Check In Kiosks :

Coming to a Hotel Lobby Near You?

By Jerry W. Sheldon

> Although behind the airlines and retailers at this point, self-service kiosks in hotels are on the rise and we expect to see continued acceptance in a variety of hotel and resort formats in the coming years.

Every year IHL Consulting Group produces a kiosk report tracking self-checkout systems, ticketing, check-in and food ordering kiosks. One of the key arenas for potential growth is the hotels and lodging sector. According to the American Hotel & Lodging Association there were a total of 47,598 U.S. properties at the end of 2004. At this time we are in the infancy of kiosks among these properties, though every year more stories of new implementations or ongoing trials are heard with 2005 being no exception. At the end of 2004 we were able to document approximately 450 installations (in chains such as Marriott, Sheraton, Starwood, Hyatt and Hilton) in the United States which puts the current market penetration at less than 1 percent.

Clearly hotel check-in kiosks are at a much different place on the adoption curve than self-checkout in retail or airport check-in kiosks. But the good news is that consumers are demanding these machines in more and more places and those properties that deploy the systems can see some of the same tremendous benefits. Self-checkout and airline kiosks started off slowly but recent statistics show that up to 40 percent of grocery traffic now goes through self-checkout units in stores with the technology, and as many as 70 percent of domestic airline passengers now use airport check-in kiosks. This customer acceptance is going to lead more and more hoteliers to install kiosks for check in and other resort functions. Some other key trends that will drive the adoption are the following:

Staffing shortage? Following the events of Sept. 11, the economy as a whole and the travel industry in particular experienced a significant downturn which slowed what had been robust development. As the economy has improved, business travel and hotel occupancy rates have been on the rise for the past two years. As a further confirmation of the growth to come, the Bureau of Labor and Statistics adds that hotel, motel and desk clerks are expected to experience above average job growth through 2012, which is a positive industry indicator, but states the expectation of future staffing shortages. Shortage of key personnel is always an opportunity for kiosk technology.

Can the consumers cry be heard?
Consumers are embracing self-service technologies in other walks of life but particularly in travel. While you do not hear current hotel chains who have implemented kiosks speak in terms of ROI, they are quick to highlight how much their customers like trading a 15-minute wait in line for a 45-second check-in experience. A loyal customer may be hard to put a dollar figure on, but practically speaking, they're invaluable. At the end of a long trip, travelers want to be able to check in as fast as possible. And often, after fighting huge crowds along the way, these travelers enjoy just quickly checking in and getting to their rooms.

Wi-Fi availability?
Even though Wi-Fi has been a priority to date, IT budgets are limited. During the recent downturn and now economic recovery, many hoteliers spent heavily on technologies that add amenities. One of the clear winners is in-room Wi-Fi access. Much of this funding that was set aside for creating Wi-Fi access is being loosened up for other projects like kiosks.

IT infrastructures have been updated?
Many hoteliers have recently updated and consolidated disparate property management systems throughout the organization which previously posed both technological and implementation challenges for adding kiosks. Integrating Web-based operations to the central property management system provides the ideal situation for kiosks to be used in an effective manner for check in and other functions. Without this integration, many kiosk implementations provided another set of headaches that hoteliers just didn't want to deal with before reducing these disparate systems.

Customer incentives to drive adoption?
Hotel kiosk implementation holds the exact same potential that airlines capitalized on a few years back. Once the systems are in place, and once a compelling reason for using them is established in the mind of willing consumers, then they will enjoy the widespread usage seen for airline and retail self-checkout systems.

Airline check in integration – is it the Holy Grail?
I can think of no greater driving force for the widespread adoption of hotel check-in kiosks then the advent of CUSS. CUSS stands for common use self service and is a set of rules that allows a single check-in kiosk to support the ticketing requirements for multiple airlines. The beauty is that instead of each airline having a unique system, multiple airlines share usage of a single platform. For hotels looking to integrate their check-in kiosks with those of airlines (a real plus for customers) they can now have a single point of integration for multiple airlines, thus servicing a broad swath of their customer base.

Although behind the airlines and retailers at this point, self-service kiosks in hotels are on the rise and we expect to see continued acceptance in a variety of hotel and resort formats in the coming years. Systems that can tie together the entire travel itinerary from hotel, rental car and airline check in will provide added benefits to the traveler that can help ease the travel experience and improve communication among travel partners.

Jerry Sheldon is the vice president of technology for IHL Consulting Group. He can be reached at jerry@ihlservices.com.