sustainability” once again assumes its position. A natural extension of avoiding disposable plastics, eliminating unnecessary paper consumption thanks to opt-in receipts and reducing food waste, more far-reaching ethical and Environmental considerations are shaping decisions made at the hospitality management level. Decisions about things as simple as which towel rails to install during renovations have disproportionate repercussions when implemented at scale. Simple eco-friendly switches include replacing miniature toiletries with larger, locally sourced dispensers, choosing ethically produced bed sheets made from organic materials and reducing energy consumption with smart bulbs, etc. Vegetarian and vegan options also harbor well-known environmental advantages.

Virtual & Augmented Reality

Following on from the orientation towards visually appealing content, it seems only natural that businesses in the hospitality industry should seek to capitalize on features such as virtual tours, conjuring up a digital environment for consumers to picture themselves in.

Videos providing 360-degree views of restaurant ambiance, café terraces enveloped in greenery or hotel beachfront locations, for instance, are just the ticket to make an establishment stand out this year. As Keeping the access threshold low is key to reaching as broad an audience as possible with virtual reality material: making content accessible on a variety of devices, without the need for a VR headset.

Once on site, guests should be able to whip out their trusty sidekick – their smartphone – and simply point it at real-world artifacts to summon up additional information. Augmented reality uses graphical or informational overlays to enhance in-situ environments. Once they have downloaded the respective app, guests can use this tool to access restaurant opening times, reviews or interactive tourist information maps or even create user-generated content.

Traveling Less (& Staycations)

Travel restrictions in 2020 and 2021 have facilitated the rise of the staycation. Even with international travel opening back up, between airline price hikes, Covid testing requirements and the complicated bureaucracy involved in going abroad now, many deem foreign travel either too expensive for a big family vacation or not worth the hassle for the weekend breaks of the past. Hence, opting in favor of the staycation trend instead, or traveling much less than pre-pandemic levels.

In fact there are a multitude of reasons vacationers may also be choosing to stay closer to home, such as for environmental or budgeting reasons, with this year having seen a marked uptick in holidays spent more locally. Lucky for those who live in an already tourism-rich, picturesque country with a pleasant climate.

VII. TODAY – HOSPITALITY INDUSTRY 2.0

Standardization Can No Longer Be The Norm

It is becoming critical to personalize and tailor the services to the needs and preferences of the traveler.

To Create Value, Focus On Niche Markets

More customization and specialization may enable increased value creation for hospitality companies. But be careful, as a respondent said, this requires to genuinely think about the value proposition of your offer and not “simply branding and rebranding”.

Exploit Technology As An Accelerator For Business

Technology will be at the core of the hotel experience both in room, before and after the trip. This will lead to the development of new concepts and more innovation in the industry, and contribute to the emergence of an ever more individualized offer.

Factors Responsible For Upcoming Hospitality Developments

- Changes in the way customers behave.
- New ways of providing hospitality services.
- Adopting new hospitality technology.
- Wider global events influencing hospitality trends.
- COVID-19 pandemic
- Climate change concerns
- Focus on eco-friendly solutions.
- Scarcity of trained personnel.

Hospitality Developments Being Accelerated By Covid

- Safety & Hygiene
- Contactless Payments
- Voice Search & Voice Control
- Enhance F&B Delivery at Home
- Robots in Hotel & Restaurant Settings

General Current Upcoming Hospitality Trends

- Chatbots
- Virtual Reality Tours

- Mobile Check-In Service
- Local Experience
- Healthy and Organic Food & Drinks
- Sustainability
- Personalization
- Smart Hotels
- Artificial Intelligence

Smart Hotel Technology

Incorporating the Internet of Things (IoT) into a property is something that excites guests. It offers them a high level of convenience and efficiency, and also a sense of luxury. People are starting to incorporate tech like this in their own homes so the demand for it in hotels continues to increase.

Robot Staff

Some travelers may find it confronting to be served by a robot, others may welcome the chance not to have to interact with humans when staying at their hotel. More and more hotels are using robots in some capacity, to help automate check-in and check-out, carry luggage and act as concierges, or for room service.

Power Of Social Media

Since the launch of Facebook and other social media platforms, the power to influence travelers has soared – and will continue. The amount of media that can be pushed to global audiences is vast and extremely incentivising. Brands can market much better and are constantly finding new ways to use social media to collect loyal customers. Meanwhile, when travelers share videos and photos of their trips with friends and family, this is one of the most impactful factors in inspiring others to take a trip. The other advantage of social media's growing dominance is that it makes your property available to travelers 24/7 with chatbots and automated messaging.

Instagram in particular is the place to be for hotels and travel brands given it has one billion monthly users and 500 million users of stories each day. Meanwhile, TikTok also has one billion active users, 61% of which are female.

The Most Important Digital And Tech Trends Voice Technology

With the amount of data in the world, voice search is another aspect with the potential to Really narrow things down. Amazon's voice assistant is now in hotels, from chains to vacation rentals. The system can be customized to include key guest information, like checkout time or pool hours;

allows guests to request services like housekeeping or room service; and can be configured to control "smart" hotel room functions, like adjusting the thermostat, controlling the TV and entertainment systems, or raising the blinds.

However, the greatest impact may come from travelers using Alexa in their homes to find them a hotel, or organize a trip.

VIII. CONCLUSION

I have outlined a few major hotel industry challenges which can be converted to opportunities for competitive business advantage. It is always said that customer is advantage

1. The Threat Of Climate Change

The threat of climate change will adversely impact many major tourist destinations. Threats resulting from climate change, safety and security issues, as well as unprecedented migration streams are tomorrow's game changers. The main challenges for the hospitality industry are the lack of predictability and the magnitude of such events – and how fast the industry can react and adapt. Hybrid operations might be one of the hospitality industry's possible responses to increased risks

2. Industry Consolidation

Corporate consolidation has led to increasing concentration of size and power among the top players. Hotel operators will seek to expand their portfolios through targeted acquisitions of smaller regional chains. While the ultimate goal is to create value through cross-organizational synergies, this development also comes with downsides, as the management of structures with a diverse selection of geographies and a plethora of brands generates more complexity and threatens to increase overall rigidity. Hilton remains the world's most valuable hospitality brand, with its value up by 35% despite the Covid-19 pandemic.

3. New Competition From Tech And Digital Players

Are major technology firms such as Google or Facebook threatening to replace hotel brands by offering technological solutions and creating novel markets to attract new types of customers? Thanks to their control over all types of data related to customer behavior both off- and online, tech behemoths could oust traditional incumbents into niche markets. Companies that fail to identify their niche are at risk of becoming mere revenue generators for technology companies. Some big enough brands may survive, but their business will get tougher.

4. Skilled Talent Shortage

As the accommodation and restaurant industry is creating jobs at the fastest rate of any sector in the economy according to the International Labor Organization, fueling this growth with the right skilled labor is yet another concern for owners. Attracting and retaining younger generations of hospitality professionals will require a lot of flexibility and attention from hoteliers in the future.

Future Trends In The Hotel Industry

Everyone wants to know what's going to happen in the future, but most lasting trends are incremental, so it's likely that future trends are trends right now that are simply on a smaller scale than they will be as more time passes. Reputation management is a challenge that organization is and will face in 2022 and in future. A massive challenge to face in the future as sustainability is becoming a way of life to the public and organizations.

The industry needs to continually find new and unique ways to personalize a customer's experience to keep a competitive edge.

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