



SEVENROOMS

YOUR HOTEL F&B TECH GUIDE

For the New Era of Hospitality



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EXECUTIVE SUMMARY



It's no secret that 2020 has been a challenging year for hotel operators, especially when it comes to food and beverage (F&B) outlets. When COVID-19 hit in early 2020, it led to a sharp decline in guests staying overnight at hotels and dining on-site. **This drop in business contributed to a 66.5% decrease in overall F&B revenue per available room.¹**

With on-site F&B outlets normally contributing more than 25% to total hotel revenue,² they present a huge opportunity to shape a new guest experience as we enter the next era of hospitality — **one in which health and safety are top of mind, and technology plays an even more crucial role in hotel F&B operations.**

This guide consists of three parts:

- 1. Current State of the Hospitality Industry:**
A look at how guest behaviors and expectations are changing, and how hotels can keep up.
- 2. The New Guest Experience:**
A detailed investigation into how these new expectations will create a new guest experience, with recommendations for how to engage guests and adapt operationally.
- 3. Technology for the Future:**
An overview of the technology landscape for the new era of hospitality, and how to determine whether or not you have the right technology partners to successfully reopen and sustain your F&B outlets.



01 WELCOMING THE NEW ERA OF HOSPITALITY

THE STATE OF HOSPITALITY PRE-PANDEMIC



Hotels were seeing annual growth of 6%, which was more than any other sector within the hospitality industry.³



F&B revenue was growing faster than room revenue for hotels.⁴



Spending on experiences, including traveling and dining out, was expected to rise to \$8 trillion by 2030.⁵

COVID-19 has changed how people experience hospitality and what they want from an experience. Before the pandemic, the industry was booming. In fact, 'travel & tourism' was the second-fastest growing industry in the world in the last decade.

What was critical to this impressive growth for hotels? Food and beverage outlets. Hotel restaurants and bars attracted travelers to stay at hotels, and locals to dine with them.

According to EuroMonitor International, consumer values have fundamentally shifted to prefer experiences that bring happiness and well-being over material things. For this reason, F&B and tourism was having a moment and there was a much broader target audience for F&B experiences.

HOW THE PANDEMIC AFFECTED THE HOTEL INDUSTRY

When the pandemic struck, guest behavior and expectations changed drastically. Travel for business and leisure came to a standstill, as stay-at-home measures went into effect throughout the world. **Hotel occupancy in the U.S. alone fell from 70% in March 2019 to less than 25% in March 2020.⁶**

Occupancy wasn't the only hotel revenue stream that plummeted because of COVID-19. F&B outlets suffered as demand for room service decreased and consumers stopped dining out.

Restaurant revenue overall dropped 78%
at the height of the pandemic.⁷



Sorry WE'RE
CLOSED
DUE TO CORONAVIRUS



THE NEW ERA OF HOSPITALITY

As stay-at-home orders lift and consumers begin to feel safer about traveling and going out to eat, they'll return to hotels, but in new ways and with new expectations.

A recent study revealed that **70% of consumers say that dining out at restaurants will make them feel normal again.**⁸

The same study reported that 50% of respondents agreed that they have missed dining in restaurants more than other things⁸, proving there is an appetite for dining out to feel connected to each other and their community, but their behaviors will be different.

New Guest Behaviors

As restrictions lift, locals will come back to hotels to enjoy F&B experiences. Restaurants and bars can be the first way that guests dip their toes back into the water with hotels. Overall, the way guests will make their decisions about hotel travel has shifted.

Here's questions all travelers will be asking themselves before their next trips:

- How far in advance should I book?
- Which hotels are close enough to drive to?
- Is this hotel a part of a brand I know and feel comfortable with?
- Will we stay on property to dine or venture into the local community for meals?
- How will I interact with staff at the hotel (i.e. how I order at restaurants)?

Eventually, local guests may book rooms for staycations, as staycations provide the benefits of a getaway without high-risk flying or extended road trips. F&B will be the key to creating memorable experiences for guests who stay overnight.

Guests won't have to leave the property for food or fun when F&B outlets meet both needs. Overnight guests will feel safer getting their meals on-site rather than venturing off of the property to eat, as social distancing will likely be in effect for the foreseeable future.



New Guest Expectations



Whether visiting for a meal or an overnight stay, guests will have new expectations for their hotel experiences. First among these new expectations is that guests will want hotels and their food and beverage outlets to establish and enforce safety protocols that mitigate the risk of coronavirus transmission.

These new measures include the use of personal protective equipment, adherence to social distancing, and the implementation of enhanced cleaning protocols.



Three in four guests expect restaurants to maintain these increased safety measures for at least six months to one year.⁸

In order to meet safety standards and make guests feel comfortable, many hospitality businesses are going touch-free. Contactless interactions for things like check-in, ordering and payment technology is becoming an expectation by many guests to eliminate touching and reduce the exchange of physical items such as cash, credit cards, menus and more.

There are also some guests that simply are not ready to stay at a hotel or dine at a restaurant, but this does not mean that hotels cannot serve this audience. With online ordering, hotels can bring the experience to guests' homes. Whether it's food order and pick up or delivery from an F&B outlet or offering branded hotel swag (things available at the hotel gift shop or spa) through ecommerce, there are still ways to engage with guests and drive revenue.

One guest expectation that will never change is a hotel's commitment to hospitality. Outstanding service will remain a mark of a great hotel experience. Service will be more important in the new era of hospitality than ever, as it will help ease guests' anxieties about interacting with people outside of their homes.

A NEW WAY OF OPERATING HOTELS

In order to meet guest expectations and maximize profits with new guest behaviors, hotels must rethink their F&B outlets in three ways.



Guest & employee **safety** must be the top priority

In order for guests to return to hotels, they need to be confident that they won't contract the coronavirus. Hotels need to create and communicate safety measures consistently and clearly.



Profits need to be **maximized**

Profits need to be maximized to secure the longevity of the business despite reduced capacities. Hotels must think of new ways to maximize check sizes and customer lifetime value.



Reinvent the entire guest journey

Reinvent the guest journey at the intersection of prioritizing safety and maximizing profits. New protocol for reservations, waitlists, and contactless service must be put in place with an eye on reduced staff and guest capacity due to health and safety regulations.

01 WELCOMING THE NEW ERA OF HOSPITALITY

Guest Data is Your Most Valuable Asset

Rethinking your F&B strategy seems like a tall order in an era with so much uncertainty. Fortunately, data can help you satisfy guests' needs and expectations by unlocking the opportunity to create personalized experiences. When F&B outlets can meet guest needs, they have a greater chance of turning casual visitors, like locals, into regulars. Locals can revisit F&B outlets frequently, refer out-of-town friends to stay at the hotel, and choose the hotel brand when they travel.

The key to making every experience memorable for locals or visitors is access to your guest data. With the right technology partners, you can collect guest data that you can use to personalize service and get them to come back time and again. Access to information about guest birthdays, dietary preferences, and more, lets you automate marketing and personalize offers to drive loyalty.

When you own your guest data, you unlock the potential to customize every guest experience, which is more crucial in the new era of hospitality than ever before.



Increasing local bookings by just 5% can
increase profits by 25% and 95%.⁹

“ At Mandarin Oriental we pride ourselves on our ability to offer a truly bespoke level of personalized service. **Technology helps us gain better insight into our guests' preferences, anticipate their needs and allows us to offer customized experiences and special dining events across our food and beverage outlets globally.** ”



DAVID NICHOLLS,
GLOBAL DIRECTOR OF FOOD & BEVERAGE

02 THE NEW F&B EXPERIENCE



02 THE NEW F&B EXPERIENCE

In the new era of hospitality, F&B outlets need to adapt across the entire guest journey to meet guest expectations and new regulations. Technology can help hotel F&B operators stay on top of these demands throughout every facet of the guest journey including:



Reservations & Waitlists



Online Ordering



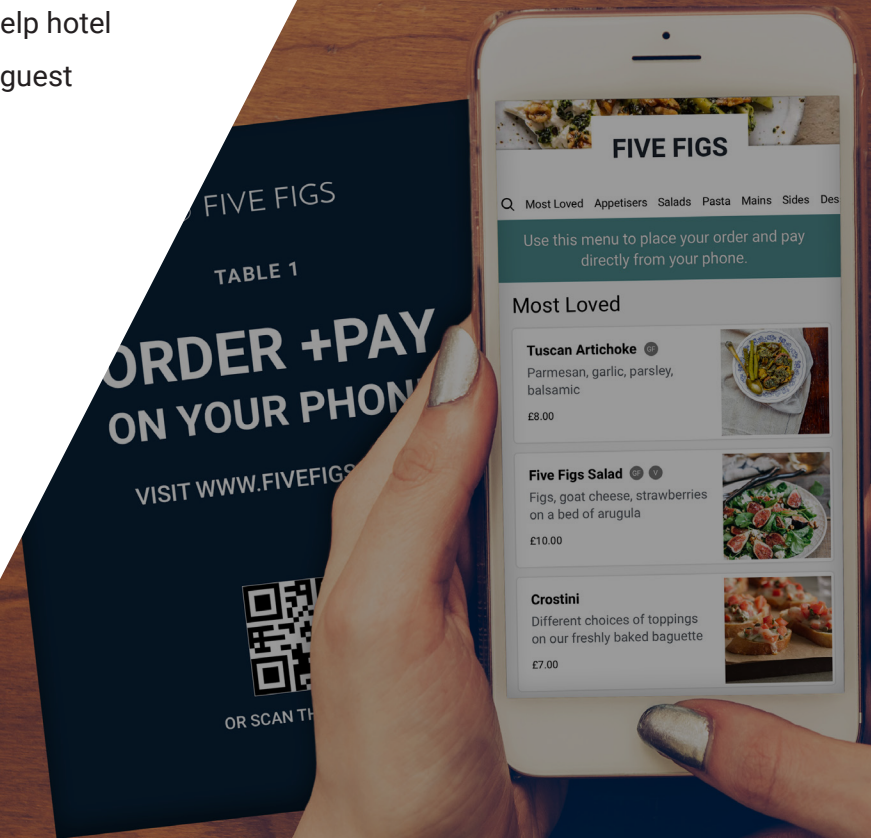
Contactless Service and Payments



Guest Feedback



Loyalty & Retention



MEET YOUR GUESTS WHERE THEY ARE

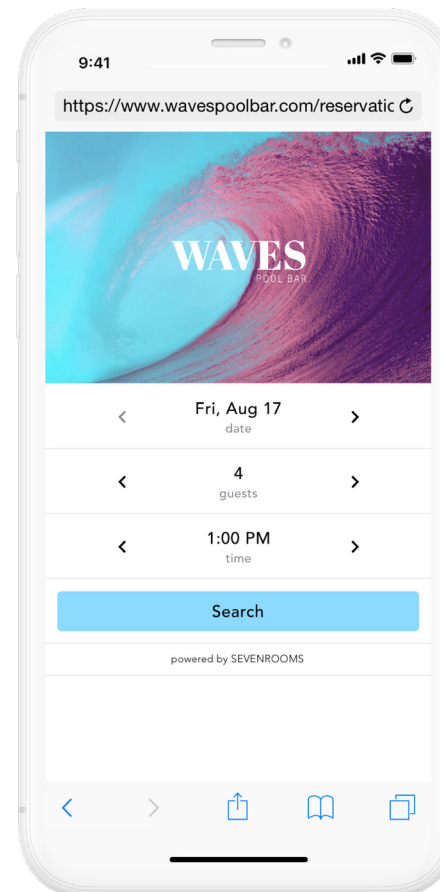
Make guests feel comfortable dining with you even before they arrive on-site. Optimize reservations and waitlists and introduce online ordering to give guests the experience (and food) they crave in a way that makes them feel safe.

Reservations & Waitlists

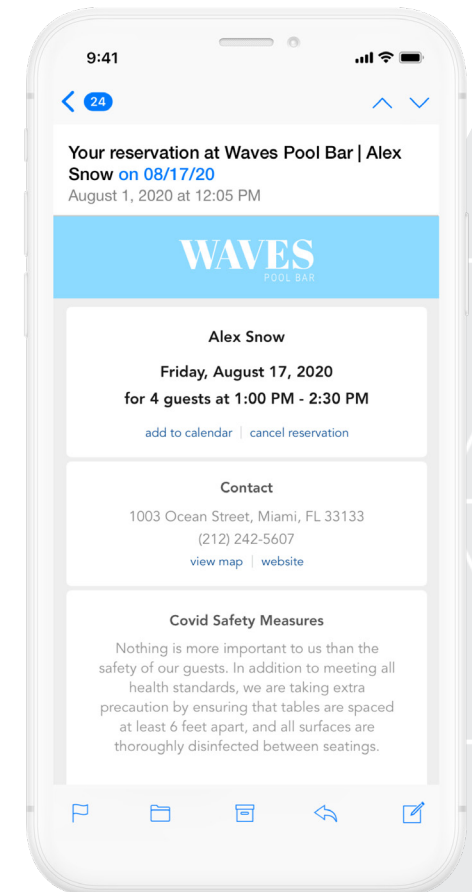
Offer reservations at all of your outlets, including those that traditionally don't require reservations, such as pools, casinos, lounges, and casual concepts like juice bars. Share information about your COVID-19 safety plans throughout the reservation journey. You could even require guests to agree to follow on-site safety procedures in order to make reservations.

Reservations are useful for managing capacity. In the new era of hospitality, they also play an important role in contact tracing. Reservations make it easy for F&B operators to see who they served, when they served them, and who those guests could have come into contact with during their dining experience.

Reservation Booking



Reservation Email Confirmation



Virtual Waitlists

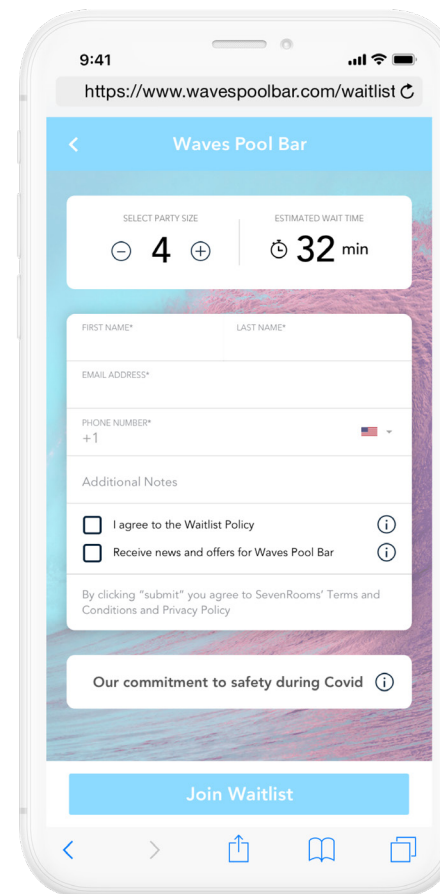


Virtual waitlists eliminate the need for guests to congregate around an F&B outlet's host stand or handle a pager to find out when their table is ready. Introduce virtual waitlists at all of your non-reservation-taking outlets to help guests better practice social distancing.

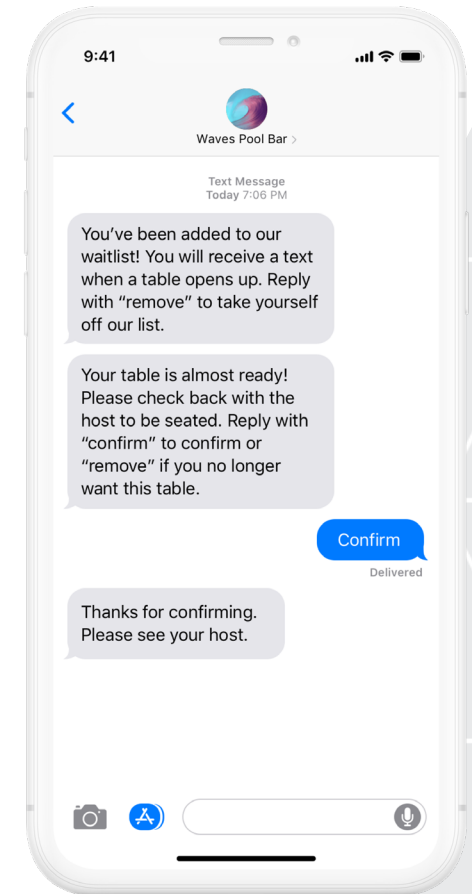
PRO TIP

Whether through an email or text the day before a reservation or directly from a mobile device while waiting for a table, there are options to offer the ability to place an order in advance with payment. This helps eliminate the need for menus and interaction with staff, provides an upfront revenue commitment from guests to help reduce no-shows, and allows restaurants to turn tables faster.

Virtual Waitlist



Waitlist Notification

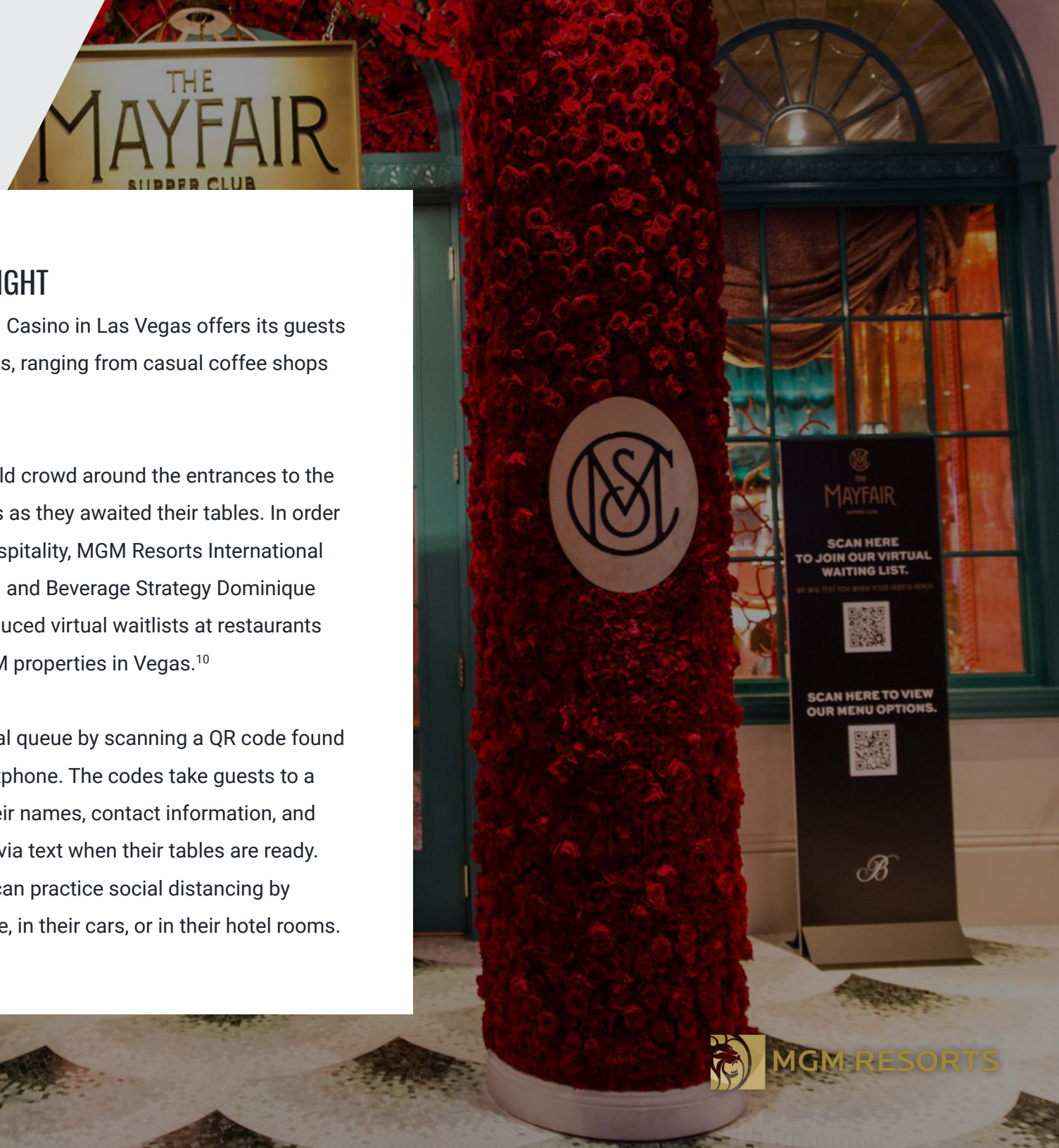


INNOVATION SPOTLIGHT

The famed Bellagio Hotel and Casino in Las Vegas offers its guests more than a dozen F&B outlets, ranging from casual coffee shops to fine dining venues.

Before COVID-19, guests would crowd around the entrances to the hotel's full-service restaurants as they awaited their tables. In order to adjust to the new era of hospitality, MGM Resorts International Senior Vice President of Food and Beverage Strategy Dominique Bertolone and his team introduced virtual waitlists at restaurants at the Bellagio and other MGM properties in Vegas.¹⁰

Guests can now join the virtual queue by scanning a QR code found on hotel signage with a smartphone. The codes take guests to a form where they can input their names, contact information, and party sizes. They are notified via text when their tables are ready. With virtual waitlists, guests can practice social distancing by waiting for their tables outside, in their cars, or in their hotel rooms.



Online Ordering



Areas that allow F&B outlets to reopen for dine-in services may not allow them to operate at full capacity. Online ordering can help hotels make up for decreased dine-in revenue by introducing the ability to serve local guests through takeout and delivery.

Set your takeout efforts up for success by emailing local diners in your guest database to let them know that you now offer online ordering. Let local customers know how they can place orders, which menu items are available for takeout, and what extra safety precautions you're taking while preparing, packaging, and delivering meals.

The online food delivery industry's annual growth rate of 5.1% indicates that **there is money to be made off-site.**¹¹

Here are several ways to get creative with your online ordering promotions:



Encourage customers to share their takeout experiences on social media by inserting cards that have a 1) call to action and 2) the restaurant's and hotel's hashtags and social media handles on them in every takeout order bag.



Incentivize customers to post about their takeout meals by offering the chance to win a staycation at the hotel.



Offer local influencers free meals in exchange for social media promotion of your takeout service.

IN-SERVICE EXPERIENCE - OFFER CONTACTLESS

When guests dine or stay on-site, they'll feel safer placing orders and making payments via contactless technology rather than by coming in close contact with hotel staff. Introduce contactless ordering and payments at all of your F&B outlets to create a safer, more inviting atmosphere for guests in the new era of hospitality.

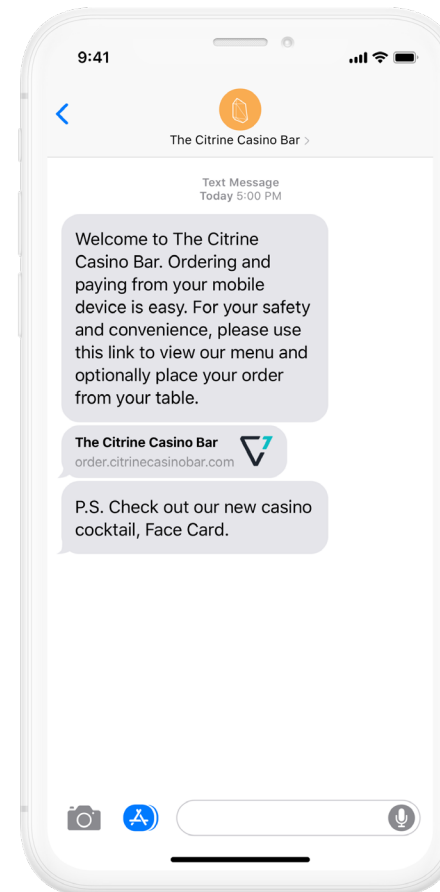
How Do Contactless Orders and Payments Work?

Gone are the days of reusable menus. Handing out and taking back traditional menus requires servers to come into close contact with guests (and potential germs). Contactless ordering replaces reusable menus with virtual menus.

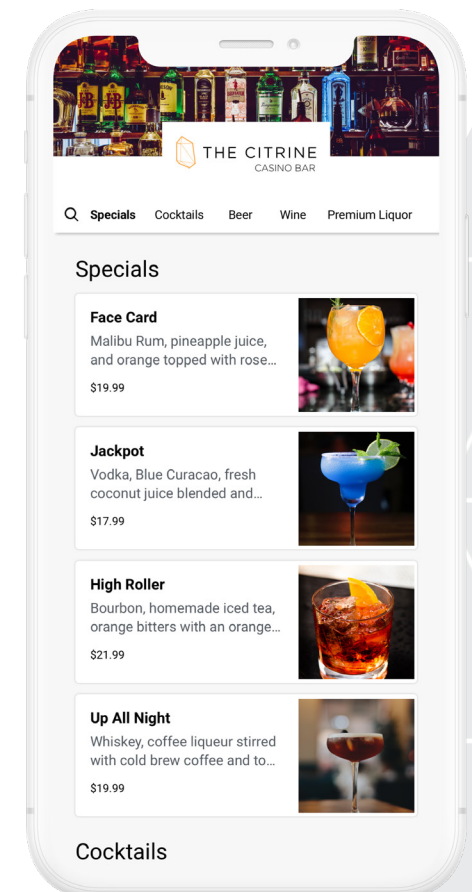
With contactless technology, F&B guests can access your online menu by entering a URL, or scanning a QR code on their smartphones.

They can place and pay for orders directly through your online menu. Contactless orders and payments increase safety and guest turnover time by eliminating the need to swipe a credit card or use a pen to sign a receipt.

Contactless Order & Pay



Virtual Menu



INNOVATION SPOTLIGHT

In addition to introducing virtual waitlists to their properties, MGM Resorts in Las Vegas are innovating in the new era of hospitality by implementing contactless orders and payments.

Rather than receiving traditional menus, guests of the Bellagio Hotel and Casino's Sadelles Cafe must scan a QR code with their smartphones to view the menu. Guests without smartphones can request paper menus that are discarded after a single use.

At the hotel's Prime Steakhouse concept, diners receive a virtual thank you message from celebrity chef Jean George Vongerichten when their checks arrive.¹² Contactless technology is for more than just helping F&B outlets receive orders and collect payments. It's a digital extension of the hospitality experience.



Interested in learning more about how MGM Resorts is innovating the F&B experience across their outlets?

Check out our [webinar](#) with Andreas Reich, VP of Food & Beverage Strategy.

Sadelle's
LAS VEGAS

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MGM RESORTS

Transform In-Room Dining

Contactless technology isn't just for dining at F&B outlets. It can also transform the room service dining experience for hotel guests.

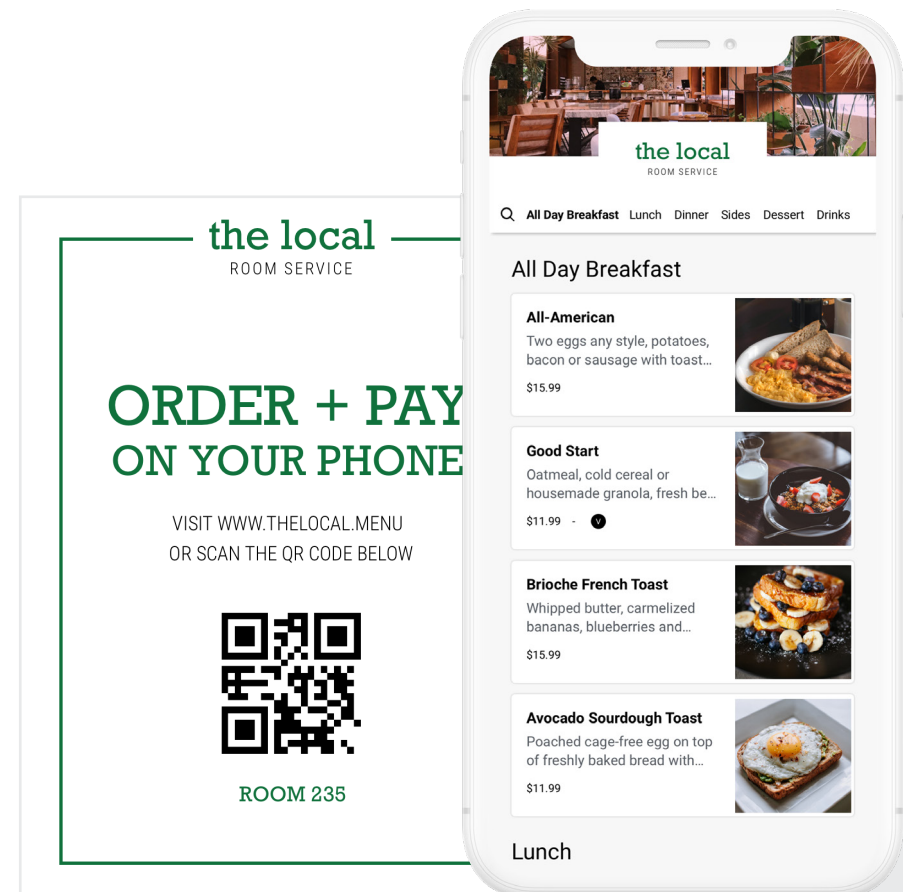
With contactless ordering and payments, hotel guests can place room-service orders through their smartphones, rather than by flipping through reusable menus and placing orders through a TV remote or room phone that has been touched by hundreds of guests.

Place QR code signage and contactless ordering instructions in all of your hotel rooms.

PRO TIP

If your occupancy rate is low, why not convert unused hotel rooms into private dining spaces? Stadt, a hotel in Lidköping, Sweden, transformed their vacant rooms into private, pop-up "restaurants."¹³ This novel concept helps mitigate revenue lost on low room occupancy and boosts F&B revenue by increasing dining capacity while adhering to social distancing measures.

Contactless Room Service



02 THE NEW F&B EXPERIENCE

Unlock Ordering from Anywhere

Your restaurants, pools, lounges, casinos, and bars can use contactless ordering and payments to improve your speed to service, maintain health and safety measures, reduce the use of paper menus and the number of interactions guests have with staff. All of this contributes to a better guest experience.

Consider allowing guests to order from anywhere inside the hotel, even areas that might not typically be open to dining, like conference rooms and event spaces. Convert these unused spaces into more seating areas for F&B guests.

Expand your beverage program revenue by allowing guests to purchase to-go cocktails and other drinks from all of your F&B outlets. Let guests order their drinks from their phones and pick them up at designated areas.

Check local regulations to make sure that you are allowed to serve alcoholic beverages “to go” in your area. Remember to verify customer IDs to ensure that underage patrons don’t take advantage of the contactless system to illegally purchase alcohol.



GUEST FEEDBACK - BUILD RELATIONSHIPS

It is more important now than ever to understand your guest experience. This should include using automated post-dining surveys to gauge if your safety measures and new offerings are meeting guest expectations.

You can determine how satisfied guests are with the new practices by asking them questions based on their different experiences across the property.

For example,

- ✓ Did using contactless order & pay technology make you feel safer when dining?
- ✓ Should we provide more instructions for how to use contactless technology?
- ✓ Did your in-room dining experience meet your expectations?
- ✓ For delivery, did the food travel well? Did it arrive at the right temperature? Was it packaged well?
- ✓ Was the online ordering process easy to navigate?

Use insights from guest feedback to improve your services and keep guests coming back to your hotel's F&B outlets.



LOYALTY & RETENTION - PERSONALIZE AND TARGET YOUR MARKETING

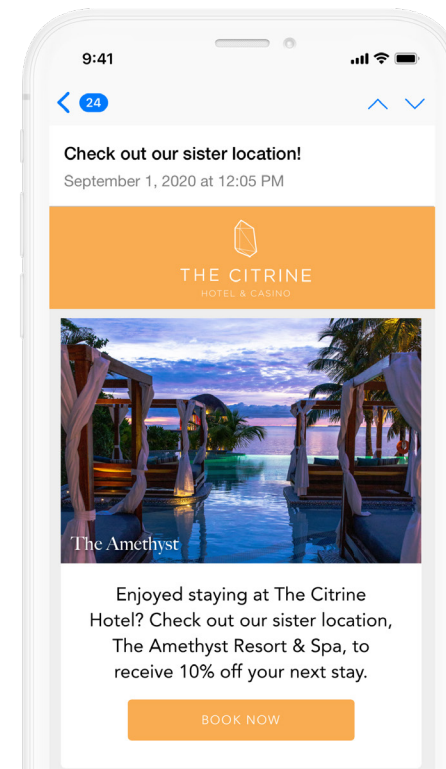
Capturing guest data becomes easier in the new era of hospitality thanks to technology that's integrated into every step of the guest journey.

When offering reservations and waitlists for all your F&B outlets, you are creating a record for every guest that can then be added to with each interaction at your property and across properties within your brand.

Rather than collecting guest data separately through your reservation software, online ordering software, and point-of-sale (POS), you can collect more data and organize it under a single guest profile by using a guest experience platform built on top of a robust CRM. This data can unlock new ways for your hotel to market to and build loyalty with your guests across your brand.

Use guest data to power current marketing campaigns to convert local diners into regulars, and to fuel future marketing campaigns to persuade locals to choose your hotel brand when they travel.

Promotional Email



PRO TIP

You could create a targeted marketing campaign that invites guests who have stayed at your property to stay at sister properties in other locations. Another idea is to give diners who visit one of your F&B outlets offers that they can use at another F&B outlet within your property, selected based on their past dining behaviors and preferences.

03 EMBRACE CONNECTED AND DATA-DRIVEN TECH TOOLS





THREE TECH TOOLS YOUR F&B OUTLETS NEED

The coronavirus is a global health crisis that's created an economic crisis. Restaurant and hotel shutdowns around the world have caused significant challenges for the hospitality industry.

As hotels and their F&B outlets reopen, they need to maximize revenue in order to secure financial health in the new era of hospitality. Fortunately, a data-driven, connected tech stack can help hotel restaurants achieve that goal.

Own Consumer Touchpoints



There are many opportunities for guests to interact with a hotel's food and beverage outlets. Like at traditional restaurants, F&B guests can make reservations, get on a waitlist, dine on-site, and place takeout orders. Unlike traditional restaurants, guests of hotel F&B outlets can also access dining across the entire property: in their rooms or by the pool, for example.

Opportunities for consumer interactions are endless for F&B outlets at hotels and resorts. With so many guest touchpoints, it's important for F&B decision makers to choose technology partners that give

them control over each piece of the puzzle. White-labeling technology that puts your brand and messaging first, rather than using a third-party's branding, is just one way that F&B outlets can own and customize the digital customer journey.

Ownership of Guest Data



Many hospitality technology solutions collect data about your guests, but don't pass that guest information along to you. In a post-COVID world where access to data is more important than ever in helping you build relationships with guests directly, those companies that seek to own the guest relationship themselves could be detrimental to your business.

Instead, look for restaurant technology partners that give you access to information collected about your guests, giving you the tools you need to provide best-in-class service and experiences to them.

03 EMBRACE A NEW DATA-DRIVEN & CONNECTED TECH STACK

Tech Stack Connectivity

In the hospitality industry, it's common to have a different technology partner for every aspect of your operations. You can have a scheduling tool for staff, a reservation tool for rooms, a separate reservation tool for F&B outlets, another platform for running marketing campaigns, individual point of sales systems, and so on.

With so many separate software solutions, it can be difficult to keep track of information across departments and outlets. This makes it nearly impossible to maximize the value of your data. It's important to choose technology partners that integrate with each other. A tech stack that works together is greater than the sum of its parts.

PRO TIP

Select a F&B software that integrates with your property management system, so you are able to get a 360° look at your guests taking into account their preferences and spend across your F&B outlets and their room nights. With connected systems, you get a clear look at the actual value of each of your guests.



REASSESSING YOUR TECHNOLOGY PARTNERS

Are your current technology partners equipped to help you give guests the experiences they expect in the new era of hospitality? The reopening of your hotel's F&B outlets is an opportune time to reassess whether your tech stack is meeting your current and future needs.



Are you responsible for making software decisions for F&B outlets at your property?

Check out the [Buyer's Guide to Hotel F&B Software](#).



Ask yourself these questions as you evaluate your technology partners:

- ✓ Does the system integrate with my other tools?
- ✓ What's the pricing structure? Are there any hidden fees or upcharges?
- ✓ Does the pricing structure work for me or against me as my revenue grows?
- ✓ Is it my brand or the software's brand that is represented to guests?
- ✓ Do I have access to and own my guest data?
- ✓ Does the partner's business model align with mine?
- ✓ Do I have 24/7 access to tech support?
- ✓ Is the partner forward-thinking and quick to adapt in times of crisis?

04 THE FUTURE OF HOSPITALITY





WHAT'S NEXT FOR HOTEL F&B?

There is no doubt that the COVID-19 pandemic has changed the hospitality industry. Guest behaviors and expectations have shifted. People are traveling and dining out less and expect strict safety measures to be implemented by the outlets that they choose to visit.

Fortunately, a reduction in travel doesn't signal the end of the hotel industry. Instead, it's an opportunity for hotels to pivot towards focusing on their food and beverage outlets and reinvent the dining experience from the ground up.

F&B outlets are no longer confined to their dining rooms. Operators can maximize revenue by transforming vacant hotel rooms into private dining spaces. They can reach new customers by offering takeout and delivery. They can accept and fulfill orders from anywhere, without coming into close contact with guests, by adopting contactless technology.

With the right safety measures and technology partners in place, F&B outlets can attract local customers, and turn them into lucrative regulars. When they start traveling again, local guests will feel inclined to choose the hotel brands that they've experienced at home.

While the COVID-19 pandemic has changed much of what guests want from hotels and their restaurants, one guest expectation will remain constant: guests will always expect a focus on personalized, memorable hospitality. Keep hospitality top of mind as you reimagine your F&B experience.

READY TO TRANSFORM YOUR F&B EXPERIENCE? LET'S TALK.

While every hotel is going to have unique needs in the post COVID world, it's important to have a partner that can adapt to those needs and offer you multiple solutions to help you meet your guests where they are in this changing environment. SevenRooms guest experience platform combines operations, marketing and guest engagement into one solution. The platform helps operators to maximize profits, build brand loyalty and enable personalized guest experiences.

Learn more at sevenrooms.com or contact sales@sevenrooms.com.



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