

By Jay Amdekar & Criss Chrestman

KIOSK CHECKIN for the Hospitality Industry Challenges and the Way Forward

Faster customer service, reduction in staffing costs and opportunities for upsell or cross sell are just some of the business benefits that hotels/casinos can enjoy by successfully deploying kiosks. On the other hand, many guests are already accustomed to using self-service alternatives for airline checkin or at retail shops and they demand the same convenience and control in the hotel checkin process.

In spite of the demand and technological advances, many hotels and casinos have only realized moderate benefits from deployment of kiosks. Per Gartner's recent "Kiosk Hype Cycle"¹, usage of kiosk for hotel guest checkin is in trough of disillusionment. Yet, there are scores of hotels planning to deploy kiosks in coming years. In order to realize the full potential of kiosks, hotels need to understand the factors that make kiosk deployment challenging. Some the factors include the following:

1 Non-standard and insufficient information to automate checkin

Data provided by external sources of booking to complete a reservation is inaccurate, incomplete or suffers from other quality problems. The properties themselves set differing thresholds of completeness on different sources of booking, and often this data is not reconciled with information required to complete the checkin process. This lack of standardization impedes the automation of the checkin process.

2 Legacy property management systems

Many property management systems (PMS) do not offer robust room assignment functionality that can dynamically unassign or reassign rooms to handle events like overstay, late checkouts or maintenance issues. Accepting coupons or issuing coupons at the time of checkin or check in of group guests require manual intervention from hotel staff. Legacy PMSs are also not capable of understanding guest value and offering differentiating services or amenities to valued guests at the time of checkin. With such limitations, most hotels struggle to streamline the checkin process. This adversely impacts adoption of the kiosks as a viable alternative.

3 Electronic key technology

The traditional electronic key technology is highly proprietary and does not adhere to standards. Integrating the key generating device seamlessly with the PMS usually becomes very complex and expensive. Also, properties in certain jurisdictions are subject to extra security regulations where they are required to positively identify the guest using state-provided picture identification prior to handing over the room key. Such regulations create additional challenges for kiosk checkin.

4 Inappropriate kiosk design and planning

Hotels often do not pay sufficient attention to visibility and proper signage. Poor signage and inconvenient workspaces can undermine the kiosk value. Often the design and user interface of the kiosks are too

complicated for guests. At the same time, unlike airlines, hotels do not actively undertake the effort to educate their guests and staff to utilize the kiosk-based checkin service and overcome initial inhibitions to the technology.

5 Lack of planning and changes to business process

Checkin kiosks do not stand alone applications. What most hoteliers fail to recognize is the impact of kiosks on other related processes like reservations, housekeeping and guest services. Deploying kiosks requires changes and enhancements to existing business processes. Hotels have to address the operational challenges like ensuring completeness of reservation information, constantly monitoring the room availability situations and systematically dealing with assignment, de-assignments and re-assignments of rooms. Without this, kiosk checkin can't be effectively deployed.

By allowing guests to preregister online, hotels can collect missing information from the reservations process and expedite the checkin process. This will also help hotels offer guests the option to preblock rooms, allowing VIP guests to choose better rooms. However, in order to achieve this hotel casinos must look at the checkin process in its completeness and in conjunction with other supporting processes like reservations and housekeeping.

Preregistered guests can print their registration cards in the comfort of their offices or homes. They can go directly to the checkin kiosks, scan the printed preregistration card, establish identity by scanning a credit card or driver's license or loyalty card and collect the electronic or biometric key at the kiosk before going to the preselected room. In the future, conventional card keys will be replaced with RFID and near-field communications technology that allow guests to use their PDA or cell phone as a room key. If a hotel has the capability, pre-assigned rooms can be personalized for the preregistered guest prior to arrival. In addition to these efficiencies, hotels can benefit greatly by increasing the guest traffic to the hotels' Web sites.

Recalibrate Checkin Process

A checkin kiosk is a potentially disruptive technology. To get maximum benefits from this technology, hotels and casinos need to recalibrate and adjust key business processes related to checkin. This includes changes in the reservation process to ensure that the right information is collected. Hotels can use the statistics from the kiosk usage to pinpoint issues with reservation information. Frequent monitoring, especially in the early days of adoption, can help the hotels identify sources of poor data quality and fix the issue at the source. Hotels can change confirmations to include links to the hotel Web site where guests login, update incomplete information and register. Hotels will also need to invest in technology to verify the identity of their guests based on credit card scan, loyalty card or driver's license. In addition, kiosks will need to be integrated with an electronic key system.

Kiosk checkin will also have a knock-on effect on how other departments like housekeeping and guest services carry out their activities. This process change often would require enhancements to legacy applications like PMS, POS and lock systems. In the future, hotels will need to integrate technologies like biometric identification with kiosks. This will further impact the overall service experience and efficiency.

In order to achieve the real benefits from kiosks, hotels and casinos should treat kiosks as more than just hardware and software, but as a real opportunity to change and recast the business processes.

Analyze Guest Preferences and Demographics

Unlike airlines, hotels serve a more diverse set of guests with varying expectations. Hotel checkin is more complex than airline checkin where passengers only have options of aisle and window. Therefore kiosk design needs to target the specific needs of the target customers, which vary property to property. Understanding guest demographics and preferences is necessary before defining the kiosk solution. The functionality and design of the kiosks should be determined based on the level of technology adoption in the given demographic set as well as the particular type of customer. For example, a hotel with a large base of repeat business travelers and loyalty program affiliation can offer functionality to pay for hotel stays by loyalty points. The same functionality will not be useful in a hotel that does not have a high repeat customer base.

Personalize Kiosk Experience for the Guest

Like any other point of service, personalization of service experience is important

at self-service checkin kiosks too. Hotels and casinos will need to adopt new techniques to utilize their data warehouses to creatively carry out suggestive selling to their guests at this new point of service. Many hotels have comprehensive qualitative data and guest preferences. Hotels need to see that such data is converted into actionable information at the point of service to deliver higher guest experience.

Many casinos and hotels have already achieved better hit ratios by personalizing offers and promotions to guests. Using kiosks, hotels can add another dimension to personalization by making kiosks context-specific. This implies that the system is able to distinguish between specific events surrounding the actual transaction and is capable of responding differently to different contexts of same transaction. Moving service to kiosks in this way will allow the hotels and casinos to consistently offer personalized interaction without depending upon the staff. The key however is not to overwhelm the guests with too many options and functionalities.

Kiosk Location and other Considerations

Physical location of the kiosk and signage is very important. A checkin kiosk should be near locations that typically facilitate arriving guests, and where the guests can get help from front desk staff and other guest services staff like bell staff without having to go back to a line. Grouping kiosks into banks can assist with the interaction between guest, kiosk and staff. Sufficient gap between kiosks is important to provide guests the required privacy. Without proper space, the area can feel insecure, claustrophobic and unattractive for guests.

Staff presence can't be completely eliminated. Minimal staff will be required to deal with mechanical issues such as missing supplies or paper jams. They also play an important role in imparting training to use self-service checkin and resolve any guest issues. As the kiosks functionality at the hotel gets robust and guests become more familiar with them, staff presence at the kiosks can be gradually reduced and diverted to service points which require greater personal interaction. A ratio of staff to the number of kiosk terminals can be determined based on the usage patterns of the kiosks at each property.

Kiosk checkin and personalized service are not mutually exclusive. In fact, kiosk checkin is another avenue for hotels and casinos to provide a service alternative that an increasing number of guests demand. Not providing this alternative in an effective manner will only impact the guest satisfaction levels and may alienate a majority of the guests. On the other hand, when deployed well, kiosks can boost guest satisfaction and hotel process efficiency.

Adding kiosks to the operation also requires fundamental changes to supporting business processes and enhancements to legacy applications. In order to achieve the real benefits from kiosks, hotels and casinos should treat kiosks as more than just hardware and software, but as a real opportunity to change and recast the business processes. If hotels and casinos take time to understand the requirements of their target set of guests and their preferences before making these changes, they will be able to get greater return on investment.

Jay Amdekar is principal solution consultant at Infosys Technologies Ltd. He can be reached at jayesh_amdekar@infosys.com. Criss Chrestman is vice president software development, Enterprise Solutions Group, at Agilysys Inc. He can be reached at criss.chrestman@agilysys.com.

¹ Sixth Annual Kiosk Benchmark, December 2006, Gartner Research, Kiosk Business

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