

SA needs to recognise the key role that technology will play in revitalising the hospitality industry

By [Reginald Sibeko](#)

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With the holiday season upon us, South Africa needs to recognise the key role that technology will play in revitalising the hospitality industry and realising its potential.

Pre-Covid, [travel and tourism contributed 6.9%](#) to South Africa's gross domestic product, declining to 3.7% in 2020. Similarly, the number of jobs created by the sector [dropped by 32.4% from 1.5 million to 987 000](#). It was, [according to Statistics SA](#), bigger than agriculture, utilities and construction.



Source: [@kzenon](#) via [123RF](#)

As a country, we obviously need the industry to regroup and reach these numbers again. We have taken to first steps to start such conversations and engagements with the hosting of the Micros TechConnect22 gathering in October and we are confident that as a collective, we will put the building blocks to attain that vision. But, even more, we need the industry to grow, create jobs and earn the foreign exchange we so urgently need.

To do so, however, we need to confront several key challenges. In so doing, it is vital the industry recognises the role that technology can play in helping to equip it to discover new sources of revenue and improve margins.

Some of the key challenges, and the role that technology could play, are:

Staff shortages

Quite understandably, many in the industry have taken the decision to move into other sectors that perhaps offer more stability. The loss of experienced talent is always a massive challenge in any industry, and hospitality needs to devote attention to repopulating its talent pipeline.

Technology-based training has a role to play in helping to upskill a new generation of talent. Well-designed online training programmes can easily be customised, and sophisticated assessments ensure that the information has been internalised.

Artificial intelligence is also being harnessed to make using IT programmes much easier. It's now possible to ask the system how to perform tasks, such as creating an invoice or an inventory, and it will deliver what is essentially an online tutorial. One is tempted to call this "just-in-time training".

Higher hardware costs

The global shortage of semiconductors has led to a spike in hardware prices of 35-40%, a massive rise that the hospitality industry can ill afford coming after three years of dramatically lower revenues. Another option is to explore different leasing models to take the Capex sting out of the hardware budget and make everything much more predictable from an expense point of view.

Contactless options

Because the lockdowns and social distancing lasted so long, I predict that the desire for more contactless transactions is here to stay. For example, hotels will have to offer a variety of contactless options for checking in, accessing rooms and even concierge services—the robotic concierge is just around the corner. Many of these solutions, it should be noted, also address the issue of staff shortages.

More and more personalisation—it's all about the guest experience

Unrelated to Covid, at least directly, it's clear that the desire for more personalised products and services will affect hospitality. For example, hotels that adopt better bed management will be able to sweat their assets by offering travellers the option of a room for a two-hour nap and a shower rather than a whole day. Perhaps more demanding is attributing selling, allowing the customer to specify the features of the room he or she wants—the view or the specific facilities.

Overall, today's consumers are looking for experiences. The industry needs to offer its members ways to curate experience packages that they can sell to customers. The recently launched Isipo.com platform aims to offer just that.

Launched at the Micros TechConnect22, Isipo is an innovative e-gifting platform designed to help companies in the hospitality industry increase direct and repeat business, acquire new customers, and reward and win back existing customers. The new platform is based on a platform developed by CPR Vision Management and widely used in the Asia Pacific region.

Equally important, ways of measuring (and then learning from) the guest experience will become crucial.

Data—the ultimate lever of competitor advantage

As indicated above, digitalisation has many benefits but the most profound one is the insights that the data it generates can unlock. This is true for all sectors, and hospitality is no exception. The astute use of data can help a business owner understand his or her business so much better, and manage employees in real-time.

An example would be to understand what the margins of various products or services are, and then to prompt staff to push them. One restaurant client was able to increase his margin by 5% by incentivising staff to push a certain product. The benefits of learning to use data are limited only by your imagination.

Hospitality is already using technology extensively, but it is still not seen as strategic. Those businesses that take the strategic approach to technology will not only overcome current challenges more easily, they will position themselves for growth.

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