# FHS
## WORLD

# Navigating the Hospitality Tech Investment Landscape:
## Trends, Opportunities, and Challenges

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# Introduction

The hospitality industry has continually been reputed to adapt slowly to technological advancements. Hospitality asset owners and investors are keen on ramping up technology investment, however, they are challenged by the overwhelming abundance of information and options of tech vendors.

This abundance, coupled with the fear of costly mis-investments due to a lack of the right information and a disconnect between business and IT functions, hampers effective decision-making.

As we examine the current trends, opportunities, and challenges in hospitality tech investments in this white paper, our research reaffirms that an informed approach is key to successful technology investments.

# Global Investment Trends in Hospitality Technology



## Increasing Focus on Automation and Guest Experience

The hospitality industry is witnessing a significant shift towards increased technology investments driven by a desire to enhance automation and the guest experience. AI plays a crucial role in this transformation, automating tasks such as booking, check-in, and housekeeping assignments, and providing 24/7 support to business travellers through AI chatbots and virtual assistants.

According to PwC's 2023 report, over 70% of hotel executives are prioritising investments in technologies that streamline operations and elevate the customer journey. This growing focus is evident in the adoption of Customer Relationship Management (CRM) systems and data-driven marketing strategies aimed at guest retention.

## Customer Relationship Management (CRM) Systems

CRM systems are becoming a cornerstone in hotel operations, helping hoteliers manage and analyse customer interactions and data throughout the customer lifecycle. By leveraging CRM systems, hotels can improve customer service relationships, assist in customer retention, and drive sales growth.

According to a report by Salesforce, using CRM technology can increase sales by up to 29% while improving sales forecasting accuracy by up to 32% and enhancing sales productivity by 39%. Data-driven marketing strategies supported by robust CRM systems enable hotels to tailor their marketing efforts to individual guest preferences, thereby increasing the likelihood of repeat business.

# Key Areas of Investment

## Property Management Systems (PMS)

Property Management Systems like innRoad, Oracle, and Hotelogix are essential tools for maximising revenue, increasing efficiencies, and enhancing guest understanding. These systems serve as the backbone of hotel operations, offering comprehensive functionalities that streamline various processes. From managing reservations and check-ins to overseeing housekeeping and billing, PMS solutions integrate all these functions into a single cohesive platform, making operations smoother and more efficient.



## AI in Revenue Management

Technologies such as TakeUp.ai leverage AI to analyse past guest behaviour and competitors' pricing, thereby optimising revenue without reliance on guesswork. This approach provides hoteliers with a strategic advantage in a competitive market. AI-driven revenue management systems can predict demand with higher accuracy, allowing hotels to adjust prices dynamically and maximise revenue. These systems also help in identifying and capitalising on market trends, ensuring that hotels remain competitive.



## Enhancing the Guest Experience

Guests now expect digital control over room environments, such as lighting, shades, and temperature, even in mid-range hotels. Additional, basic additions like bedside USB-C ports, mobile key entry, and digital check-in contribute to a seamless and modern guest experience. Implementing these technologies not only enhances guest satisfaction but also increases operational efficiency. For instance, mobile key entry reduces the need for physical keys and front desk check-ins, streamlining the arrival process.

# Market Dynamics Post-Pandemic

## Labor Market Challenges

Rising wages and worker shortages have accelerated the move towards automation and technology utilisation to empower existing staff and streamline operations. Automated check-ins, robotic room service, and AI-powered concierge services are just a few examples of how technology can mitigate labour shortages. These innovations allow hotels to maintain high service levels even with reduced staff, ensuring guest satisfaction.

## Recovery Trends

With the easing of travel restrictions, hotels are prioritising technology to improve operational efficiency and attract guests. This focus is vital in a landscape marked by intense competition. Technologies that enhance cleanliness and safety, such as contactless check-in/check-out and mobile room keys, have become particularly important. Hotels are also investing in digital marketing strategies to reach potential guests who are eager to travel again but are cautious about safety.

## Strong Investment in Tech

The hospitality tech sector is experiencing a surge in acquisitions as companies aim to consolidate and offer more comprehensive solutions to meet the diverse needs of hotels. This consolidation trend is driven by the need to provide integrated solutions that address multiple aspects of hotel operations. By acquiring or merging with other tech companies, firms can offer a broader range of services, from property management and guest services to marketing and revenue management.

# Challenges and Opportunities in Hospitality Tech Investments

## Overcoming Legacy System Limitations

Many hotels face the challenge of outdated, siloed systems that hinder efficient operations. The solution lies in adopting Open API-based systems that facilitate the integration of various functionalities, thereby overcoming the limitations of legacy systems. As **Tjalling van den Burger, Vice President Enterprise Sales at Adyen,** explains, "The general consensus in the hospitality industry is a pressing need for digital transformation. What is already considered market-standard in other industries is still regarded as innovative in hospitality."



## Importance of Open API-Based Systems

Open API-based systems enable seamless communication between different software applications, allowing hotels to integrate new technologies without overhauling their entire IT infrastructure. This approach reduces the cost and complexity of technology upgrades, making it easier for hotels to adopt innovative solutions.

# Challenges and Opportunities in Hospitality Tech Investments

## Budget Constraints and ROI Considerations

Investors and hoteliers are increasingly open to testing and investing in new technologies, albeit with considerations of budget constraints and expected Return on Investment (ROI). It is advisable to start with a limited scope, allowing for the testing of technology in specific critical use cases before broader scaling based on initial positive results. Small-scale pilot projects can provide valuable insights into the feasibility and impact of new technologies, helping to build a strong business case for larger investments.

# Specific Areas of Untapped Potential

## Automation of Manual Processes

Many processes in the hospitality industry are still handled manually, which can and should be automated. For example, night audits, which involve substantial administrative work, can be automated to improve efficiency, and reduce labour costs. According to **Cenk Sidar, Founder & CEO of Enquire AI,** "AI and data analytics are playing a crucial role in personalising guest experiences and optimising revenue management and staffing through innovative solutions."



## Integrating Payments Technology

Implementing a proper payments technology setup can enable hotels to offer more personalised and flexible experiences without relying on manual administrative tasks. This integration can lead to faster table turnover in Food & Beverage operations and eliminate the need for cashiers in restaurants. By streamlining payment processes, hotels can enhance the guest experience and improve operational efficiency.
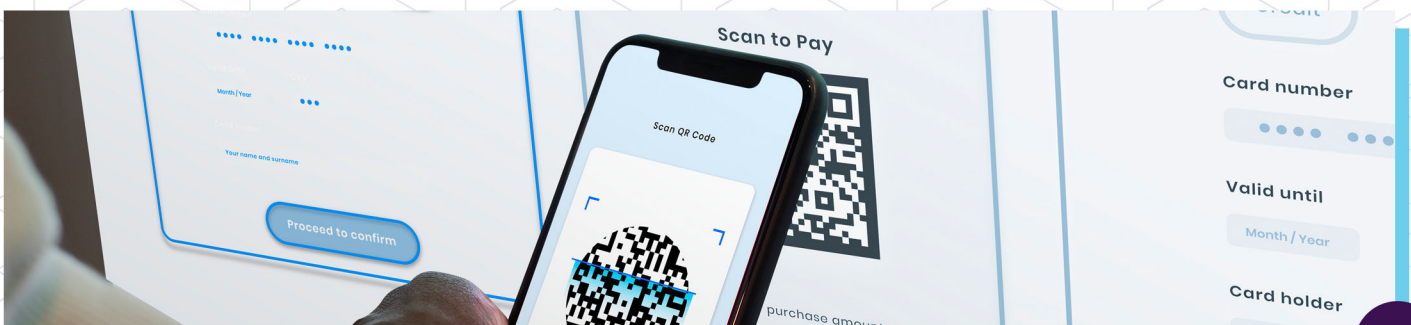
# Addressing Hurdles in Investment



## Scattered Decision-Making

One significant hurdle is the scattered decision-making process within hospitality organisations. Technology investment decisions often involve numerous stakeholders, which can slow down the path to innovation. Additionally, the industry needs to prioritise ROI over immediate costs. As **Markus Schreyer, Chairman of META Foundation**, notes, "Aligning all stakeholders can be challenging, but it's essential for driving digital transformation forward."

## The Need for a Unified Approach

To overcome this hurdle, hotels should adopt a unified approach to technology investment, involving key stakeholders from both business and IT functions. This approach ensures that all perspectives are considered, and decisions are made based on a comprehensive understanding of the potential benefits and risks.

# Conclusion

The hospitality industry's tech investment landscape is rich with opportunities but also presents unique challenges. By carefully navigating these dynamics and prioritising strategic investments, hoteliers and investors can position themselves for success in an increasingly digital world. The insights from industry leaders at the Future Hospitality Summit highlight the critical role of technology in shaping the future of hospitality, offering a roadmap for tech providers and investors to connect and collaborate effectively. As **Ashish Tulsian, Co-founder & CEO of Restroworks,** aptly summarises with reference to restaurants and hotel F&B, "It is not about the restaurant people anymore. It's about consumers. How consumers want to interact with your brand, the business has to respond to that."

# Technology & Innovation at FHS World 2024



This year's Future Hospitality Summit (FHS) in Dubai is set to shine a spotlight on "Technology & Innovation in Hospitality," recognising the critical role these elements play in transforming the hospitality sector. With an ever-increasing emphasis on technological advancements, FHS World 2024 is dedicated to bridging the gap between tech innovators and key hospitality investment decision-makers.

To facilitate this, we are introducing a dedicated 'Tech Zone' within our expanded exhibition area. The Tech Zone will be a vibrant hub where the latest technological innovations in the hospitality industry are showcased. This dedicated area within the expanded exhibition floor will feature interactive exhibits and live demonstrations from leading tech providers, offering solutions ranging from advanced F&B/POS systems to state-of-the-art guest experience technologies.



Attendees can expect insightful presentations, panel discussions led by industry experts, and numerous networking opportunities with senior hospitality investment leaders, hotel owners, operators, and C-level executives.

You can also be a part of the excitement by becoming a tech sponsor at FHS World 2024.

# Who Should Sponsor?

▲ **F&B/POS Tech Providers**

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▲ **Property Management Systems**

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▲ **Central Reservation Solutions**

▲ **Hotel CRM & Loyalty Solutions**

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▲ **Guest Experience Tech Providers**

▲ **Keyless Entry/Contactless Check-in Solutions**

▲ **Hospitality Tech Startups**

▲ **Sustainability & Energy Tech Providers**

# Why Sponsor FHS World?

**1**    **Meet the Right Decision-Makers:** FHS brings together high-value, high-quality decision-making connections. Our audience includes developers, owners, investors, consultants, and government leaders, providing an unparalleled opportunity for meaningful engagements.

**2**    **Showcase Your Impact:** Demonstrate your innovative solutions and market offerings to senior hospitality investment leaders. With exhibition stands starting from 3x2m, the Tech Zone offers a prime location to engage and influence key stakeholders.

**3**    **Establish Thought Leadership:** Take the FHS stage to position your experts as thought leaders in the hospitality-tech space. Present your solutions, participate in panel discussions, and shape the future of hospitality.

**4**    **Networking Opportunities:** Beyond the exhibition floor, FHS offers a variety of unique networking opportunities, including morning yoga, golf, receptions, and site visits. Use the FHS Mobile App to set up meetings with senior investors and executives ahead of the event.

**5**    **Marketing & Promotions:** Leverage FHS's integrated marketing campaign to spread your message across multiple channels, including social media, print media, live TV, and more. Transform your whitepapers and reports into compelling content tailored for senior hospitality leaders.

# Get in Touch

By sponsoring FHS 2024, tech businesses can secure win-win deals, connect with the right decision-makers, and significantly enhance their visibility in the hospitality industry.

If you are interested in becoming a tech sponsor at FHS World, please get in touch with:

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# Contributors

### Cenk Sidar
Founder & CEO
Enquire AI

Cenk Sidar is a future of work evangelist. He is the Founder and CEO of Enquire AI, a software company that uses artificial intelligence to verify and deliver expert insights to organisations worldwide.

He served as the CEO of Sidar Global Advisors from its inception in 2010 until the end of 2017, assisting financial institutions and multinational corporations investing in EMEA region.

He has been featured in Wall Street Journal, Forbes, New York Times and other global outlets. He frequently speaks at events around the world about future of work, knowledge sharing, AI and Human relationship, and Web3. He holds a patent, with his co-founders, on the matching technology undergirding the Enquire AI platform.

In 2012, Sidar has been selected as one of the top 99 foreign policy leaders under 33 in the world by the Diplomatic Courier and the Young Foreign Policy Professionals. He is a member of the Johns Hopkins University SAIS Advisory Council, Atlantic Council, Turkish Social Democracy Foundation (SODEV), Atlantik-Brucke e. V., the European Young Leaders Program, the Jean Monnet Program, the Project Interchange Alumni, and the American Academy of Achievement. He is fluent in English and German.

Sidar holds an MA degree in international economics and international relations from Johns Hopkins University's School of Advanced International Studies (SAIS) in Washington, a postgraduate degree in European studies from SAIS's Bologna Center in Italy, and a BA degree in business administration and international relations from the Istanbul Bilgi University

### Tjalling van den Burger
Vice President Enterprise Sales
Adyen

As a self-proclaimed F&B "nerd", Tjalling started his career working in (Michelin-starred) restaurants in The Netherlands before graduating with a BSc. Business Administration from Hotelschool The Hague.

After having worked at HelloFresh in Amsterdam and finishing Apple's leadership program in London he joined food waste technology startup Winnow in the UAE to lead their commercial activities in the MEA region.

He then moved on to become the General Manager for the UAE at Foodics, one of the leading food-tech startups in the region.

Currently, Tjalling holds the position of VP Enterprise Sales at Adyen, a global financial technology platform. At Adyen, Tjalling looks after the Entertainment and F&B verticals, helping businesses become more efficient and unlock unique guest experiences through payments.

With a passion for the F&B and technology industry, Tjalling is tasked with growing Adyen's footprint in the UAE and supporting restaurant owners and operators in their journey towards digital innovation.

# Contributors
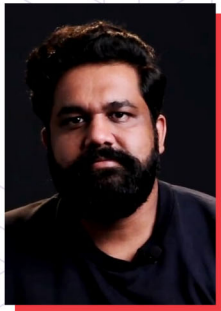
### Ashish Tulsian
Co-founder & CEO
Restroworks

Ashish Tulsian is the Co-founder and Chief Executive Officer of Restroworks, a leading cloud-first technology platform for restaurants. Launched in 2012 as Posist, Ashish has steered the company into becoming an enterprise tech platform for restaurants. Today, Restroworks powers over 20,000 restaurants in 52 countries and is distinguished among the Top 100 Software companies with the highest customer satisfaction in restaurant management software, as recognised by G2's Best Software List 2023. The company is also a Great Place to Work-Certified™ by the Great Places to Work Institute.

Ashish is the product visionary behind the cloud-based platform and oversees Product, Growth, and Market Expansion. He is a rare blend of a Technocrat and a Restaurateur. Before founding Posist, Ashish began his entrepreneurial journey during his engineering days in 2007, venturing into the Telecom VAS (Value Added Services) sector with TechnoApex. After a successful exit from his first venture, his culinary passion prompted him to open a restaurant in New Delhi. The business challenges of the restaurant industry sparked his interest in developing a tech solution for restaurants, resulting in the foundation of Posist (now Restroworks), one of the industry-first cloud technology platforms for restaurants.

In addition to his executive role in the company, Ashish is an active angel investor and mentor to many entrepreneurs in the startup world. As of date, Ashish has made early-stage investments in over 40+ start-ups across the Middle East, India, and the United States. He is often heralded as an adept entrepreneur who has mastered the art of bootstrapping start-ups to scale. A sought-after keynote speaker, Ashish frequently represents the entrepreneurial, restaurant industry, and investment communities at international events, podcasts, and forums.

Ashish is recognised by The Times of India in India's top 40 under 40 entrepreneurs in 2023 list. His work and ideas are regularly featured in prominent media publications such as Fortune, The Economic Times, Entrepreneur Middle East, Wamda, and CNBC. Ashish holds a bachelor's degree in technology from Bharati Vidyapeeth College of Engineering, India.

### Markus Schreyer
Chairman
META Foundation

Markus Schreyer is a global hospitality executive and experience-architect at the forefront of business development, innovation, and technology.

His career encompasses roles across 40 countries and 20 luxury brands in global hotel chains like Hilton Worldwide, Starwood Hotels & Resorts; as well as leadership positions in lifestyle brands, including Senior Vice President Global Innovation at Design Hotels, a Marriott brand, and Chief Development Officer at Proper Hospitality.

His passion for fostering growth, accelerating startups, and developing new revenue streams in retail, experiences, and membership models for lifestyle brands through strategic innovation and human-touch points across multiple digital platforms has earned him recognition across industries.

As the co-founder and chairman of the META Foundation, a visionary 501(c)(3) non-profit think tank established in 2020, he leads efforts in cultural, social, and environmental sustainability. The foundation collaborates with governments, universities, and technologists to develop equitable and decentralised frameworks in education, living, and travel, enabled through web3, AI and spatial computing.

Markus Schreyer holds an MBA and a PhD in Innovation Management from the University of Dresden, Germany. He teaches competitive strategy at New York University (NYU) and lives in the city with his family.

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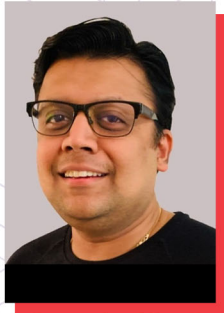
### Ankur Agrawal
CEO & Founder
Inhabitr

Ankur founded Inhabitr in 2018, after moving a few countries and cities he became convinced that the furniture market was under-served in terms of affordable designer furniture on subscription, which met the needs of the present-day millennials who move a lot.

Inhabitr, which is a technology platform, connects the furniture world with businesses like Hotels, Student Housing and Multifamily apartments looking for designer furniture on subscription. Inhabitr uses Artificial Intelligence (AI) to curate furniture from various sources and enables furniture factories and suppliers to participate in rental commerce to allow furniture to be re-used and therefore also save the planet.

Ankur Agrawal is an ex-Partner at McKinsey's Chicago Office where he was a leader of their global Consumer Packaged Goods (CPG) service line. Over the past 12+ years of his affiliation with the CPG industry, Ankur has lived and worked across four continents in Asia, the Middle East, Europe, and now the USA and extensively worked with global Consumer Goods and Retail chains in shaping a variety of leading-edge topics like Design for growth, Digital, and Operations as a competitive advantage Ankur has a lot of personal passion for growth and innovation and he mentors several companies and startups across the globe on market entry and growth topics. Ankur also serves on the board of many Non-Profits and Startup Clubs.

Ankur is also a robotics enthusiast and holds an engineering degree from Jacobs University in Germany. Ankur is married to Pratiksha who is a Dentist. Ankur and Pratiksha live in Sunnyvale, CA with their 3-year-old son Tanish.

# Resources

**PwC 2023 Consumer Report:
Hospitality tech investment pays off**

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