

The hospitality sector urgently needs to adopt digital transformation to secure long-term recovery

For many of the other sectors of the economy, the past year has seen a significant step-change in the adoption of technology and digital services, but while some hospitality businesses were able to welcome online models, huge swathes of the industry were forced to remain dormant, leaving many digital advancements relatively untested or stagnating.

Now, the sector must quickly accelerate its digital transformation to fuel long-term recovery, or risk customer abandonment and falling further behind.



Source: [123RF](#)

Progress in this regard is promising, with Deloitte's Digital Disruption [Index](#) showing most South African businesses have already invested in market-established technologies. And according to research by Aruba, a HPE company, as of last year the global hospitality sector was in a healthy – but not leading – place in its adoption of advanced technologies and moving computing to the edge.

Over half of hospitality IT leaders had started to implement trials or applications in areas such as artificial intelligence (AI) (55%), Internet of Things (IoT) (70%) and machine learning (57%). However, that compares to figures of up to 75% for AI in the financial services industry, or 77% for IoT in retail.

In general, South African organisations are aware of the importance of investing in new technology, with two-thirds of business leaders saying they regard cloud and data analytics as [business-critical](#). But many companies are struggling with the data new technologies produce.

A quarter (25%) of IT leaders in hospitality said there was too much data for their systems to handle, and that they could not process the data they collected quickly enough to act (25%). With data levels increasing exponentially over the past year, thanks to the Covid-induced rise of smart technologies, IoT sensors, and connected devices, the depth of data sprawl will only be greater.

As things stand, 42% of [business leaders](#) in South Africa are concerned their organisation does not provide them with the resources they need to improve their digital capabilities. To get a handle on all their data and deliver the type of differentiated customer experiences to guarantee hospitality's recovery, a new eBook by Aruba, 'Serving Hospitality at the Edge', lays out three key areas of focus for organisations in the sector – providing a clear roadmap to setting up the right network for future success.

Step 1: Process data efficiently

Organisations must follow data to the edge of the network to process it more efficiently, capturing it in real-time at its source versus transferring it back to a centralised hub. Aruba's research showed that 54% of hospitality IT leaders were already using or trialling edge technologies pre-pandemic, and a further 16% were already computing at the edge.

While this shows a smaller proportion of hospitality businesses are operating at the edge compared to other industries (average of 28% across all sectors), these pioneers are successfully delivering new outcomes, such as utilising facial recognition technology (49%), experimenting with live, real-time, multi-language translation (45%), and creating enhanced augmented and virtual reality experiences (43%) as a result.

Step 2: Analyse data intelligently

Capturing all that data is one thing but being able to act on it is something else entirely. That is why there is a growing role for AI to not only help enhance customer service, provide personalised guest experiences, and support brand management – but also to aid IT teams with network troubleshooting and issues resolution to avoid any costly downtime or damage the user experience.

As AI becomes more sophisticated and machine learning models get access to more and more data, its significance in hospitality will continue to grow.

Step 3: Store data securely

Against the backdrop of rising technology implementation, there's a growing need to police increasing levels of app and device connectivity. And this is causing a headache for hospitality businesses, with 41% of decision makers believing that connecting IoT devices at the Edge would make their business more vulnerable. It will be critical for hospitality organisations to put the right solutions in place to ensure they lock down their data enough to reassure customers without freezing out further digital innovation.

Aruba believes a Zero Trust approach to security is part of the answer here, but network visibility and device identification also become key – providing a single-pane-of-glass view of increasingly fragmented networks and giving IT teams the ability to grant differentiated levels of data access according to device or user group (i.e. guests or staff).

Mandy Duncan, country manager, South Africa for Aruba, concludes: "The pandemic is presenting endless challenges to

the South African hospitality sector and while there have been pockets of digital innovation and success, many businesses have been unable to test and trial digital advancements, putting them at a disadvantage.

"Now, they will find themselves playing catch up in a new digital-first world. Consumer behaviours, expectations and demands have shifted exponentially, and hospitality organisations must demonstrate that they can respond quickly to these new requirements to tempt them back through their doors.

"They have a tremendous opportunity to make changes now to provide superior services in the future. But to do this successfully they must get a handle on the information flow in and out their systems.

"That is why it is critical that the sector evolves its network capabilities to ensure it has the infrastructure and solutions in place to support the next-generation technologies and experiences that will define their organisation's digital transformation in 2021 and beyond."

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