

IBM Institute for Business Value

# Hotel 2020: The personalization paradox

*Driving intimacy, consistency and efficiency for profitable growth*



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## IBM Institute for Business Value

IBM Global Business Services, through the IBM Institute for Business Value, develops fact-based strategic insights for senior executives around critical public and private sector issues. This executive report is based on an in-depth study by the Institute's research team. It is part of an ongoing commitment by IBM Global Business Services to provide analysis and viewpoints that help companies realize business value. You may contact the author or send an e-mail to [iibv@us.ibm.com](mailto:iibv@us.ibm.com) for more information. Additional studies from the IBM Institute for Business Value can be found at [ibm.com/iibv](http://ibm.com/iibv)

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By Steve Peterson

**Buoyed by signs** of global economic recovery and optimistic growth forecasts in developing economies, hotel chains will continue their rapid expansion in the coming decade. At the same time, intense competition in key guest segments, ever-increasing guest expectations and more diverse traveler needs will apply pressure to keep room rates down. To maintain profit margins, hoteliers will need to renew emphasis on cost reduction and break through the consumer perception of commoditization. Paradoxically, it is standardization that will pave the way not only to control costs, but also to provide the differentiated customer experience guests crave.

Hotel executives have frequently been chastened to “know their guests” – what they want and when they want it. Only recently, however, have advances in customer interaction technologies enabled the industry to deliver on this maxim. In today’s highly competitive environment, knowledge of guest preferences is becoming more important than ever. Even as the industry renews its plans for expansion in the wake of global economic recovery, intense competition and increasingly demanding consumer expectations will force hotels to maintain competitive room rates, often at the cost of margin.

Along with other dynamics within the industry, these pricing pressures will require hoteliers worldwide to look for alternative sources of revenue and maintain due diligence in cost control. Gaining a better understanding of customer needs and preferences – or guest intimacy – can enable the delivery of personalized services that will help increase customer satisfaction, lower service costs and improve guest loyalty. Ultimately, personalization can result in the development of specialized services – delivered according to current preferences – for which guests will be willing to pay a premium.

Over the past several decades, the hotel industry has become increasingly commoditized, with consumers seeing little difference between the offerings of one major hotel chain versus another. To break through this perceived sameness, hotel providers must implement solutions that provide unique insight into guest preferences and apply this knowledge to deliver increasingly differentiated and delightful services. Providers should empower guests to personalize their own stay and communicate their preferences with the hotel in the manner with which they are most comfortable -- which often varies from trip to trip or even from day to day.

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*“Our job is to identify personalized characteristics (e.g., temperature of the room, dietary preferences, TV programming of choice, language choice), capture that information and provide it to the guest regardless of which hotel they visit.”*

Nick Price, Chief Information Officer, Mandarin Oriental Group

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While personalization can provide opportunities to increase revenue, standardization of operations in hotel chains can reduce costs. Although less transformational than personalization, standardization – the management of guest operations with principles, processes and systems consistent from hotel to hotel within each property, brand and chain – is an equally important imperative for global hotel chains. If rapid growth is not coupled with stringent controls on the processes, procedures and systems that support that expansion, hotel chains run the risk of creating a level of complexity that their current costs structures cannot support.

Hotel chains that embrace standardization will move forward into the next decade with a plan to implement common platforms, tools and standard work programs. They will work to eliminate duplicate systems and will use systems and solutions that leverage common data sources to capture more consistent guest information across enterprise touch points.

Properly implemented, the combination of personalization and standardization can provide transformational results over the long term and, ultimately, serve to delight guests and shareholders alike in the decade ahead.

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### Study methodology

To understand the issues and the consumer dynamics that will shape the hotel industry over the next ten years, the IBM Institute for Business Value surveyed a mix of 2,400 business and leisure travelers from both developed and emerging economies. Once initial conclusions were derived, supplemental external research was conducted and in-depth interviews with subject-matter experts were completed to review and validate the main hypothesis and conclusions in the Hotel 2020 study.

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### Personalization: Paying “the premiums” for revenue growth

A number of market forces – commoditization, fragmentation, competition and guest expectations – are among the catalysts that will drive increased guest personalization over the next decade (see Figure 1). These forces will require hotels to look at the services they provide through a transformational lens, or risk being rendered irrelevant.



Source: IBM Institute for Business Value analysis.

Figure 1: Four industry forces will require more personalization of guest services.

### Commoditization

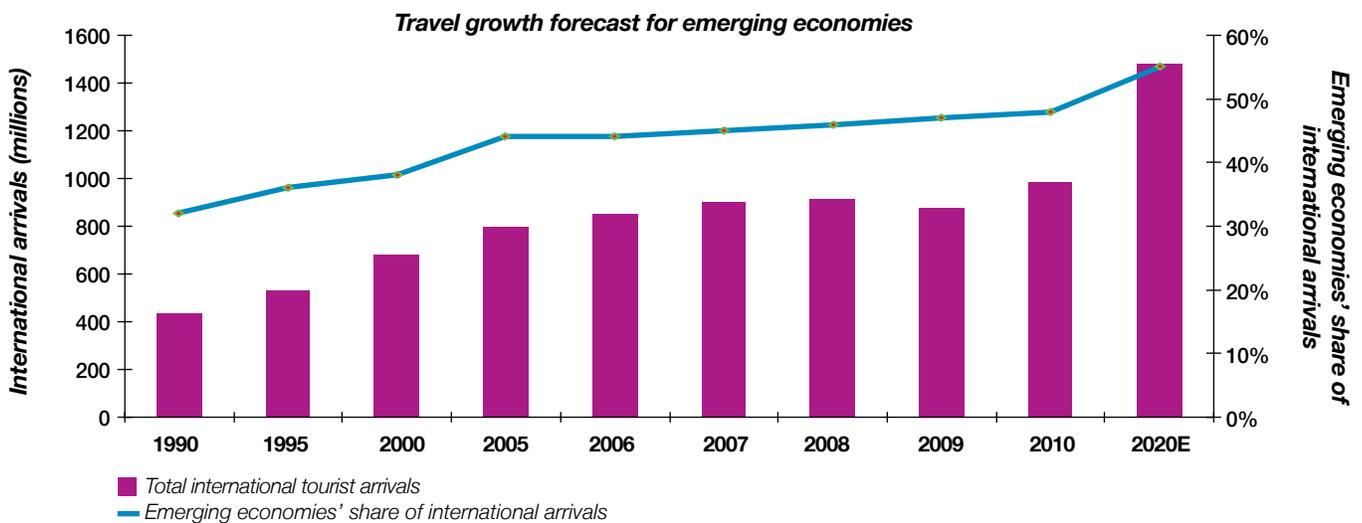
Hotels have been fighting the specter of commoditization for decades, but research suggests the situation is getting worse. Sixty-eight percent of travelers we surveyed said they saw little to no noticeable difference between hotel chains. And only slightly over half of consumers said they were willing to pay a 10 percent premium to stay in their favorite hotel. Even airlines, where commoditization has been a long-standing issue, rank above hotels: 57 percent of consumers see significant differences among airlines, compared to only 37 percent who say the offerings of hotels are significantly differentiated.<sup>1</sup>

These figures should trigger alarms in the halls of global hoteliers. This suggests that, like other commodities, price supplants experience and other factors as the primary driver of hotel selection. Commoditization provides an explanation for why so many guests spend so much time searching the Internet for the best possible price. Fifty-five percent of leisure travelers spend more than two hours searching for the various compo-

nents of their travel journey. More than 10 percent of consumers dedicate eight or more hours to this seemingly simple task.<sup>2</sup> These figures indicate that travelers are willing to devote an inordinate time to research to avoid paying even a slightly higher price for what they perceive as undifferentiated offerings.

### Fragmentation

Fortunately, other forces at work in the travel industry will actually make it easier to address commoditization. As both population and discretionary income increase, particularly in emerging markets, more people from a wider range of social, geographic and economic origins will be travelling (see Figure 2). As the travel population expands and becomes more heterogeneous, the preferences of travelers will come to mirror those of the population at large. As a result, the traditional “one-size-fits-all” business model common among many hotel brands will make it increasingly difficult to meet customer expectations.



Source: IBM Institute for Business Value, United Nations World Travel Barometer, June 2010, World Travel & Tourism Council Data Extract, 2011.

**Figure 2: Global travel growth continues to fuel the expansion of hotel chains beyond the markets that defined competition in previous decades.**

This fragmentation of guest preferences – increasingly diverse needs from more numerous but smaller traveler segments – can provide a foundation for hotels to differentiate their offerings. Hoteliers should seek to harvest, understand and serve these diverse needs. Unusual preferences must be satisfied with correspondingly special products and services. Hotels that manage to identify and tap these preferences and develop specialized offerings for smaller target segments are likely to find guests with a greater inclination to pay premium rates.

### Competition

The increase in traveler diversity is likely to spur competition for every guest night and every room charge, yet another reason to move forward with programs to offer more guest personalization. Collectively the five largest hotel chains plan to add over 4,500 properties to their worldwide portfolios in the next five years.<sup>3</sup> Pacesetter hotel chains will understand these new consumers bring their own unique preferences to the purchase process. They will realize that, by empowering these people to customize their hotel experiences, they will have the opportunity to convert shoppers into loyal guests. Ultimately, personalization will not be an option for many hotels in the near future; it will be a requirement to stay in the game.

### Customer expectations

Yet another force that will accelerate the implementation of personalized solutions across global hotel chains is the increasingly demanding expectations customers import from other industries. Global consumers are exposed to leading-edge services on a daily basis. Over time, these experiences translate into expectations, or minimum standards of performance. A decade ago, few hotels offered in-room, low-cost, high-speed Internet services. Today, most hotels have incorporated a wide range of wired and wireless service into their offerings because guests have come to see this as a requirement, not a luxury.

The logic of ever-increasing service expectations also applies to personalization services. Today, a few of the most sophisticated online shopping web sites construct highly customized recommendations from customer data. Merchandise retailers and online movie rental companies, for example, compile personalized suggestions for shoppers based on past purchasing habits. If shoppers on these sites find the recommendations useful and accurate, they may well spend less time searching and will be, therefore, less likely to extend their search to other web sites and/or competitors. When predictive analytics are applied to individual customer preferences, a win-win scenario is created for both providers and consumers. In the decade ahead, customers will grow to expect these innovations as part of their regular guest experience.

### Standardization: Connect with customers through differentiated consistency

In addition to the market forces that make personalization a priority for hotel chains, a number of industry factors will combine to increase the need for standardization (see Figure 3). Four issues, in particular, stand out as relevant and defining for hotels over the next ten years: operational complexity, cost pressures, the need for consistency, and the overall speed of innovation in the sector. Hotels that recognize these forces and take the necessary steps to increase standardization in their operations are likely to outperform those implementing the more incremental approach to standardization common among global hoteliers.

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*Predictive analytics create the potential for a win-win scenario for both providers and customers.*

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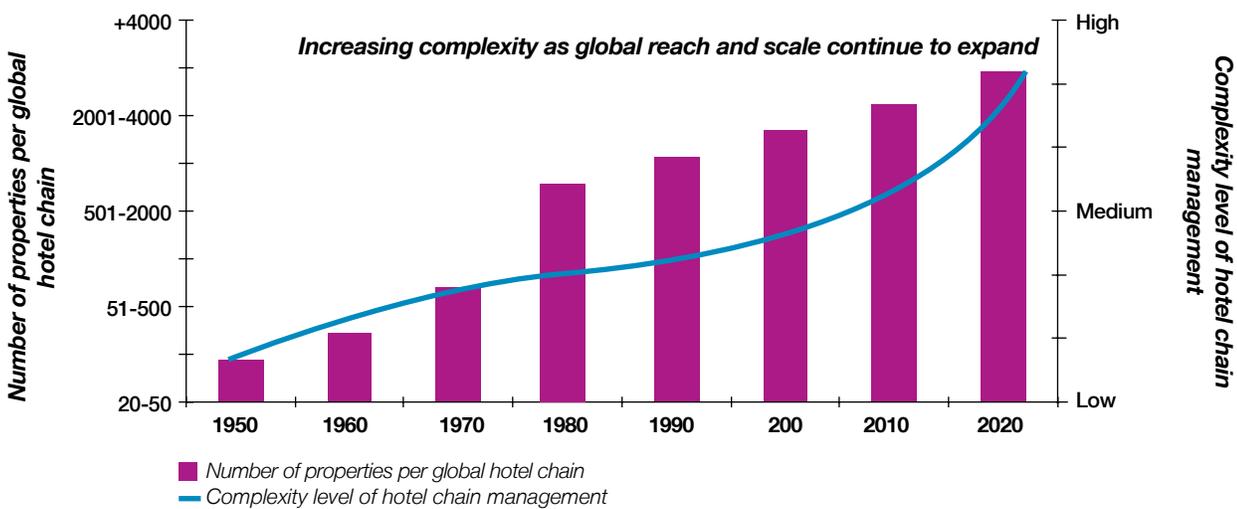
Source: IBM Institute for Business Value analysis.

Figure 3: While implementing more personalized guest service, hotels will also be pressured to adopt standardized methods for managing hotel operations.

**Complexity**

Most global hotel chains already endure the challenges of complex operating environments (see Figure 4). Large chains have grown rapidly through a process of mergers with smaller chains and acquisitions of independent properties.

The resulting patchwork of systems, processes and solutions, from guest greetings in the hotel lobby to property management systems across properties and brands, has worked against efforts to institute unifying standards.



Source: IBM Institute for Business Value; hospitality company web sites.

Figure 4: Global expansion of both owned and franchised properties will continue to complicate the operating environment at many global hotel chains.

Unfortunately, without significant efforts to standardize, operational complexity at hotels is likely to increase significantly in the years ahead. As global chains add properties to their networks from diverse geographies and cultures, they will have to deal with new and different operating systems, management procedures and operational tools. To expedite execution, many of these newly acquired operations will be integrated into the existing hotel networks in a piecemeal fashion, further exacerbating operational complexity.

### Cost pressures

Cost pressures are also expected to make standardization more important to global hoteliers in the next decade. A recent benchmarking study by IBM reveals that hotels have higher total SG&A costs and lower revenue per employee than other companies in the service sector.<sup>4</sup> This finding suggests that hotels support relatively cumbersome back-office operations. From this, it is reasonable to conclude that the most successful hoteliers will focus on reducing the costs associated with these areas in the next decade. When they look to consolidate these systems, hoteliers are likely to find redundant systems, information silos across the enterprise and duplicate solutions.

### Consistency

Standardization is not just about less complex, more efficient operations. It is also critical to improving guest interaction. Consistency is important to any company that trades on the strength of its brand. Eighty-nine percent of hotel guests we surveyed indicated that they value consistency in their hotel stays. However, fewer than half of all guests said they see consistency between hotels of the same brand.<sup>5</sup> Considering the challenges of delivering consistent service when operational systems are not integrated, increased standardization can go a long way toward providing the consistency guests increasingly demand.

### Speed of innovation

Non-standardized systems, process and solutions not only limit a hotel's ability to consistently deliver services, but they also dull the company's ability to introduce innovation. Bringing new innovations to the guest experience is a perennial challenge in the hotel industry. But hotel chains that have standard processes will be able to increase effectiveness by eliminating operational uniqueness from property to property and implementing new solutions quickly and more consistently. Hotels that understand the importance of innovating in the next decade will recognize that standardized operations will act as a multiplier on the positive effects that innovation will have on both customers and the bottom line.

It is clear that the forces driving change in the hotel industry will make personalization and standardization more important in the decade ahead. Hotels that embrace these realities will aggressively implement programs to increase the level of personalization their guests enjoy and will simultaneously move forward with plans to standardize their operations.

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*Hotels that standardize operations will be able to implement new solutions quickly and more consistently.*

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## From room service to room design: Delivering “standardized” guest personalization

To the casual observer, the concept of personalization may be at odds with the concept of standardization. But to the seasoned hotel executive, the two objectives fit together perfectly. Experienced hoteliers know that standardized solutions actually complement the delivery of personalized services. By freeing front-line employees from the mechanics of processes and systems that currently burden them, hotels can enable a more intimate guest interaction. Hotels can significantly increase guest personalization and advance their standardization agendas by adopting three simple recommendations (see Figure 5).

First and foremost, hotels should embrace the idea of serving more narrow segments. This is a break from the current model of guest interaction that aims to simplify guests down to a few simple types. Instead, it recognizes that each segment has its own unique set of preferences and needs.

Recognizing that each segment is unique is not enough, however. Systems, processes and solutions must be put in place that “give guests the keys” to further personalize their hotel experience by adjusting aspects of service formerly controlled exclusively by the hotel. For example, hotels can let guests choose such services as the location for food service delivery or shuttle van pick-up. Giving guests the keys is likely not only to transform hotel experience for each empowered guest, but also result in the ability to make proactive service changes by hotels that are fully engaged in what consumers desire and demand.

### Strategic recommendations

#### Serve markets of me

*Optimize each guest interaction according to unique segment-specific needs.*

#### Give guests the keys

*Empower guests to customize their experience beyond the segment level.*

#### Be unique...every time

*Deliver consistent products and services despite unique guest needs.*

### Anticipated benefits

- Improves the guest experience by more closely aligning hotel offerings to segment-specific desires
- Results in even more unique brands and properties
- Increases marketing return, revenue and profitability

- Reduces operating expenses by automating services
- Differentiates the hotel experience according to guest-specific preferences
- Increases efficiency, loyalty, revenue, and intimacy

- Improves the guest experience by delivering services that are inline with guest expectations
- Reinforces brands by confirming service standards
- Increases efficiency, loyalty and revenue

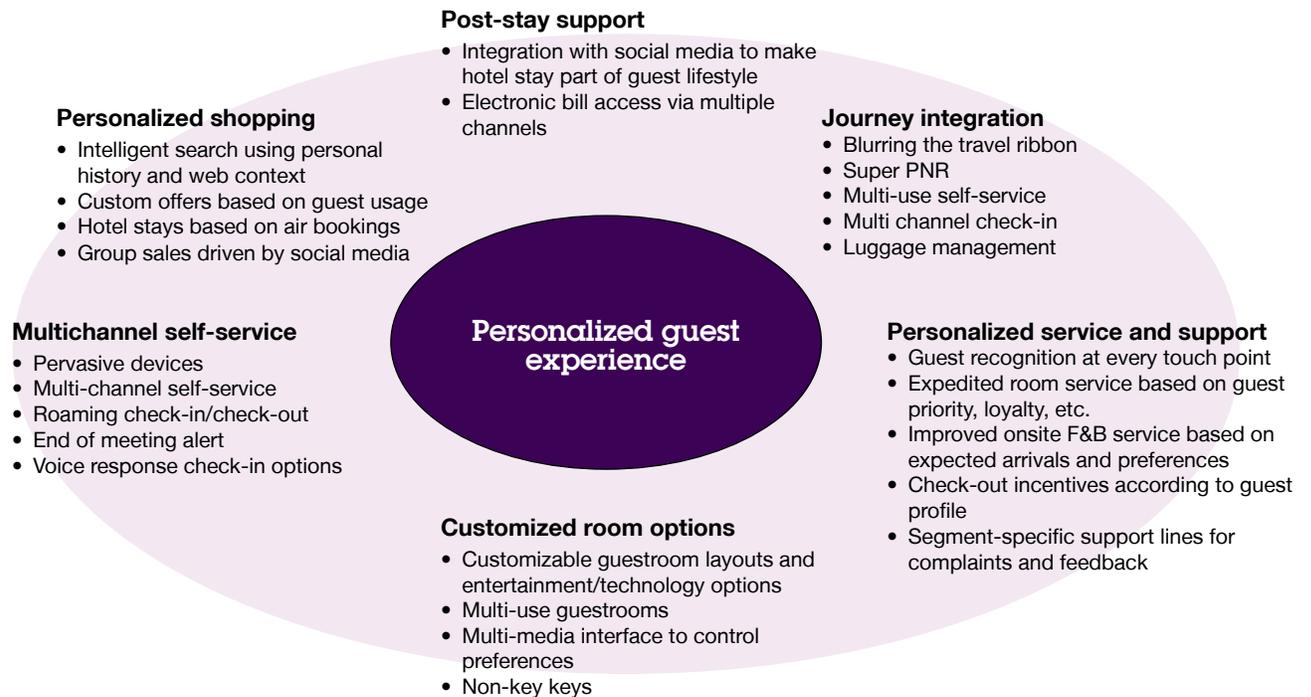
Source: IBM Institute for Business Value analysis.

Figure 5: Three strategic recommendations will help hotels achieve the right balance between personalization and standardization.

Finally, hotels that have done the utmost to empower guests will be in position to be differentiated . . . every time. This recommendation is the heart of both personalization and standardization – as it simultaneously recognizes customized service delivery while acknowledging the practical necessity of delivering guest-specific services in a repeatable manner across both properties and brands. Getting the guest-specific service equation right once is not enough; hotels must put the systems and procedures in place to deliver in this special way time and time again (see Figure 6).

### Serve segments of “me”

For hotel executives that have reached the inescapable conclusion that personalization and standardization are goals worth pursuing, the next challenge will be to find the right set of strategic and tactical actions to bring this vision to life. Serving narrow segments requires a comprehensive program of consistently capturing and retaining guest preferences at every guest touch point.



Source: IBM Institute for Business Value analysis.

Figure 6: Examples of personalization in the travel industry abound, but providers are struggling to implement comprehensive programs to address all interactions.

Today, many hotels find one key limiting factor in the delivery of personalized service is the ability to know what each segment wants at the time the personalized service is required. Each guest touch point should be designed to both serve guest needs and collect information about their preferences. Such interfaces should harvest these preferences in a passive way and store them in a manner that facilitates easy access and analysis later on. For example, if a frequent business traveler declines the parking option on arrival each time he visits the property, the check-in function should detect this pattern of behavior and replace this offer with something more relevant to this specific guest, such as round-trip shuttle service to a restaurant of his or her choosing in the evening.

The fact that sub-brands and boutique hotels have exploded over the past ten years is strong evidence that global hoteliers recognize the need to serve narrower guest segments. But the real promise of personalization is that hotels can now use technology to satisfy even the most unique guest needs within each sub-brand. To cater to these specific preferences, hotels must acquire a robust information picture of each guest. Personalization complements the proliferation of sub-brands by enabling the delivery of unique services likely to appeal to each guest

An emerging and increasingly powerful source of information about guests and their unique preferences is social media. In all its forms, social media is a mechanism by which individual consumers share opinions and information that reveal their preferences. The dual challenges for hotels is collecting this information with the permission of the consumer and analyzing the collected data fragments to form a comprehensive picture of their hotel-relevant preferences.

Fortunately, many hotel guests are eager to share their views about hotels, properties, brands and services. Forty-nine percent of leisure guests and 43 percent of business guests in our survey indicated they regularly share views about the most recent travel experiences on social media. These expressed views are a gold mine of information about guest preferences. No hotelier can afford to ignore the tweets, blogs and posts that define the social media domain.

### Give guests the keys

Few hotels are doing enough to give guests the metaphorical keys to control their hotel experiences. Hotels that elect to give guests the tools to customize their stays according to preference will take a bold and important step toward true differentiation. Giving guests the keys is about more than just delivering personalized service and increasing guest control at the hotel; true empowerment begins at the very moment guests initiate their shopping process. The Internet is becoming the preferred channel for travel bookings. Unfortunately, most hotels fail to stand out in this arena. Travelers dedicate a large amount of time to shopping and booking, with almost 20 percent spending five or more hours on their most recent trip (see Figure 7). A more personalized shopping experience – one informed by a time-relevant and comprehensive understanding of guest preferences and needs – could help reduce the time guests spent online shopping for a hotel and increase the odds that they quickly select a hotel that satisfies their needs. The best examples of how intelligent recommendation engines can ease the online shopping experience are currently found in the retail sector. Unfortunately, such tools are almost nonexistent in the travel industry today.



Source: IBM Institute for Business Value Analysis, IBM-Oxford Economics Global Travel Survey September 2010.

**Figure 7: In the absence of more narrowly defined segments and without simplified search tools, guests will continue to dedicate significant time to travel search.**

Other travel intermediaries also recognize the gap, and many have emerged to meet the demands of customers who either want more from their online shopping experience, or are simply disappointed with the amount of time it takes to book travel online. Specialty booking sites, such as hipmunk.com, promise to cut through the clutter on competing hotel booking sites and focus on the factors that matter most to their customers. The emergence of these sites should send a clear message to hoteliers: the current distribution mechanism is not working well for all guests, and competing providers are ready and willing to fill these unmet needs.

Fortunately, for hotels, solutions exist that allow them to use standardized systems, process, and tools to improve the search experience of potential guests. Using information published in social media channels, harvested from web search engines and provided by other travel providers, hotels can deliver targeted offers customized to current customer searches. Search engines deliver ad content in this way, and online retailers leverage similar methods to make highly relevant purchase suggestions. While some consumers are not motivated by these mechanisms, many find this form of personalization both relevant and useful.

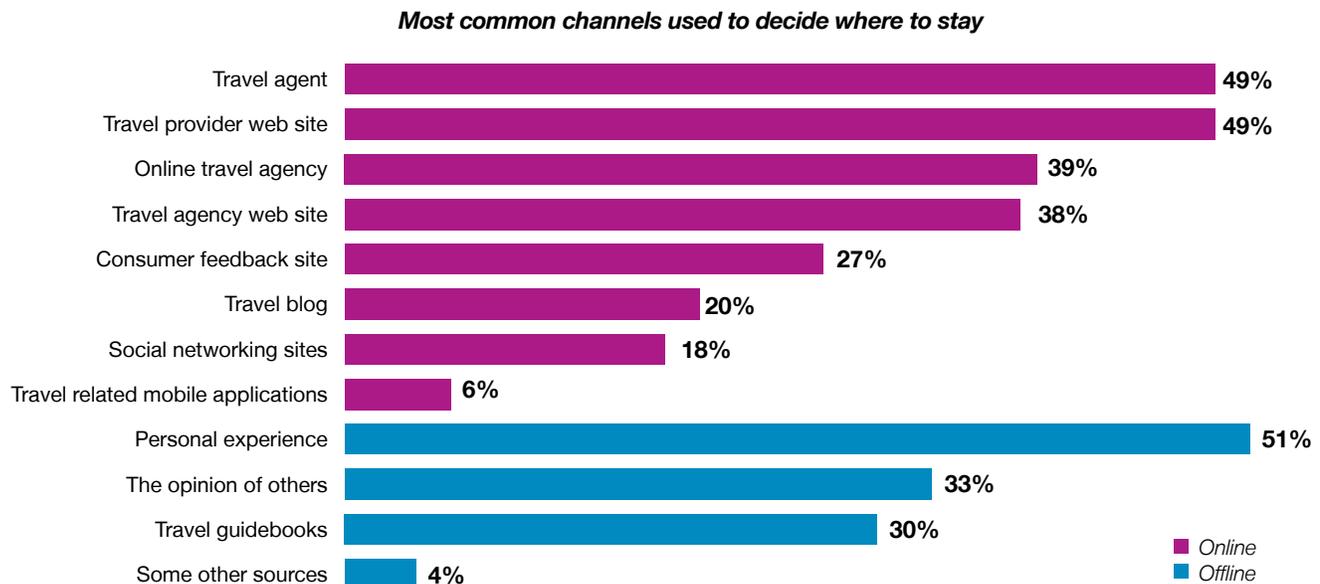
Another method hotels can use to more effectively serve selected segments is to communicate using guests' preferred communication devices and timing (see Figure 8). Some guests will prefer to use their mobile phones exclusively to interact, while others will elect to perform check-in activities in person and will wish to purchase on-site services over the phone. Because most hotels have a diverse array of communications tools available, the ability to reach guests according to their communications preferences should not be an issue.

One hotel executive interviewed said personalization eventually will extend beyond service delivery and will encompass customization of the physical room in accordance with guest preferences. Manual adjustment of room configurations, layouts and media interfaces will in the not-too-distant future give way to technologies that automate these changes. Guests will then have not only hotel services delivered according to their specific needs and preferences, but also will enjoy rooms custom-designed to their specifications.

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*Hotels can use standardized systems, processes and tools to improve the search experience of potential guests.*

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Source: IBM Institute for Business Value; IBM-Frost & Sullivan Global Hotel Survey January 2011.

**Figure 8: Travelers refer to a wide variety of travel search tools, including a balanced mix of both on and offline content.**

Of course, personalization does not have to be limited to the hotel-related aspects of a guest's journey. Closer integration with other travel providers in the next decade will provide opportunities to deliver more personalized end-to-end journeys. Travelers have long expressed frustration with the disjointed nature of their journeys and are mostly left to fend for themselves when circumstances alter their planned itinerary mid-journey.

As part of our research, we conducted an online focus group to test customer receptivity to a more integrated journey management solution. Participants spoke with a clear voice about their willingness to pay a premium for integrated journey services. Travelers in this study were not particular about which type of travel service provider delivered these services; hotels would be in just as strong a position to reap the benefits of such an arrangement as other partners in the travel value chain.<sup>6</sup>

Another area of the travel lifecycle that vexes customers today is post-travel processes, such as managing expenses and reporting service failures. Guest personalization can help improve service delivery in these areas, too. By keeping meticulous records of post-stay patterns, such as which guests typically request multiple copies of their hotel invoice, hotels can proactively deliver against these preferences to turn perennial annoyances into sources of satisfaction.

The evidence suggests that personalization works. Over 70 percent of hotel guests we surveyed report having positive experiences with personalization. Remarkably, respondents gave equally high marks to both on-property personalization efforts and those that were delivered via web sites and other online channels

Finally, giving guests the keys extends beyond the services hotels provide at the time of stay. Social media and the proliferation of online suggestions and comments from guests to hotels provide ample evidence that guests have something to say about improving services in the future. Hotels should embrace these suggestions by quickly implementing feasible high-profile changes. Hotels can use online forums and social media to celebrate guests and guest ideas that result in hotel improvements. In turn, guests will recognize that hoteliers value their feedback. This helps engender a sense of consumer loyalty and brand identification that reward point schemes fail to achieve.

### **Be unique... every time**

Hotel employees, it seems, are often encouraged to be like swans: cool and collected above the water, but paddling like mad to make things work below the surface. In our view, anything that can be done to reduce this frantic activity will translate into better, more personalized service delivery to guests. In other words, hotels that embrace standard solutions and put the right emphasis on training and consistency will take personalized service delivery to the next level. On the other hand, hotels that allow complex operational systems to persist will make it harder for employees to meet aggressive targets for the effective delivery of personalized services. Being unique every time requires simplification and training, along with a measure of trial and error.

To begin with, hotels must set an expectation that personalization is a top priority for front-line staff. Staff should be encouraged to identify and overcome challenges to understanding guest desires and the delivery of unique services on the basis of these preferences. Complex operating systems and intricate process requirements require attention and training – time that could be dedicated to improving personalization if operational requirements were simplified.

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*“Hyatt’s goal is to provide a personalized experience for each guest. Automated solutions are used for functions that free up staff to spend more time with guests. We aim for more heads-up time (interacting with customers) than heads down (focused on computer input). It’s a matter of having the right tools in place to enable our staff members to give a personalized experience to our guests. This liberates them from processes the technology can handle to spend more time with the guests.”*

Cliff Tamplin, Vice President, Operations & Infrastructure, Hyatt Hotels Corporation

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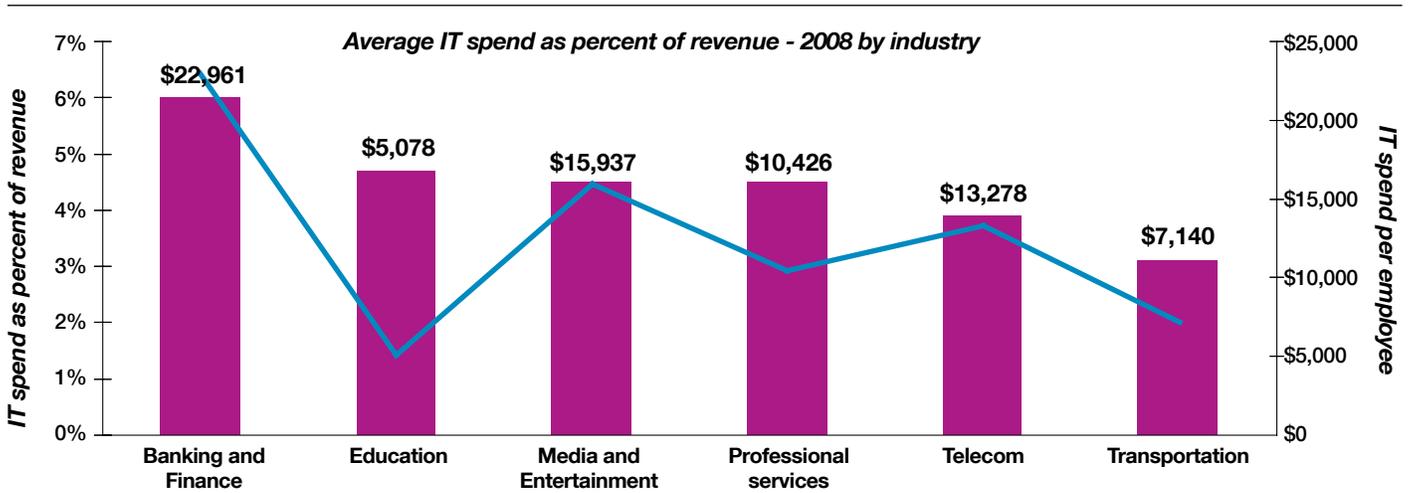
Task specialization often has a direct correlation with efficiency for many front-line functions. In many hotels, however, front-line staff spends time working in multiple departments and properties over the course of their employment. These frequent transitions from one function to the next are often encouraged by hotel chains that wish to develop employees with a broad understanding of overall hotel operations. Standardization among properties can ease the training and development employees encounter at a new property. Equally important, standardization can mitigate the differences employees face between operational systems that support adjacent functions. Staff transitioning from sales to check-in, for example, would have an easier time if operational systems for both functions were more closely aligned.

Similarly, efforts should be made to standardize the mechanisms and means for personalization at each guest touch point. Despite the best efforts of application developers and system designers, leading-edge customer technologies are often accompanied by thick user-manuals. Guests should not need a manual to help configure their location-based check-in service. To the extent possible, hoteliers should keep these interfaces as similar as possible, from area to area and property to property.

To be unique every time, many global hotel chains will need to dedicate more resources to the technologies that enable guest interactions, as well as the systems that support these touch points. Compared to their counterparts in other industries, hotel executives dedicate a relatively small portion of their overall operating budgets to information technology. In 2010,

hotels spent just \$7,140 per employee, or about 3 percent of revenue, on IT. Other information-intensive businesses spend between 3 and 6 percent of revenue on information technology (see Figure 9).<sup>7</sup> On a relative basis, this is a strong indicator of why hotels have struggled to advance their personalization and standardization agendas.

Finally, as guest needs evolve, and as markets call for more innovative solutions and more change, hotels that have implemented standardized systems will be in the best position to quickly bring new products and services to market. This is the final frontier of standardization because it will not only enable personalization, but will also accelerate the delivery of new forms of personalization that have yet to be developed.



Source: IBM Institute for Business Value Analysis, IT Spend as Percent of Revenue from Gartner Integrated IT Spending Perspectives 2010, IT Spend per employee from Gartner IT Key metrics report 2011, As of 2010 Gartner Transportation include Hotels.

Figure 9: The hotel industry is even less heavily invested in IT when compared to other service-intensive, information-rich industries.

## “Check-in” to guest intimacy through personalization and standardization

In a highly commoditized industry, the opportunity exists for aggressive hotel chains to set themselves apart from their competition through dedicated efforts to personalize guest services, increase guest intimacy and standardize operations. For those hotels that wish to join an elite group of pacesetters, personalization and standardization provide a path to progress. To assess and address gaps in capabilities, hotel executives can ask themselves the following questions:

### Personalization

- How do your marketing efforts deliver unique messages to guests based on their prior experience?
- How many unique ways can guests check-in, shop for rooms, and buy hotel services, and how easy is it for guests to select the method that is right for them?
- Do you communicate with guests before, during, and after they arrive to your properties using the method of interaction that is best for your chain, best for the guest, or both?

### Standardization

- How will global expansion plans increase or decrease complexity at your hotel chain?
- How many different and hard-to-integrate property management systems (PMSs) does your hotel chain use, and how many does it need?
- How many sources of customer data are there in your organization?

Hotels that embrace personalization and standardization can create services and experiences for which many customers will be willing to pay a premium. Those without the resolve or resources to transform their operations to provide increased differentiation and guest intimacy risk irrelevance, or even “checking out” completely, in an increasingly competitive environment.

To learn more about this IBM Institute for Business Value study, please contact us at [iibv@us.ibm.com](mailto:iibv@us.ibm.com). For a full catalog of our research, visit:

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