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ICT in the Hospitality Industry, approaching the future customer.

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ABSTRACT

The aim of this thesis is to draw attention to the technological progress and its influence on marketing strategies in the hospitality industry. It analyzes the current situation of the market and the impact of technologies on the present and future consumers' habits. In order to approach the guest of the digital world the brand touch-point wheel framework is used and applied to analyze the digital marketing strategies of hospitality brands. The role of the model is to see how hotels interact with customers through digital touch points that affect the pre-purchase, purchase and post- purchase decision. Furthermore the framework is applied to a case study of an Innovative startup that has managed to interact with the guest in all the three phases of the BTW framework. The research results show that the industry has still not embraced the digital revolution as other industries and that there is room in the market for a great number of innovations.

Introduction

Modern technology plays a crucial role in hospitality organizations providing support to employees and helping managers to approach today's customers in a faster and more effective way. Hence technologies, if properly used, represent for an organization the potential to enhance their competitive advantage. However managers cannot avoid to interpret and anticipate customer needs and their use of technologies to interact with their travel experience by offering a better customer service that in turn results in a better performance of the organization. (Pisarova 2011).

In this assertation I examine the evolution of technologies in the market of hospitality and give a perspective on the impact these technologies have both on the performance of the Hotel and also on the consumer habits. I also look at the latest strategies hospitality brands are deploying for the future and analyze what the future market will be.

In the second part of the thesis I introduce the Brand Touch Point Wheel framework by Davis and Dann and examine how the consumer of the new generation interacts with hospitality brands in the Framework and his behavior in the pre-purchase, purchase and post-purchase experience.

I also present a case study of an innovative Italian Startup having developed a technology with which customers interact with hospitality brands in each of the phases of the framework.

Research Aim

The aim of this research is to examine three important pillars of the hospitality industry, namely, technological advance in the industry, consumers of the future and brand communication. Using this three arguments I combine the emerging trends of the market with the BTW framework focusing on brands effort to interact with customers through the use of technologies. Finally I apply the market trends and the framework into a case study of a startup company interacting with all the phases of the framework in order to find the added value that technologies can bring to the hospitality industry.

Research Questions

Do technologies change the way hotels approach future customers?
- What is the profile of the customers of the future?
- Can digital applications help hotels to approach the customer of the future?
- Can digital applications influence the choice of the customer in the hospitality industry?

Chapter 1. The market of technologies in the hospitality industry

The evolution of technologies in the last years – Time to play catch up.

There are currently almost 3 billion people around the globe with internet access. Following this path it is essential that operators need to embrace the world online and ensure to communicate effectively to the new generation of customers through multiple channels (GOOGLE 2014).

As social media websites expand, access to the Internet in hotels becomes a standard and online distribution channels become more accessible a new breed of confident, empowered and savvy travellers is emerging. In the last few years more and more customers are self-booking, look at videos online of their destinations, surf the web to get the best value-for-money experience. When it comes to luxury segments new consumers expect new technologies and premium services to which not everyone has access.

To keep the pace with the game in the next years companies who are able to understand and meet the needs of these new consumers will be the true game-changers.

So what are the new rules of the game for consumers and businesses?

The Consumer

1. Understand the different generational needs and values
2. Consider "lifestyle" brand opportunities
3. Embrace the influence of social media
4. Increase a multi-channel approach with increasing of mobile smartphone technology
5. Enhance in-room technologies as consumers expectations rise across all segments

The Business

1. Invest in talent management
2. Develop environmental responsible brands
3. Develop better integrated IT systems and shared services
4. Develop and invest in R&D
5. Invest in reinforcing data security
6. Minimize the shocks of unpredictable events

As it is evident from the arguments above the importance of online and mobile apps is unarguable. According to survey by Wiker, S, Jerome, W., internet bookings of 46 top hotel chains constitute 54% of all chains computer reservation systems (CRS) bookings (2012). Moreover, the use of the online marketing channel has grown by 25% in the last four years, while the share of the global distribution system (GDS) travel agent channel and voice channel has decreased by 25% and 11.1% in the past four years, respectively. What regards social media 22% of hotel managers use social media as a revenue generating tool with a further 27% percent planning to do so over the next five years as reported by (Rauch 2012)

then adds, social media will become more of a key component of Search Engine Results Page algorithms.

The number of users researching travel from their mobile phone is expected to grow 51% next year, and by 2012 18% of mobile users will also book trips from their smart device, Wiker, S., Jerome, W. commented in his study on research done by Morgan Stanley (2012). Mobile Internet usage will surpass desktop Internet usage by 2014. Google reports that one out of five hotel queries come from mobile devices and that 65% compounded annual growth of mobile commerce from 2010 through 2014, to reach $24 billion.

Even though aggregate spending in technology in the Hospitality Industry has increased in the last five years, its growth still lags behind the level of growth of other industries, as the table below shows. The key challenge facing top management of the hospitality industry is to assess whether technology affects return on investment and share price and given the budgetary constraints characterizing most of the players in the industry the investment in technology will need to prove a tangible return through revenue generation and cost savings.

Sector (%)	2009	2010	2011	2012	2013	Forecast CAGR* 2008 to 2013
Restaurants and hotels	-6.8	3.5	0.6	3.5	4.2	0.9
Agriculture, Mining and Construction	-8.1	2.4	3.6	3.5	3.4	0.9
Communications	-5.6	3.3	4.0	4.5	4.5	2.1
Manufacturing	-12.0	2.3	3.1	3.8	3.6	0.0
Education	-4.2	3.0	3.3	3.8	4.0	1.9
Financial Services	-7.0	3.5	3.9	4.6	4.9	1.9
Healthcare	-3.8	4.1	4.6	5.0	5.7	3.1
Local and Regional Government	-3.8	3.1	2.8	3.3	3.6	1.8
National and International Government	-2.0	4.6	3.8	4.1	4.2	2.9
Process Manufacturing	-7.1	2.3	3.2	3.5	3.4	1.0
Retail Trade	-6.5	2.4	3.5	4.2	4.3	1.5
Services	-4.3	3.2	3.0	3.7	4.0	1.9
Transportation	-8.3	3.2	3.7	4.2	4.3	1.3
Utilities	-6.2	3.5	3.2	3.9	4.1	1.6
Wholesale Trade	-5.6	2.2	2.7	3.0	2.8	1.0
Weighted Average	-6.3	3.2	3.5	4.1	4.2	1.7

Source: Gartner – Forecast Enterprise IT Spending by Industry Markets, Worldwide, 2007-2013, 4Q09 Update
*Compound Annual Growth Rate (CAGR)

Figure 1.1 Compound Annual Growth Rate of many industries.

However choosing not to invest in technology carries a significantly higher risk for hotel brands. If companies are currently choosing to lengthen the lifecycle of IT systems in order to reduce cost in the short term, in the next years there will be a large number of hotel owners and operators with ageing IT systems that might not deliver on the changing needs of customers.

Hotels embracing the mobile world

Coda Research estimates that by 2015 78 million Americans will be able to access mobile banking via their phone and this trend will grow continuously in the next years, reaffirming the importance of communicating with tomorrow's customers using mobile technology.

In the industry mobile technology is now being used to interact with those travellers who are "switched on" all times. Hilton is among those operators who have embraced the mobile world by launching a mobile app enabling customers to manage their bookings through their smartphone, within a week of its launch the mobile app has been downloaded over a 6,000 times. These types of services are now enabling hoteliers to foster a greater degree of loyalty ensuring that their services fit the consumer needs better than the competitor's offer.

Furthermore hotels must ensure their website are mobile friendly in order to maximize the benefits of the mobile technology. When Marriot launched its mobile website it reported additional sales for 1.25 million in the first 100 days.

The impact of mobile technology is not only confined to bookings through the use of smartphone but additional mobile services have been developed such as interactive maps, digital concierge, digital check-in and so on. These ideas could be taken further in order to encourage higher degree of loyalty and ensure that hotels are delivering the best possible service to their guests.

Concept of traditional advertising are not applicable anymore especially in the online marketplace, where consumers have the potential to interact with the brand almost constantly. In fact, with the growing importance of social networks brands are shifting from "advertising"

to "brand communication" where the interaction with the customer is a priority and he is the one owning the brand, deciding whether or not the brand is communicating correctly. In this more complex new marketing landscape hotels need to understand how to interact with the customer in order to survive and thrive their profits.

In the past decade operators have focused on adopting technology to maximize revenues through yield management systems, but the future will shift through cost efficiency especially in food and beverage.

By 2015, AI based technologies will help hoteliers to forecast the demand for food and beverage avoiding food wastage and manage labor cost more efficiently. The Pan Pacific Hotel in San Francisco is already implementing this type of technology and reports to be on the track to save 4% in costs using Artificial Intelligence.

Hotel Room of the future

In the last years features like free Internet and digital TVs have become a standard even in budget hotels. As these features become the norm in all hotels, the luxury market continues to seek in-room technology that improves the guest experience and differentiate from the mass market.

In the next year the industry will have included features such as alarm clock waking up guests by increasing the level of lights in the room rather than making noise, floors with sensors to optimize energy consumption, TVs with voice recognition. Hotel rooms will be unlocked via mobile phone and equipped with iPod docks and universal phone chargers in order to make stays as more functional and comfortable as possible.

Guests will be able to communicate in advance from their mobile devices the set up of the room. They should be able to request upon arrival the temperature level inside the room, the type of music, the lighting and perhaps even a hot bath already run for them.

Other innovations may take longer but the real question remains, do consumer really want all this? Does the majority of guests request basic functional and comfortable treatment or all this

add-ons make the hotel more attractive and competitive? Eventually, of course, the consumer will decide.

The future of hospitality has just began, although the industry has kept a slower pace in technological developments compared to other industries, in the next few years it is expected a boom in new hotel technologies that apply to every aspect of the business. For hoteliers keeping up with technologies is no longer an option as technology and business become more and more interrelated. In next decade hospitality companies must invest in technologies to be more efficient than competitors and focus on tangible returns on investment in terms of higher revenues and better cost-management. In this complex and fast changing landscape there is the potential to disrupt the industry but only those companies who are anticipating and fulfilling the needs of the future consumer will ultimately succeed.

The consumer of the future

From the analysis conducted, until now, we have seen how the hospitality industry is changing, thanks to the introduction of a number of innovations that are reshaping hoteliers' way of conducting business and interacting with customers. Moreover, new generations entering the market and older generations entering retirement are increasingly posing a challenge on traditional hospitality supply, opening up new opportunities for innovative companies, especially in emerging markets. Since the introduction of the web 2.0 the change in consumer behavior has been unprecedented as many innovation have been introduced and changed the lifestyle of consumers. In fact, innovations that used to change consumer behavior once or twice every generation are now taking place on an annual basis. Furthermore the industry, and society as a whole, is being influenced by the introduction of groundbreaking technological devices that offer the function of connecting population globally, enabled fast and efficient communication between companies and consumers.

In the last few years they started to realize the digital communication is the best means for them to stay updated and informed increased fast-pacing consumer world. The newest generation is the one who will bring the main revenue to marketers in the next years. This new generation is a generation which is comfortable using technology and as grown-up in the

digital world. They are constantly using Digital products and are communicating through various social networking channels often across countries and cultures. Naturally based behavioral traits are influencing their purchase decision-making process. The table below summarizes the main characteristics of present and future generations with which hoteliers will deal in the next decade.

Baby-boomers	Generation X	Generation Y	Generation Z	New Generation
• (hippies, yuppies), • optimistic and financially stable world • social changes – Women's Movement, Civil Rights Movement, Vietnam Peace • growing consumerism, idealistic and competitive character	• (Latchkey Kids), • strong trend toward divorce and economic uncertainty, • popularity of the disco and hip-hop culture, • technologies such as cable TV, video games, • characterized as individualists and sceptical of authority	• (Millenials), • Increasing international market, • emerging digital technologies • Instant communication via email or SMS, • characterized as optimistic, tech-comfortable, style-conscious, brand loyal	• (net generation) • Security and environmental concerns, • widespread use of electronic gadgets, digital technologies, Internet and social networking, • characterized as tech-savvy, globally connected (in the virtual world), flexible and smarter, and tolerant of diverse cultures	• (Gen Alpha, Gen I...), • world emerging from economic slowdown, • more tech-savvy, educated, and materialistic, still defining generation traits

Figure 1.2: *Present and future generation of consumers Hoteliers will deal with.*

Currently four generations dominate the market and will shape the future of consumption in the next years.

Baby Boomers

Baby boomers are those individuals born between 1946 in 1964, they are a growing segment as ageing population becomes a global phenomenon with all the countries experiencing growth in the number of older residents.

The ageing of baby boomers generation - aged from 45 to 64 - and they transition into retirement will shape new forms of travel opening up new opportunities for a time-rich generation. Boomers with also have more disposable income then precedent generations. Currently US boomers own 60% of all the nation's wealth and account for more than 40% of spending. In short, boomers will have significant amount of time and money of their disposal and for many, travel is at the top list of desired retirement activities. Despite the growth of

travel and hospitality companies that specifically target the Boomer generation, the market is far from mature and the scale of opportunity is very large. Moreover, this generation is reluctant to consider themselves as senior citizens and is adopting behaviors, which are associated with younger generations. For example experience travel is a very important dimension. Ultimately the key to unlocking the Boomer generation is to understand and appeal to their "forever young" attitude.

Generation X

Generation X is the best educated than the first technology savvy generation history. Faced people tend to have realistic expectations and a greater tolerance for diversity. Moreover this generation is the first generation history that when comes to booking your travel reaches for a mouse rather than a phone.

As reported by Christopher Reynolds in article from American demographics:

- "49.3 million people are in Generation X (ages 28 to 39)

- Generation X contains 35% less people than in the Baby Boomers and is

- 32% smaller than Generation Y or the Echo Boom generation

- Generation X has a total buying power of $1.4 trillion

- 81% of Generation X are employed full or part time

- Generation X spends on average, 12% more on entertainment than the typical American consumer."

"Gen-Xers are entering their peak-earning years and are the future business travelers. According to D.K. Shifflet & Associates, Gen-Xers are already the most free-spending of leisure travelers. They outspend baby boomers on trips involving a hotel stay. In 2004, Gen-Xers spent roughly $1,297 per trip per person, compared with baby boomers' $1,155.

Market researchers have determined that Gen-Xers want branded items. For example, they want Starbucks, not just regular coffee. They are not brand loyal however, so they are willing to search persistently to find a place to stay that has style, rather than book the same chain hotel they used on family vacations in the 1980s. In this context only those hoteliers and companies who focus on loyalty rather than price will eventually succeed". (McMahon, 2005; De Lollis, 2005).

Generation Y

This generation was defined by Judy Hou Directeur General/CEO of the Glion Institute of Higher Education Worldwide

"Generation Y' also known worldwide as the 'The Millennial Generation', 'Echo Boomers' and 'Generation Next' can fall under differing age classifications and so we will classify them as people born between 1979 and 1994. This brings the Gen Y age range in 2013 to be around 19-34 years of age.

In China, Gen Y are more commonly referred to as 'The Post 80's Generation' born between 1980 and 1989; bringing their age range in 2013 to be around 24-33 years of age. Gen Y in China are an estimated 230 million (National Bureau of Statistic China, 2010) strong employee demographic, a well above mid range figure when compared with other climbing BRIC (Brazil, Russia, India, and China) economies worldwide, as we see an estimated 60 million in Brazil in 2011, an estimated 40 million in Russia in 2011, and the global highest, an estimated 500 million in India (CIA, 2011). As we take in global Gen Y stats we are incited to recline in surprise at a worldwide estimate of 1.7 billion (Puybarud, 2010), representing a whopping 25.47% of our world's population."

Generation Z

The generation Z is the youngest generation and therefore represent more than others the future generation. The "Net Generation" born after the 2000
Is a generation concerned with security and environmental challenges, uses all kinds of electronics gadgets and is familiar with digital technologies and social networking. Its main characteristic is to be a tech-savvy generation, which is global connected, flexible and smarter and tolerant of diverse cultures. According to Grail Research it will create the main source of business revenue (2011) in the next decades. However according to scholars such as Gurau the Net Generation along with the generation Alpha is still in the process of defining its characteristics and thus needs more time to serve as a reliable information for marketers.

Chapter. 2 Strategies of the major hospitality brands in the coming years

Over the next five years importance of brands choice is likely to differ across segments, social media will also embrace new challenges for major hospitality brands and will open up new forms of dialogue with the consumer. Brand perception in this market is usually more influenced by experience then by product, especially in the upper end of the market. While the larger mass-market is more driven by product and price.

Some of the well-established brands have experienced the most rapid growth in the past five years and many of these brands have gone under multi- millionaire investments. New types of brands have emerged especially in the lifecycle sector such as W from StarWood and AC Hotels by Marriott. However the industry remains fragmented with an high percentage of unbranded properties. Within the mass market consumers are interested in good stay, a comfortable bed, a functioning bathroom, basic food and beverage and in room technology. This is illustrated by a research conducted by Mintel in 2009 on the UK budget hotel sector. This research shows that the most important variables are price and location. For this type of customers brand is not important as they would generally go with the cheapest.

By contrast, for the upper end of the market brand attributes are important and customers feel emotional connection to the brand. In these segments the softer brand attributes have significant and growing value to the consumer and have large impact on Hotel choice. Brand is likely to become a more important factor on the choice of luxury travelers, as top end hotels saturate key locations.

Brand and the luxury traveller

Most major operators have more than one mass-market brand in their portfolio but only one luxury brand. However, trends show that at the top end of the market greater brand differentiation is required to meet customer expectations. According to STR Global the average growth in your luxury hotel developments in Europe has been flat between 2004 and 2009 and he trend is likely to continue for the next few years. North America continues to invest in a large number of luxury Hotel developments, experiencing a growth of 6 % in the six key cities: Atlanta, Boston, Chicago, Dallas, San Francisco, Washington. As the Chinese, Indian and Russian markets grow and their major cities attract more visitors, luxury Hotel brands may fight to conquer the market.

As the market becomes more saturated, Hotel brands will need to differentiate themselves from competitors more than in the past. Brands that will offer something truly unforgettable and will have the capabilities of innovating are likely to win market share.

Websites of the major luxury brands are all similar to one another and repeatedly contain words like luxury and experience, however greater differentiation is required and should be aimed at improving guest experience and gaining their loyalty.

Besides differentiation consistency remains a major Challenge for luxury brands. A customer having a good experience with a hotel brand expects to find the same positive experience with the same brand wherever in the world he stays with the brand. Experience generally is more important reputation and brand promise.

Lifestyle brands focus more on experience style and image rather than functionality and for the past five years have recorded a rapid growth.

Hospitality Brands approaching new markets

Many of the biggest operators in the industry are increasingly developing new brands to attract future generations of guests. Starwood has added to its list of brands the W Hotels Worldwide, Aloft and Element to its Lifestyle portfolio. IHG has launched Hotel Indigo, Marriott has introduced Edition, Hyatt Hotel Corporation has launched Andaz Hotels; whilst Hilton has suffered a soft start with Denizen Hotels. Recently Jumeirah group have announced the launch of VENU its new five-stars collection, targeting the traveller seeking a sophisticated immersion in the destination.

The lifestyle sector has consistently outperformed the mass markets in America in terms of revenues by over 25% since 2003. The real difference comes in the average daily rate (ADR) between the two sectors rather than occupancy, in which they are similar.

The conducted research indicates therefore that consumers react positively to Lifestyle brands and are willing to pay higher rates. All of these brands have the real potential to achieve critical scale and we will se also many more brands entering the market especially in emerging economies.

Social Media and brands

The increasing use of social media would pose challenges and open up opportunities for hospitality brands while shining a spotlight on delivering the Brand Promise. Proactive hoteliers will benefit from the social media revolution while those slower to adapt may see their brands losing value among customers. Twitter, Tripadvisor, and Facebook are the main tools for the customer's pre-purchase research.

The 20% percent of customers is using these tools prior to departure while up to 10% are using them to generate content and reviews. In this context social media represent an enormous opportunity to engage with customers and the potential in the hotel industry has not been fully tackled.

Finally from the above analysis it is evident the importance of brand in the luxury segment and this importance will continue to grow in the near future. This will be reinforced by the need of the consumer to seek authentic experiences rather than hard products. To be

successful differentiation strategies will be important and hoteliers will need to deliver their branded experience consistently across their portfolio.

Chapter 3. Brand Touch Point Wheel Framework in Hospitality

The brand touch point wheel distinguishes three phases in the marketing, purchasing and customer relationship process: pre-purchase (awareness, interest, consideration), purchase (trial, purchase, repeat), and post-purchase (loyalty, advocacy). The picture below shows a number of tools and tactics that can be used in each of the three phases. An important aspect of the framework is that it informs strategy, tactics and campaigns. Works for B2C and B2B, and it's applicable to either products and services.

Figure 3: *Tools and tactics BTW framework.*

The BTW framework was developed by Davis and Dunn as a tool to increase customer satisfaction and thus also customer loyalty, word-of-mouth, higher price points, higher degree of consumer forgiveness and most importantly, the profitability (2002).

In general, an average company has about 30 up to 100 touch-points with its consumer (Davis et.al. 2003). The role of pre-purchase touch-points is to increase brand awareness, shape brand perceptions and retain current customers.

The purchase experience should convert consumer's knowledge about a specific product or service to eventually buying it. The aim of this phase is to maximize value of the offer and deliver it in the way it was advertised. Finally, after purchase it is important to leverage gained consumer's brand experience by different loyalty programs. A successful brand can demonstrate high loyalty and advocacy, meaning not only repeated purchase but also endorsement to his or her acquaintances, (Davis et.al. 2003).

By applying the framework to the hospitality industry and emphasizing the digital channels a more suitable version of the framework would be the on the picture below. The model suggests formats that managers should consider to be the most effective in reaching today's hyper-interactive travel consumers and generate the highest ROIs.
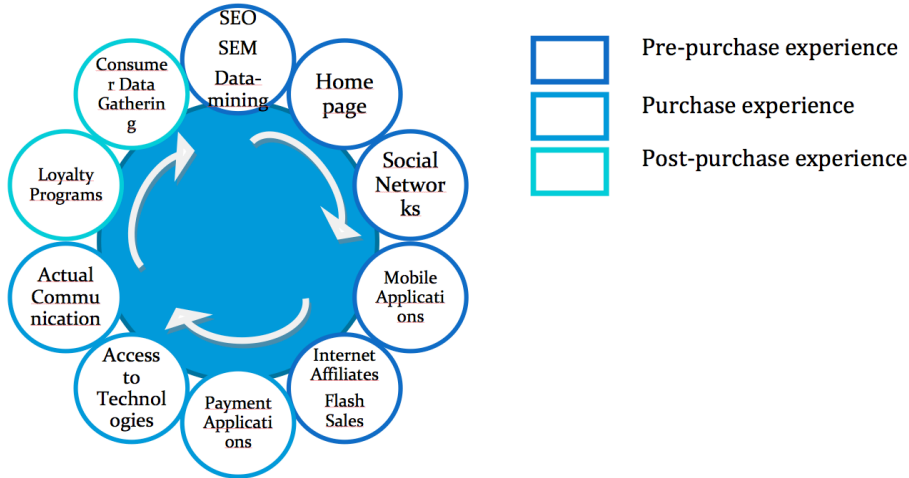

Figure 4: Digital channels BTW framework for hotels.

Nowadays hoteliers might have heard of a buzzword 'SoLoMo' meaning SOcial, LOcal, and Mobile, (Starkov 2011). Since consumers perform more than 3 billion local searches every month, and one in three mobile searches has a local intent while it is only one in five desktop searches, (Lecinski 2011). Nevertheless, connecting and integrating each digital channel with one coherent message aligned to one strategy is the way to attract today's consumer. The next section of the chapter applies the BTW framework into hospitality and investigates how managers can integrate their online marketing messages to approach today's consumer.

BTW Framework in Hospitality

The BTW framework has been used by companies in a wide range of industries in order to increase customer experience across different products and services categories, however not much research has been done in the hospitality sector. Only Yohn wrote an article using the framework in relation to restaurants (2009). He suggested different ways to make an impression to customers such as restaurant layout, employee uniforms, service standards and procedures, tabletop pieces or food trays and so on. However he mainly emphasized the use of the framework internally among employees, since as mentioned above, employees are the most valued asset in service business and create majority of the touch-points in each phase of the wheel. Moreover no reference is made to technologies and we know that nowadays technology plays a crucial role in customers purchasing decisions. The following paragraphs will deal with each phase of the framework and suggest possible implementation of digital communication into marketing strategies.

Pre-purchase experience

The pre-purchase phase consists of all situations a consumer encounters before making the decision of purchasing the product, which in our case is the choice of booking a hotel room.

According to a survey, customers use on average 10.2 sources to find accommodation and 95% of them make a decision prior to purchase. These strong numbers depict that paying a good attention to pre-purchase customer experience is extremely important and pays off, especially in the hospitality industry.

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First of all, consumers are driven by stimulus; either a broadcasted advertisement, friends' recommendation or search results. As many literature sources suggest, word of mouth (WOM) has the greatest impact on the purchase decisions. According to Kokokusha, the influence WOM had on purchasing decision is 76% whether it is online or offline information pool (2007). Technology now allows for gaining a great control over customer at this point. Starkov claims that WOM is now digitally archived medium through forums, blogs, IM's, online communities or rating sites, hotel reviews are integrated with Google maps applications where consumers can gain their valuable first moment of truth (2011).

Besides WOM there are other ways to make consumers consider a specific brand, one of them are search engines. What do people learn through search engines? According to (Lecinski 2011), 64% say they look for price, 44% say product or service characteristic or features and 37% say design or styling.

To the vast number of promotional tools available for marketers now also new applications tailor-made to fit needs of today's generation such as web site integration with local online directories such as e.g. Yahoo local or yellow pages, mobile applications, GPS systems, video portals, subliminal in-game advertising and many more, (Starkov 2011). SEO is thus all about making it easier for consumer to reach web sites they intend to. Modern managers are now using cloud computing to create consumer access to information through shared data resources via software networks. Therefore users are accessing cloud-based applications through web browsers or mobile apps, while the business software and data are stored on servers at a remote location.

Purchase Phase

The purchase phase involves situations where the marketer can influence consumers' purchase decision by enhancing the experience of a particular product or service. This is the stage when the guest has just made his or her decision to book a room in a certain hotel. There is a range of different touch-points that might be significant for the consumer to become satisfied or on the other hand to reconsider his purchase: payment applications, electronic services in the hotel and the communication between customer and hotel.

There is a variety of ways how the consumer can pay for his services. The technological advance enabled to even broaden the portfolio of payment applications such as debits via mobile phone for example 'mobile wallet', near field communication (NFC) or smart payment mechanism. Avoiding cash payments brings up several benefits as for consumers, so for managers.

When previously referring to the consumer of the new generation we said that, one of his or her main characteristic traits was their technological orientation. Consumers came through a behavioral evolution process and nowadays they not only want, but rather require an instant connection with outer world wherever they stay. A strong majority of hotels offers internet access, however still many perceive this offering as a sign of an 'over the top' service for which they charge extras.

Last but not least, communication between a hotel and its guest is a crucial part of purchase phase impacting consumer experience in the hotel. The way how a hotel handles customer complaints not only contributes to customer experience, but also assists hotel managers in measuring customer satisfaction and improving their services in the future, (Glushko 2008). As the internet become more user-friendly, online forums and communities were formed to share opinions globally. One of the biggest portals in hospitality undoubtedly belong Trip advisor, Travelocity.com, Oyster.com, Expedia.com, different social media and many more. The question however remains: are these channels suitable for handling customer complaints? According to a study by Changuk and Hu, customers are mostly unhappy with fundamental service failures such as declined service quality, but also rude employees (2004). Therefore it is still disputable whether online complaints improve guest experience during their stay and this could be discussed in more depth in further research.

Post-purchase phase

Post-purchase stage is the final phase of the brand touch-point wheel, which carries an enormous importance as this is when the brand transforms a satisfied customer into a loyal customer. Even though the personal contact with the hotel is already over, there are numerous touch-points when the communication messages can be personalized and highly relevant for the customer. In a hospitality business two main touch-point categories were identified: loyalty programs and consumer data gathering tools. The next paragraphs will deal with each of these categories.

There are five main types of loyalty programs in hospitality, (Summers 2009):
- · Appreciation program: Rewarding loyal customers with more of own product/service.
- · Rewards program: Rewarding loyal customers with awards unrelated to that product/service.
- · Partnership program: Marketing to another company's database and allowing loyal customers to chose their rewards from either company.
- · Rebate program: Rewarding loyal customers incrementally according to their purchase activity.
- · Affinity program: Building a lifetime value relationship with a customer based on mutual interests and not on the use of rewards.

Global connectivity of today's consumer is one of the drivers why hotel chain managers tend to adopt complex software regulating their loyalty programs. The main reason for doing so is being able to evoke a repeat purchase wherever the consumer stays. For B2B clients CRM systems are used as a prime complement to hotels sales force. Combining the right technology with the right strategy with a coherent personalized message results in temporal competitive advantage, (Starkov 2011). Finally, great importance shall be devoted to channels that enable organizations to gain customer information and to improve services for their customers' next 'touch-point wheel journey'.

Finally we see that multi-channel marketing is the foundation of a smart direct online channel strategy. In today's world the hotel website, the email marketing, social media presence, SEM campaigns and mobile strategy should be strategically planned together. Customer communication must be integrated throughout the process involving all touch-points and using a wide range of online media and applications.

Many hotel managers still consider the pre-purchase experience or the hotel booking the most critical moment for converting the customer. However, as discussed earlier, customer of the new generation are already familiar to electronic booking systems and take them for granted. In order to be customer-centric and reach a step ahead of competition it is necessary to use the knowledge about the target customer segment and adjust every means of communication to be personalized and accessible everywhere, plus to facilitate engagement and intimacy. By supplying a compelling brand experiences through multiple communication channels throughout the BTW process customers can identify with the brand in a long term and so become loyal.

After having explained the theoretical framework of the BTW applied to the hospitality industry we will try to apply the framework to the case of an innovative mobile service called Butlr.

In the following chapter I will analyze how this startup company has managed to create a service that interacts with all the phases of the BTW framework and it does it completely digitally, thus creating an incredibly powerful network of hospitality players and luxury brands satisfying customer needs.

Chapter 4. Case Study: Butlr – Your Digital Concierge

Butlr is an innovative technological platform that combines tablets, computers, TVs, smartphones with a smart, easy-to-use and reliable application that delivers to end users an exceptional and unique customer experience. The idea behind Butlr is to provide hotels with an integrated platform for the digitalization of every hotel service that enables guests to interact from their smartphones with the hotel personnel and with local businesses in town.

Just like a Butler treating his guests with white glows, Butlrapp enables hotel guests to ask for the desired dish in their room, reserve the SPA, ask for touristic attractions and reach them, purchase touristic experiences and local products.

The winning attribute of Butlrapp is the creation of a win-to-win platform on which hotels and local business are able to expand their offer and reach more quickly and efficiently targeted customers.
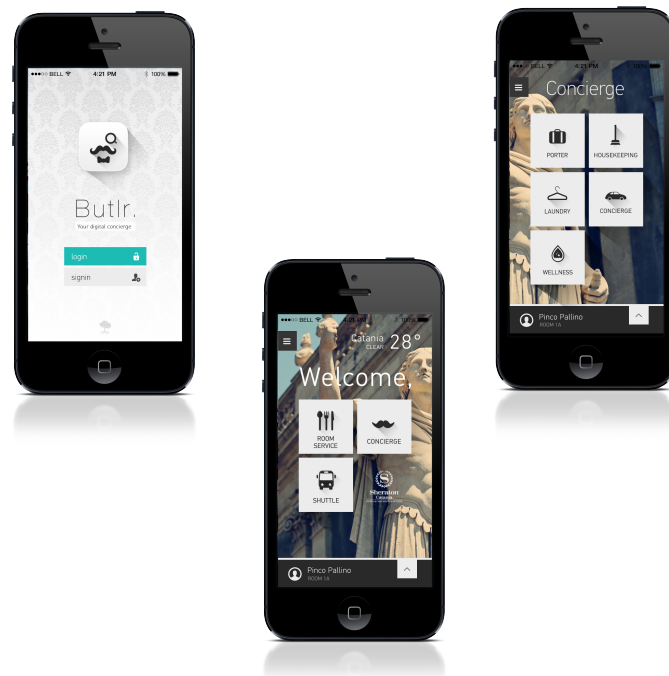
The app is tailored to high-end hotels but it might open to lower end brands in the future, as the founder team stated. The interaction that the user has with Butlr is a full immersion

experience into a private concierge service where it is possible to book a luxury hotel in the coolest world's locations, buy local experiences and interact with the hotel having the possibility to order any service the hotel offers through the mobile app.

The service is the first in its kind to actually be able to interact with all the phases of the BTW framework only through the use of the cloud.

But lets look closer and see how Butlr interacts with all the phases of the framework and what are the services the company provides to hotels, brands, and users to enable them satisfy their needs.

The Butlr mobile app can be downloaded from the AppStore for free and it enables users to:

- Find luxury hotel rooms around (Pre-Purchase/Purchase)
- Find luxury experiences around the hotel (Purchase/Post-Purchase)
- Enable the mobile check-in into hotels. (Purchase)

On the other side the Butlr app interacts with hotels and luxury brands to offer services to its users.
Hotels can digitalize their concierge services, such as in-room dining, laundry, wellness and so on.
Brands and local businesses can offer a wide range of experiences and services such as, private tours, exclusive events tickets, extreme sports, private transportation and more.
Creating a network of hospitality players and high net worth individuals interacting with each other exclusively on the cloud.

Quantitative Analysis

The Butlr app has been tested in one of the best hotels in Italy, The Great Sheraton of Sicily allowing the company to gather important data on the effectiveness of digital communication and customer interaction in the hospitality industry.

Hotel Characteristics:

5 Stars

Restaurant

SPA

Bar

120 Rooms

65% OR (Occupancy Rate)

50k Customers per year

Min Room Price per night 250€

Management Concern:

Are we effectively managing our Human Resources? Are we monetizing on mobile commerce?

Cost Reduction Using Butlr

The analysis conducted took into account a sample of more than 3000 requests and calls in a month time, about 100 per day. We identify different categories of requests and calls showed in the table below.

#REQUESTS	%	num	Media Min/Richiesta	Min Giornalieri/Richiesta	Ore Giornaliere/Richiesta	Ore Annue	Giornate Lavorative
Tourism Info	23%	28	3,2	90	1,5	545	68
Transportation Info	11%	14	1,4	20	0,3	119	15
General Info	10%	12	2,3	28	0,5	168	21
SPA and Wellness	8%	10	2	20	0,3	122	15
Laundry	2%	2	2	4	0,1	24	3
Luggages	3%	4	2	8	0,1	49	6
Tot. Request by Butlr	56%	70	2,15	28	2	1027	128
Check In	15%	28	5	140	2,3	852	106
Check Out	23%	18	5	90	1,5	548	68
Other	6%	8	2	16	0,3	97	12
Total Requests	100%	124	3	44	1	1497	187

Figure 5: Cost Reduction using Butlr

The table above shows the different categories of requests by clients at the reception in a typical summer day. As we can see most of the requests concern Touristic Information, Transportation Information, General Info about the hotel and its services and Check In and Check Out.
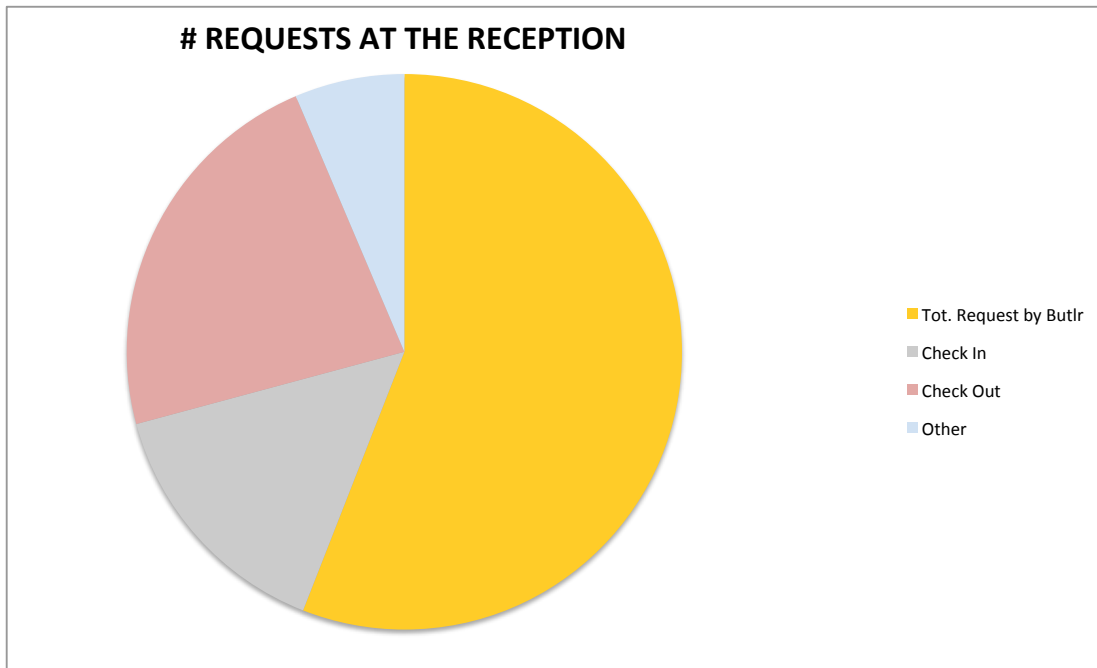
 # REQUESTS AT THE RECEPTION

Legend:
- Tot. Request by Butlr
- Check In
- Check Out
- Other

Figure 6: Requests held by Butlr and requests held by reception

From the above chart we can see that Butlr interacts with more than 70% of the requests typically made by clients at the reception. This reduces the amount of working hours spent by receptionists on each task, allowing for a time-saving of 2500 hours per year and a cost reduction of about €25.000.
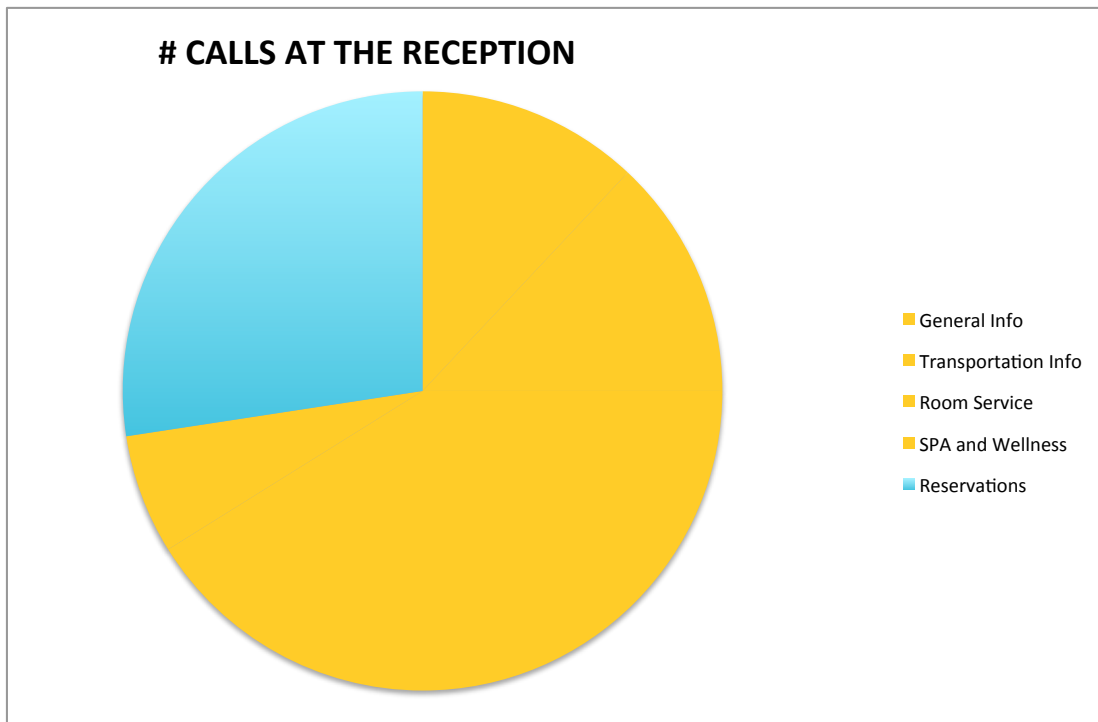
 # CALLS AT THE RECEPTION

Legend:
- General Info
- Transportation Info
- Room Service
- SPA and Wellness
- Reservations

Figure 7: Customers interaction with reception

When analyzing phone calls at the reception we identified five macro categories of calls:

-General Info 12%

-Transportation Info 13%

-Room Service 41%

-Spa and Wellness 6%

-Reservations 27%

The results of the analysis showed that the Butlr platform interacts with more than 70% of the total calls typically received at the reception. Thanks to the digitalization of hotel services Butlr enables hoteliers to provide guests with a better service and at the same time save 1500 hours corresponding to a cost saving of about €15.000.

Increase in Revenues using Butlr

As mentioned above in a targeted luxury hotel with 120 Rooms and 65% yearly OR, at least 50k customers transit and interact with the hotel and its services, along the BTW framework, using a wide range of tools and adopting a variety of behaviors.

With Butlr the digital communication is integrated in one system and represents a big opportunity for hoteliers to increase revenues.

During the beta test the Butlr app has had a good success and 20% of guests have bought something from the platform spending on average €50 in additional money that they would have not spend.

This has generated about 500k in additional revenues for the players in the network and is growing on a daily basis.

Synthesis and Conclusion

The aim of my research was to draw attention to three important aspects of the hospitality sector, such as, technological advance in the industry, consumers of the future and brand communication, and how these variables will interact to satisfy ever-evolving customer needs.

The theoretical framework used helped me to analyze the "Brand Touch Points" of the pre-purchase, purchase and post-purchase phase of Digital Marketing Communication. Therefore I was able to compare effectiveness of marketing communication across different phases and channels. By analyzing the market and accessing data from the case study the model supported me in declaring how channels can work in relationship and how services such as Butlr can make a very big impact in the industry. Essentially, every mean of communication should be personalized, highly targeted, accessible anywhere and create a perfect level of engagement and intimacy with the customer. Selling an entire brand experience through multiple digital channels and throughout the BTW process to customers that can identify in the long term with the Brand is very important and is the variable that will make customers become loyal.

Generally the research has fulfilled its aim and addresses the research questions. The impact that technology is having in every aspect of customers' life is unprecedented and unquestionable. Therefore the hospitality industry has a big opportunity to innovate its digital strategy for the customer of the future.

Limitations of the Research

Critically analyzing the research conducted and the data the company released it would be much better to repeat the process with more hotels and customer in the network, more reviews and comments and more purchase actions, this in order to enable Big Data Algorithms to run on the database and match a certain required marketing action according to a trending topic among customers and be able to do all this would be very powerful for hospitality brands and their marketing strategies.

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