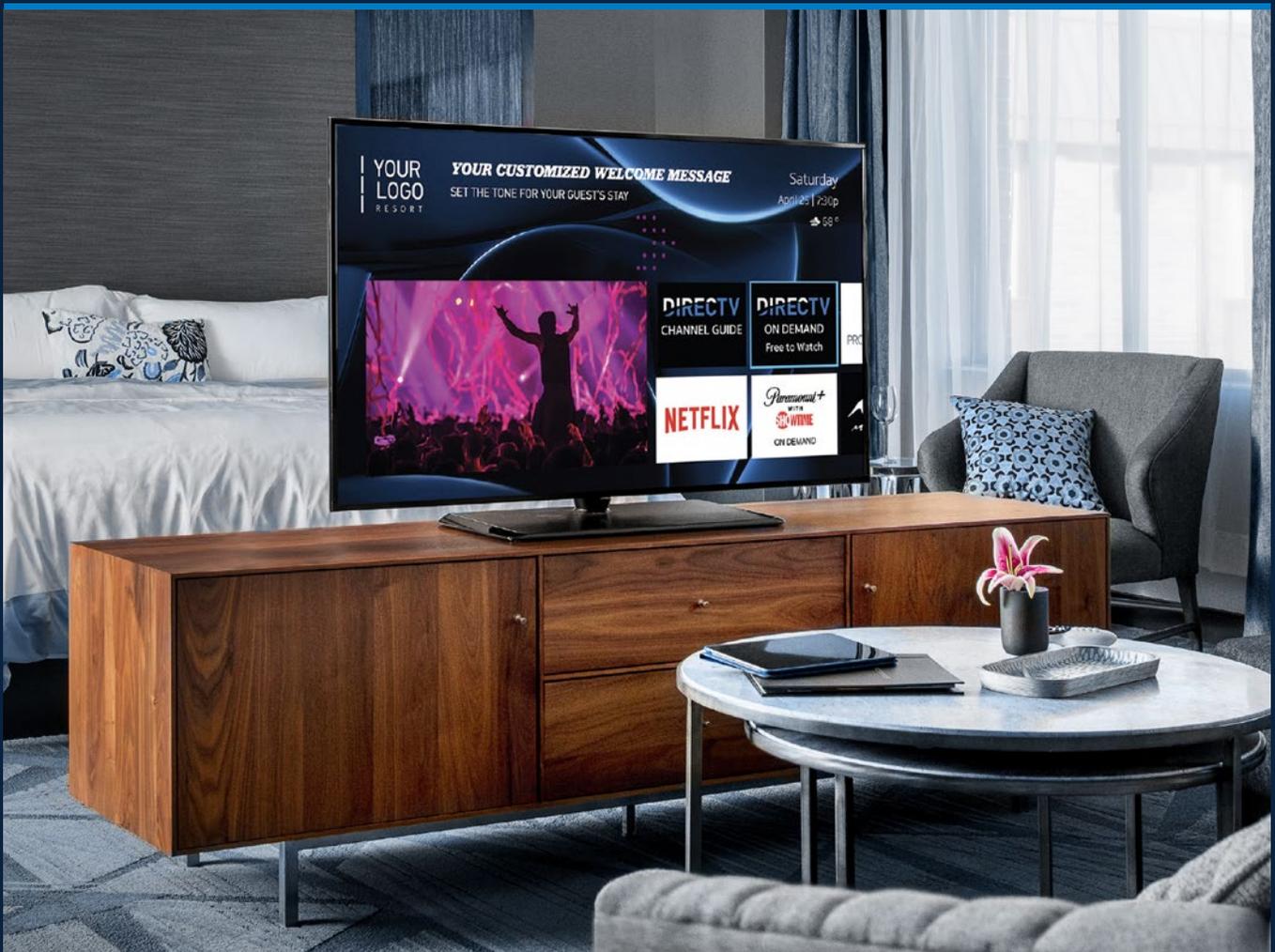




**HOTEL
MANAGEMENT**

**DIRECTV
HOSPITALITY**

Future Planning: 5 Key Evolving Trends In Hospitality Entering 2025





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5 Key Evolving Trends In Hospitality Entering 2025

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INTRODUCTION

New hospitality trends emerge every year, and these insights greatly impact future strategizing as hotels continue to chart the best path toward gaining important competitive advantages, achieving exceptional customer loyalty, and elevating profitability. In navigating these trends, savvy-minded hoteliers are reimagining operations through innovation. **Staying attuned to customer expectations while leveraging the power of today's technology and data to refine operations and explore revenue opportunities is essential for hotels to embrace new trends and thrive for the long-term.**

This White Paper, sponsored by DIRECTV HOSPITALITY, will highlight five key hospitality trends heading into 2025:

- Artificial Intelligence (AI) will be more practically implemented across hotel departments with an emphasis on enriching the guest experience, advancing operational efficiency, and improving revenue management
- Guests crave a feeling of empowerment during their hotel stay and want control of certain aspects of their experience including having seamless access to their own content, which is driving properties to consider how best to optimize delivery of in-room entertainment
- Customer data is a powerful tool for enhancing guest personalization and cultivating loyalty, but the data must be accurately collected to make a meaningful impact on the guest experience
- Robust in-room entertainment is increasingly driving opportunities for hotels to earn incremental revenue while continuing to meet guest expectations, but properties need optimized connectivity to ensure seamless operations
- As sustainability remains top-of-mind for hoteliers, AI-powered initiatives are making great strides in helping hotels better manage their environmental footprint

ARTIFICIAL INTELLIGENCE – MOVING BEYOND A BUZZ-PHASE IN HOSPITALITY

AI's potential to revolutionize the hospitality industry has been touted for several years. **Heading into 2025, though, AI will begin to transition from a buzz-phrase to more practical implementation at hotels.**

"Today's travelers expect personalized experiences, seamless interactions, and efficient services from the hotel staff, and this is where AI can play a vital role in transforming the hospitality industry," said Richard Tatem, Associate Vice President, Commercial Engineering, DIRECTV HOSPITALITY. "Out of necessity, use of AI will be practically implemented to meet and exceed these ever-growing customer expectations. We have enough forward momentum going

into 2025, but due to inconsistency with AI's adoption, this may result in marginal benefits in most areas of AI innovation for the next two to three years while providing significant value in a few key services, such as enhancing the guest experience, operational efficiency and revenue management."

Generating success with AI means effectively using it to make a significant difference and not just for the sake of leveraging the latest technology trend. "Problem statement first. AI second." is the approach Tatem believes makes the most sense. "Hotels must first identify specific problems that need solving or opportunities to pursue before considering or implementing any AI solution. AI needs to strike a balance between the usefulness of technology and



the comfort of talking to real people. The goal is not to get rid of human interactions, but to improve them.”

There are multiple opportunities along the customer journey, from the moment a potential guest is booking a new reservation to when the guest finally checks out, where AI can make a positive difference on elevating the customer experience. “Examples of AI innovation around guest experience enhancements include anything that automates tasks and reduces guest friction, like waiting for a response to questions, standing in line at the front desk or being on hold, not being recognized via their loyalty profile, or not valued as a loyal customer,” noted Tatem.

Effectively leveraging AI’s potential to drive operational efficiency improves both the staff and guest experiences, which helps fortify coveted loyalty. Using AI

tools to automate repetitive administrative tasks, such as answering booking confirmations, managing guest inquiries, collecting guest feedback, managing staff schedules and workflow, and analyzing back-of-house systems, allows team members to focus on cultivating personalized guest interactions, positively impacting overall productivity and service delivery. AI-driven tools are also beneficial for inventory management, so hotels maintain optimum stock levels of items like bed linens and towels.

Revenue management is one of the top areas benefitting from incorporating AI tools to evaluate real-time market trends and historical data to better forecast future booking demands and optimize pricing strategies around this predictive analysis. “AI models can do a great job at identifying potential upselling and cross-selling

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opportunities based on guest profiles and preferences,” explained Tatem. “These same AI tools can provide real-time insights to hotel staff and management related to guest satisfaction and loyalty metrics – insights that can be used to drive incremental revenue opportunities.”

Facilitating a successful rollout of AI technology requires a well-conceived integration strategy built on a powerful infrastructure capable of supporting AI-driven applications. “This includes investments in hardware, software, networking infrastructure, and cloud computing resources to support data processing, storage, and all the analytics that go into making these solutions work well,” said Tatem. “Additionally, hotels must prioritize interoperability and scalability to ensure that AI-driven systems can integrate seamlessly with their existing technology platforms and accommodate future growth and expansion – no easy task.”

Tatem shared how DIRECTV HOSPITALITY is using innovative services and AI implementation to improve pain points for hotels and guests. “Since we have an Android set top box as our video endpoint, we have solutions around generative AI engines that monitor the entertainment service in each room. If there is a poorly performing application running in the guest room due to bandwidth

congestion or perhaps Wi-Fi interference, the AI model is trained to detect and, when possible, recommend corrective actions to restore service. In the case of a poor TV viewing experience, the AI agent can actually differentiate if the issue is due to something local in the guest room, like the HDMI cable connection, versus an on-property network impairment issue versus an external internet or satellite delivery video service issue. This information is then logged, reported and tracked to provide faster restoration of service. This same AI agent technology is being used extensively throughout all our product development test environments to better train the AI model to predict, detect and recommend corrective actions.”

GIVE GUESTS WHAT THEY WANT...CHOICE = EMPOWERMENT

Guest expectations are ever-evolving. “**Feeling empowered**” is becoming more of an expectation whether guests are traveling for leisure or business as they increasingly crave being in control of select aspects of their travel experience. Enjoying seamless access to TV content in their hotel room, like at home, is one area that helps foster that feeling of empowerment as it



underscores the choice to watch what they want when they want.

“Hoteliers should be mindful that in-room entertainment continues to evolve to match consumer behavior,” said Kim Twiggs, Associate Vice President of Market Development, DIRECTV HOSPITALITY. “Our current research shows that 87% of guests watch live TV in the hotel room, followed by 72% watching both premium channels and streaming TV, and 66% watching on-demand content, so providing an entertainment mix is an ideal must-have entertainment offering for guests” – and an excellent way to maximize their viewing options.

Guests not only desire choice with their in-room entertainment, but they also seek control on which device they watch and with whom they view entertainment

content. “Different age groups have different content preferences, and most guests want to watch their own content, typically on their own devices,” stated Dayna Kully, Co-founder, 5thGenWireless. “But, when the whole family is watching a movie together, then casting to the large screen TV in the guest room is ideal, making a rich assortment of free-to-guest, on-demand and premium content, including video, music and potentially games, the desired choice.”

Casting content from a guest’s mobile device to the in-room TV may seem fundamental to driving empowerment, but it is a double-edge sword. “Guests say they want it, and the majority of brands have invested heavily in this technology, however, what guests want is intuitive, simple-to-use casting that doesn’t require inputting personal credentials, but this is rarely available,” shared Kully.

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According to HUB Entertainment Research on hotel guests' technology habits for guest room entertainment, most guests want to access the content they use at home when they travel, but over 78% say they sometimes can't access their services; 68% regularly have difficulty logging into their accounts on in-room TVs; and 58% report having problems because their in-room TV couldn't handle casting, nearly all of whom (82%) find this to be frustrating. These numbers reflect the frustration associated with casting and that many guests who would like to stream to the in-room TV simply don't. To help remedy this issue, hotels should find ways to make it easy for guests to access their streaming services through a simplified casting log-in process, ensuring the in-room TV can handle casting, and that instructions are prominent and clear.

With the increased competition for traveler dollars, it's crucial for hotels to retain customer loyalty; meeting them where they are to drive a sense of empowerment during their stay is a strategic approach to reaching this goal. "We specifically asked Loyalty Club members about their preferences as part of our research, including features that would make them choose a hotel if it offered certain services and whether they were willing to pay more for those services," explained Twiggs. "The result in every category is that they're more willing to choose a hotel based on the services offered and are willing to pay more for those features."

In the research, consumers were asked how likely they are to switch hotel brands to get features such as easy access to local live and on-demand content (58%) and the ability to log into their own streaming music service accounts (53%) and cloud gaming (44%), and the appetite for these services is there. "Music service and gaming

normally isn't top-of-mind for hoteliers when they think of in-room entertainment, but you can't ignore these features, especially when consumers say they're willing to pay more for them," said Twiggs. "Our research shows that 44% of consumers would pay more for easy access to local live and on-demand content, 45% would pay more for the ability to log into their own streaming music service accounts, and 40% would pay more for cloud gaming."

LEVERAGING DATA FOR ENHANCED PERSONALIZATION

Data is an undeniably powerful tool for elevating guest personalization during a hotel stay. **To further strengthen their connection with guests, hoteliers will place a stronger emphasis on accurately collecting and analyzing data to drive a personalized travel experience and boost guest satisfaction and hotel profitability.**

AI has massive potential for effectively capturing and examining data in order to customize the guest experience, and numerous brands and hospitality partners are starting to implement this technology where the use cases make sense. "AI can analyze vast amounts of data to create detailed guest profiles, allowing hotels to offer personalized recommendations and services based on individual preferences," said Kully. "For example, AI-powered chatbots efficiently handle guest inquiries, reservations and requests to provide instant responses, reducing the need for human intervention and driving expenses down. Additionally, by analyzing past behaviors and preferences, hotels can anticipate guest needs and proactively offer services, enhancing satisfaction and loyalty."

Data-driven hyper-personalization is a game-changer.

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“Through leveraging data from various sources such as online bookings, loyalty databases, and guest interactions, hotels can offer highly tailored experiences including personalized marketing, customized room settings, and targeted promotions,” Kully continued.

Twiggs also emphasized the value of putting data to use by anticipating special requests and delighting guests with attention to detail. “At the very least, more options can be offered through the reservation confirmation e-mail, through the loyalty program app, or at check-in – allowing guests to do their own customizing. The research demonstrates that any such initiative – provided it is grounded in thorough data collection – will result in higher guest satisfaction, which ultimately supports more significant ROI for the property.”

In addition to the booking engine and PMS, contactless technologies present even more data collection opportunities. “The ability to collect information about a guest through their digital transactions and contactless experiences is a seamless and nondisruptive way for hoteliers to figure out what personalized experiences to deliver to their most frequent and loyal guests,” said Twiggs.

Although the quantity of available data is monumental, quantity doesn’t always equal quality. **Accurate data is imperative for successfully achieving meaningful guest personalization, but challenges exist.** “While there are potential technologies available to deliver a true personalized guest experience, what isn’t readily available is a set of consolidated data from current hotel systems like the PMS and CRS,” explained Kully. “Many brands have antiquated systems or are in the process of updating their systems to new technology, which is a long process.”

Even after technology upgrades, the quality of the data may be questionable because in many cases it has been entered manually by numerous hotel employees at different hotels. “I once checked into a hotel, and the front desk associate profusely apologized for not having mangoes for me,” shared Kully. “I wondered why they thought I needed mangoes, so I requested a copy of my profile, and it contained 22 pages of inaccurate data captured by numerous hotel associates over many years.”

Hotels need consolidated data from multiple systems that is scrubbed for accuracy. “AI is only as good as the data it’s using and much of the ‘personal’ data hotel brands

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have is outdated and inaccurate,” said Kully. “While using AI sounds good, it’s not a panacea for successful guest personalization because the data to which hotel brands have access is not sound. Bad data in yields bad data out.”

While strategizing on how to further enhance guest personalization, hoteliers can consider ways to optimize the potential of the in-room TV to both reflect the guest’s at-home entertainment experience and offer opportunities for hotels to bring personalization to their own unique brands and properties. “DIRECTV’s Advanced Entertainment Platform (AEP) allows hoteliers to customize the home screen with a brand’s logo, colors or image, and a custom welcome message,” said Twiggs. “Further, DIRECTV HOSPITALITY gives hoteliers the option to enable their own customized guest experience with our AEP Partner Program. Through this program, DIRECTV provides the programming content and cloud technology platform to the customer, giving the brand or hotelier control of layering their unique guestroom entertainment experience into our product. This is a great way for brands to differentiate themselves and to make full use of guest entertainment technology.”

DRIVING HOTEL REVENUE THROUGH IN-ROOM ENTERTAINMENT

Money matters remain paramount for hoteliers as they reimagine a path toward profitability. **As hotels continue exploring innovative ways to drive revenue, they are increasingly leveraging the potential from in-room entertainment. A sophisticated in-room entertainment platform is an investment in more than a high-quality, customer-centric entertainment experience as the advanced technology puts a hotel’s revenue-earning opportunities right at a guest’s fingertips.**

There are numerous ways to use in-room entertainment to help drive incremental revenue. “The in-room TV set is valuable not just for meeting guest entertainment needs, but also for supporting pandemic-inspired contactless services,” said Twiggs. “With the click of a remote control into AEP’s Property Information App, guests can find the hours of operation for hotel restaurants, bars, spas, fitness centers, swimming pools and more. Hoteliers can publish their menus and available services digitally, essentially eliminating the need for printed materials in guest rooms, also a cost savings.”

“By promoting special offerings on-site versus competitive venues, hoteliers can increase the usage of amenities, help drive revenue, and improve the guest experience,” Twiggs continued. “That’s especially important when hoteliers are investing in entertainment packages such as NFL SUNDAY TICKET via EverPass Media, which allows guests at the hotel restaurant or bar to watch out-of-market football games, or watch Pay-Per-View events such as UFC fights.” Delivering this type of quality entertainment keeps guests on-site to spend their money, affording a major financial boost for a hotel.

Seamless connectivity and optimized cybersecurity measures are extremely important when considering the potential for earning revenue. If hotels have inadequate and inferior Wi-Fi, that will negatively impact functionality and profit potential; if weak cybersecurity measures are in place, it can adversely affect customer loyalty, and ultimately occupancy levels and profits. “Connectivity is at the foundation of meeting guest needs – whether that’s for entertainment consumption or other purposes,” noted Twiggs. “Our research shows that 73% of guests say they’ve experienced weak Wi-Fi in the guest room, which means

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approximately a quarter of guests are getting their Wi-Fi needs met. App-based and on-demand content relies on strong broadband, so if this doesn't operate seamlessly to allow guests to easily access content, it could significantly impact the guest experience – and revenue.”

According to Tatem, a major challenge – and opportunity – is to simply turn on the TV. “If the TV never turns on during the guest stay, if your hotel guest never experiences an in-room entertainment delight moment, you have lost valuable opportunities to differentiate your hotel stay from another property down the street and wasted the chance to drive revenue by leveraging in-room entertainment.”

AI-POWERED INITIATIVES BOLSTER SUSTAINABILITY

Sustainability remains a key priority for hoteliers. **Amid an industry known for its large environmental footprint, AI-powered sustainability efforts will play a crucial role in improving a hotel's energy, water and waste management systems without negatively impacting the guest experience.**

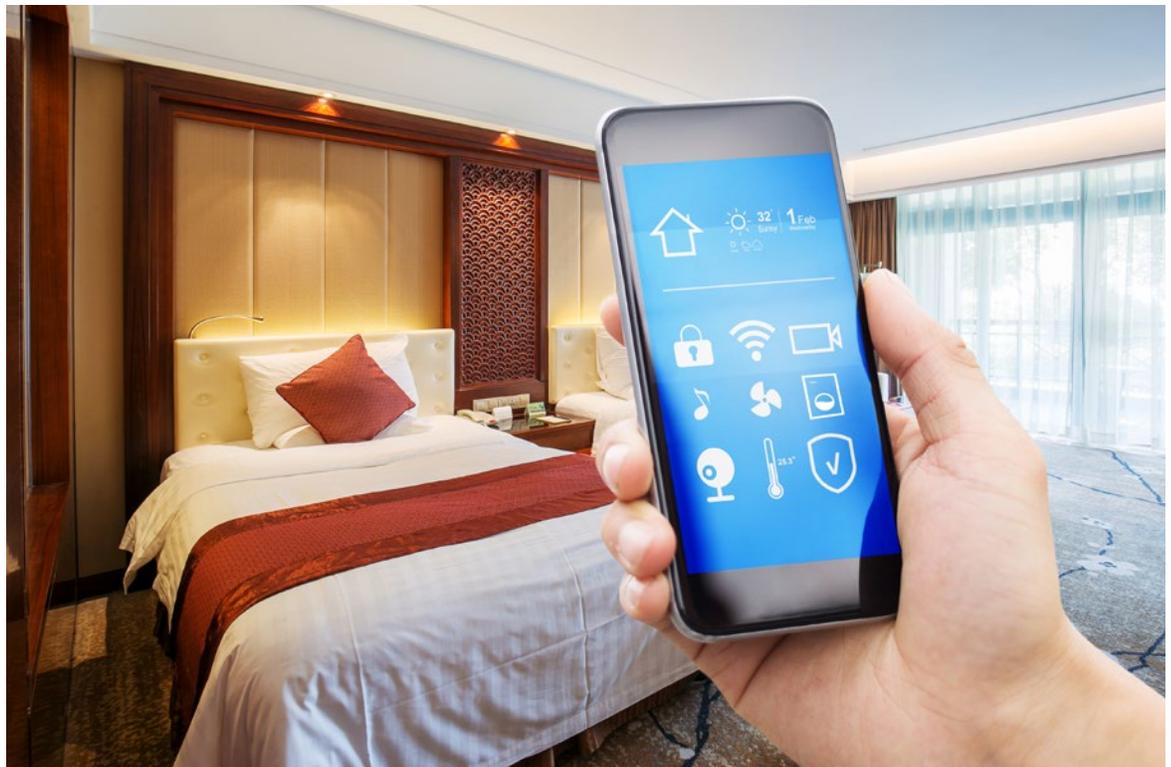
“AI-driven solutions, such as dynamic energy management systems and predictive maintenance

algorithms, empower hospitality providers to minimize waste, reduce operating expenses, and mitigate their environmental footprint without compromising guest comfort or service quality,” said Tatem.

“Resource management is one of the prime areas where AI contributes to efficiency optimization,” he continued. “For example, AI-powered energy management systems can regulate heating, ventilation, and air conditioning systems based on occupancy levels, incorporating weather forecasts, and energy pricing, resulting in significant cost savings and reduced environmental impact without adversely affecting guest comfort.”

Guest management platforms powered by AI mean hoteliers can encourage guests to adopt more sustainable-minded behaviors during their hotel stay.

“AI-powered mobile applications can provide guests with personalized recommendations for eco-friendly activities, promote energy-saving practices, and incentivize sustainable behaviors through gamification and rewards programs,” commented Tatem. “By engaging guests in sustainability initiatives, hospitality establishments can foster a culture of environmental responsibility and contribute to positive environmental outcomes.”





Kully noted that sustainability is one of the areas where the hospitality industry is still in the process of determining how to leverage advancements in technology to its advantage. “Hotels are working toward adopting renewable energy sources and smart systems for climate control and lighting, reducing their environmental footprint. They are emphasizing local sourcing, waste reduction, and eco-friendly amenities to attract environmentally conscious travelers in addition to tapping into automation and robotics to help manage resources efficiently, from energy

usage to staff allocation, contributing to both operational efficiency and sustainability.”

“Sustainability is a key area of opportunity for hoteliers as it benefits both hoteliers and environmentally conscious customers,” noted Twiggs. “Hoteliers can leverage technology to optimize energy consumption such as energy-efficient systems with automatic shut-off, purchase from local vendors to help reduce carbon footprints, and make other eco-conscious changes such as utilizing refillable shampoo and conditioner bottles versus single-

“AI-POWERED MOBILE APPLICATIONS CAN PROVIDE GUESTS WITH PERSONALIZED RECOMMENDATIONS FOR ECO-FRIENDLY ACTIVITIES, PROMOTE ENERGY-SAVING PRACTICES, AND INCENTIVIZE SUSTAINABLE BEHAVIORS THROUGH GAMIFICATION AND REWARDS PROGRAMS.”

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use ‘take home’ bottles. There are immense creative possibilities around sustainability initiatives.”

CONCLUSION

While there is no shortage of new trends arising on the hospitality scene every year, these five insights have emerged as powerful drivers of customer satisfaction and hotel success as the industry heads into 2025.

- AI is poised to make a significant impact on the hospitality industry in enhancing the guest experience, elevating operational efficiency, and improving revenue management. This is where hotels can realize the biggest bang for their AI buck while also navigating the challenges inherent in adopting consistent AI technology.
- With “feeling empowered” becoming an important part of the guest experience, hoteliers are increasingly recognizing the power of a sophisticated in-room entertainment platform to deliver that sentiment of choice – in the form of more control over their content.
- Smart use of data can be game-changing for cultivating customer loyalty. By leveraging a wealth of data analytics, hospitality providers can analyze guest preferences, behaviors, and past interactions to deliver tailored recommendations for accommodations, dining options, activities and more. Data needs to be accurate, though, otherwise it’s ineffective and can negatively affect customer satisfaction.
- Where’s the money? An in-room entertainment platform powered by robust technology can be used to drive incremental revenue, helping boost a hotel’s profitability while providing ease and convenience for guests during their stay.
- Hoteliers are embracing AI-powered sustainability initiatives to dramatically improve energy management and water usage and reduce waste while also encouraging guests to adopt eco-conscious behaviors when on-property.



DIRECTV HOSPITALITY is the ultimate entertainment solution for hotels nationwide, offering customizable, scalable solutions for any size property. DIRECTV offers a variety of programming packages including access to NFL SUNDAY TICKET via EverPass Media and Prime Video’s Thursday Night Football, making DIRECTV® service the best entertainment experience for your guests.

Call 1.888.220.6970 to learn about equipment subsidies available for your hotel or visit us at www.directv.com/hotels.