

The 2022 Hospitality Recovery Edition

How Casino Resort Operations Play a Winning Hand: Technology's Vital Role



Best Practices IT
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Executive Summary

With a mix of renewed optimism and understandable uncertainty, hoteliers with gaming operations are venturing into an altered marketplace with a clear goal: recapturing revenue and elevating guest experiences. More than ever, that task will rely upon hotel tech solutions, such as contactless and cashless, which played a critical role in keeping businesses afloat during the past two years. The benefits of technology became self-evident, and now many hoteliers, especially with gaming operations, are prioritizing upgrading their property management system as a centerpiece of innovation to rapidly meet ever-changing consumer needs.

This guide shares the insights and objectives of hoteliers and casino operators, factoring their considerations for a cloud-based PMS – and providing information to help you make the best system selection for your business. Among the key findings of a survey of hotel executives, managers, and staff at lodging properties with casino/gaming operations:

- 42% of respondents cited poor data integration as one of their property's biggest technology pain points.
- Percentage of respondents who said they have gained or expect to gain the following benefits by deploying a cloud-based PMS: 82% - reduce IT operations and maintenance costs; 73% - improve staff satisfaction and retention; 68% - improve guest satisfaction, loyalty, and retention; 62% - increase revenue and profitability from hotel guest rooms; 44% - increase revenue and profitability from gaming/casino operations.
- Focus areas deemed high priority for IT investment over the next 12 months: 46% - improve the contactless guest journey; 42% - enhance data access across all staff/departments; 34% - improve revenue-management capabilities.

Such findings underscore the need to reevaluate business preparedness and importance of agility in a post-pandemic environment. By harnessing the power of a next-generation PMS — one that consists of an open architecture, built-in integration services and open APIs — hoteliers can share data across all departments, touchpoints, locations, and functions, including their gaming operations. A cloud-based PMS allows for comprehensive guest profiles stored in a central repository, making it possible to know each guest's value to the hotel and improve delivery of personalized offers and services (including room comps) – ultimately, leading to increased RevPAR and revenue growth.

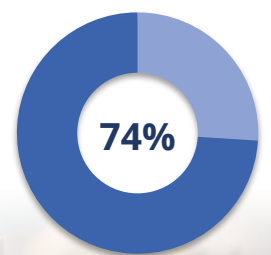
Furthermore, a cloud-based PMS provides built-in reporting and analytics tools to monitor performance metrics, makes work simpler and better for employees, and reduces IT cost and complexity. Embracing it is now a prerequisite for success.

As with virtually all businesses across the hospitality industry landscape, hotels with casino resort operations have moved toward more normalized operations in 2022 after nearly two years of pandemic-related business disruptions. Despite concerns regarding the possibility of further setbacks wrought by new Covid-19 variants, most industry executives anticipate a better-than-normal hiring pace over the next 12 months, according to recent polls, with plans to increase spending, often by large amounts, to improve the performance of their hotel, restaurant and gaming properties.

For many hotels with gaming operations, these plans, if not already implemented, include purchasing new gaming equipment (a need that in the United States is being driven, in large part, by the growing legalization of sports betting) and leveraging advanced technologies to improve the financial performance of their casino operations. First and foremost among these technologies is a next-generation property management system (PMS).

The pandemic accelerated the development and adoption of hospitality technologies – most notably, perhaps, in the area of guest-facing kiosks and mobile apps that enable contactless interactions and transactions. Today, in a trend that was gathering steam even before the word “touchless” took on sudden urgency, most hotel guests prefer self-service check-in to in-person check-in. They also prefer keyless door entry as well as contactless payment options, which in the case of properties with casino operations are now extending into the realm of gambling purchases and payouts.

The pandemic accelerated the development and widespread adoption of next-generation hospitality technologies.



Percent of hoteliers with gaming operations that saw “substantial improvement” in overall performance and financial results after upgrading their PMS to a cloud platform

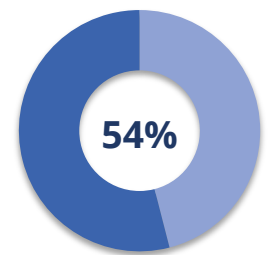
In fact, cashless technology innovation has fast become a focus area for hoteliers with gaming operations. For them, the prospect of guests using digital wallets to wager across all gaming platforms, including slot machines and table games as well as sports betting, with transaction data automatically integrated into guest profile information in a centralized repository, is a dream come true.

That hoteliers would wholeheartedly embrace this vision should come as no surprise. After all, the more unified and robust their view of each guest relationship on an individual basis (including their knowledge of each guest's value to the hotel, both present and future), the greater the opportunity to serve up personalized offers and services (including room comps, when appropriate), ultimately leading to increased RevPAR and revenue growth.

Harnessing the Power of Technology Integration

Today, hotel technology interoperability and data integration is the name of the game when it comes to achieving operational excellence and optimal revenue performance. According to the results of a survey conducted for this study by Starfleet Research from November 2021 to February 2022, 42 percent of hoteliers with gaming operations cite poor data integration as one of their property's biggest technology pain points. Of course, the quest for seamless data integration across all functions, including gaming (if applicable) along with restaurants, retail, spas and everything in between, is hardly a new endeavor; it is the North Star toward which virtually every hospitality IT team has been navigating for the past two decades or more.

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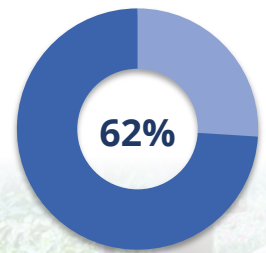
Percent of hoteliers with gaming operations that cite outdated IT systems as their property's biggest technology pain points, followed by suboptimal functionality (46%) and poor data integration (42%)

Poor data flow can make it difficult for hotels to perform at an optimal level. Consider the case of a central reservations system. Seamless integration with other technology components, including the PMS, is required to support reservation delivery, modification, and cancellation, as well as new and modified prices, stay controls, and inventory synchronization. Poor integration, on the other hand, tends to result in financial losses related to errors in manual updates and mistakes in point-of-sale posting at the front desk.

In terms of guest profile information, all guest booking data, geo-demographic data and behavioral data should reside in a centralized data repository. The repository should include the complete folio history of charges incurred and payments made by an individual guest during their past and current stays with the hotel. Every detail, from pre-arrival upgrade requests to the food and drinks they order to their usage of various services and in-room amenities, to every interaction, transaction and documented experience that takes place between the guest and the hotel can help paint a more robust, multifaceted portrait of the guest.

The good news as hotels rebound from a global pandemic — one that brought the industry to its knees for the better part of two years — is that the ability to create 360-degree guest profiles is no longer a pipedream. With the advent of a new breed of PMS, it is now a reality.

The ability to create 360-degree guest profiles is no longer a pipedream.



Percent of hoteliers with gaming operations who currently use BI analytical tools as their primary source of reporting data for evaluating performance and productivity; 37% use manual spreadsheets

Optimizing the Guest Experience

According to the research conducted for this study, nearly one-third (31 percent) of hotels with gaming operations view the need to improve PMS data integration as a high-priority IT investment area. At the same time, 44 percent indicate that increased revenue and profitability from their gaming operations are among the major benefits they have gained, or expect to gain, by deploying a PMS that provides seamless integration with third-party modules and apps. These solutions enable everything from pre-arrival upselling and mobile guest communications to contactless payments and customized POS interfaces.

Optimizing guest services across all parts of the hotel invariably leads to higher rates of guest spending, including at the casino, as well as increased guest satisfaction. According to the research, more than three-quarters (77 percent) of hoteliers with gaming operations agree that the ability to improve guest services is one of the major benefits they have gained, or expect to gain, by upgrading their PMS platform capabilities. Ultimately, the promise of a next-generation PMS lies in its ability to eliminate “friction” in guest interactions with the hotel while meeting guests’ ever-growing demands for convenience and personalization.

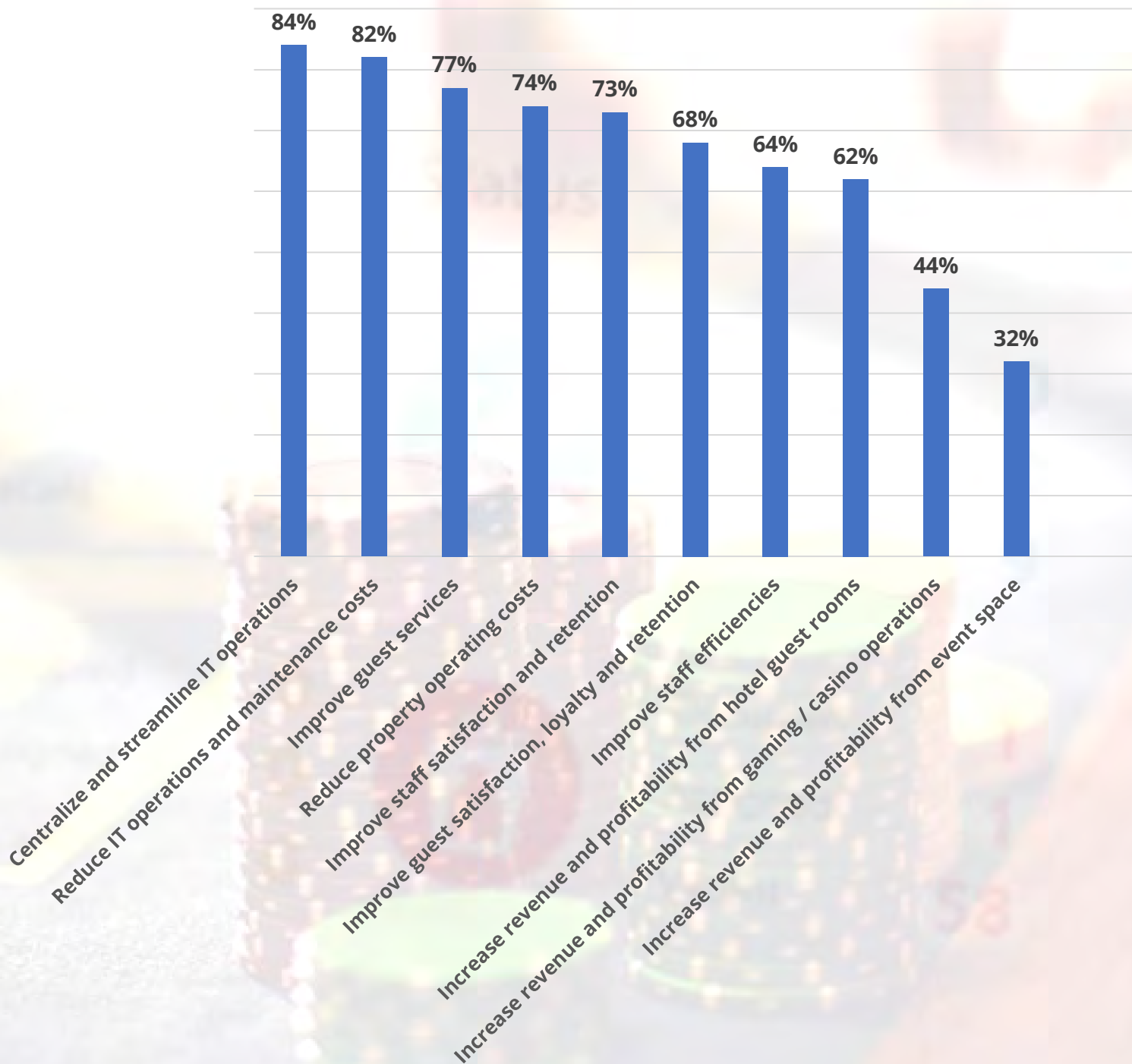
To that point, the ability to present guests with highly relevant messages, offers and services at the right point in time from booking to checkout has fast become a strategic imperative. More and more, guests expect superior hotel service, frictionless interactions and highly personalized experiences. Only with a next-generation PMS do hoteliers have a good shot at being able to meet those expectations.

Optimizing guest services across the hotel invariably leads to higher rates of guest spending, including at the casino.



According to the research conducted for this study, 74 percent of hoteliers with gaming operations saw “dramatic improvement” in overall performance and financial results of their businesses after upgrading their PMS platform capabilities — no doubt due, in part, to increased staff efficiency and reduced operating costs. At the same time, 22 percent of qualified survey respondents saw “significant improvement.” Only 4 percent indicated that they achieved only “minor improvement.”

Major benefits hotels with gaming operations have gained, or expect to gain, by deploying a cloud-based PMS

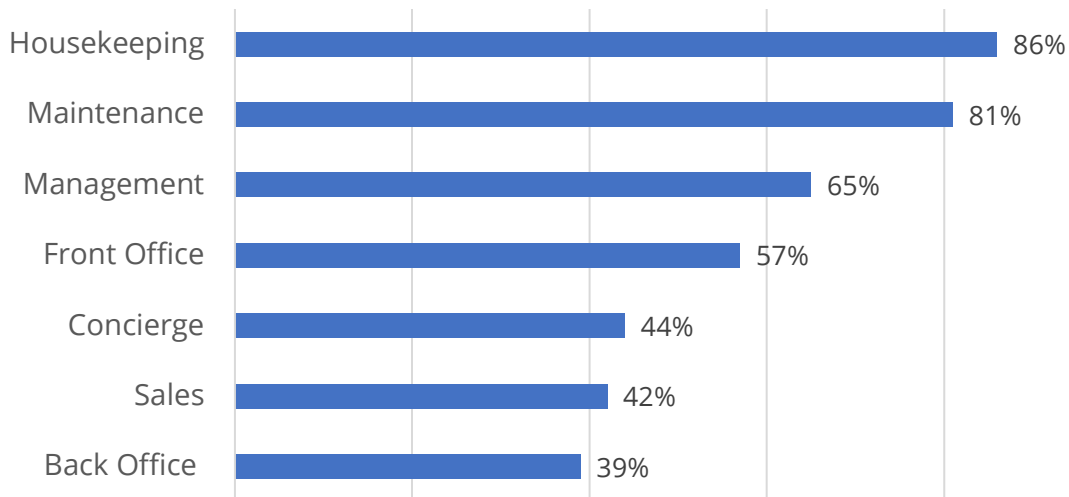


Improving the Employee Experience

A next-generation PMS is designed to streamline and automate hotel operations. Importantly, it is also designed to eliminate redundancies performed by employees while reducing the amount of time spent on mundane tasks and activities. By accessing a PMS interface with real-time information and instructions on their smartphones or tablets, hotel staff can know when rooms are ready to be cleaned, for example, or when a service or maintenance request needs to be fulfilled. According to the research, the housekeeping and maintenance departments top the list of those that have benefited – or would likely benefit – the most from a mobile PMS application.

The pandemic accelerated the development and widespread adoption of next-generation hospitality technologies.

Departments / function areas that have benefited – or would likely benefit – the most from deploying a mobile PMS application



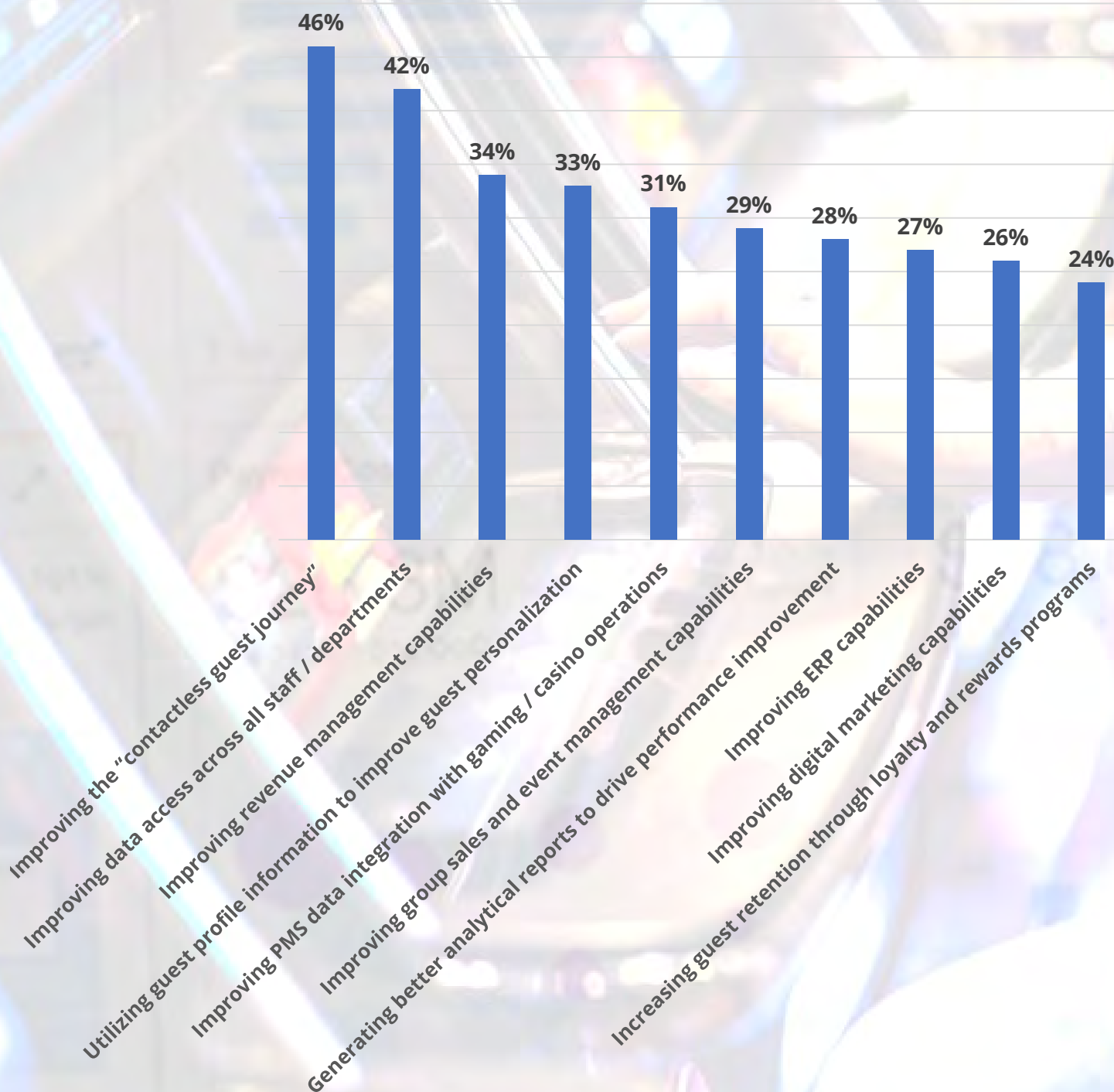
Employees don't want to spend their time struggling with cumbersome software or manual processes. PMS access by employees moving around the property via an easy-to-use, intuitive and responsive mobile interface can make a world of difference in terms of staff satisfaction and efficiency. A next-generation PMS also provides superior management controls designed to further increase staff efficiency while lowering overhead costs. Management can track employee progress and readily identify any issues that arise. According to the research conducted for this study, 74 percent of hoteliers with gaming operations agree that one of the major benefits they have gained, or expect to gain, by deploying a cloud-based PMS is better staff satisfaction. At the same time, 64 percent of the hoteliers that participated in the survey have gained, or expect to gain, improvement in staff efficiencies.

Employee satisfaction and operational efficiency rank as top concerns for hoteliers, particularly during periods of severe labor shortages, as the industry is currently experiencing, with hoteliers struggling to find workers to fill open positions. According to a recent poll conducted by Joblist of 13,000 job seekers, more than half of U.S. hospitality workers indicated they would not return to their former jobs. Over one-third said they have no interest in reentering the hospitality industry. This dire situation obviously puts pressure on hoteliers to do everything possible to reskill current employees, expand and accelerate hiring options and redefine the employee experience.



Many hoteliers with gaming operations continue to rely on legacy back-office software solutions, including manual spreadsheets for budgeting and data analysis. Often, these solutions are incompatible and unable to share data. In many cases, the need to upgrade technology platform capabilities has become an urgent matter — and, indeed, many hoteliers are now making it a “high priority” focus area.

IT investment / focus areas deemed “high priority” by hotels with gaming operations over the next 12 months

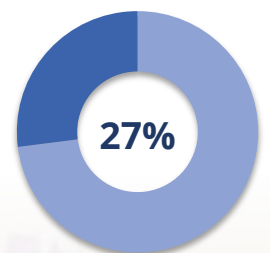


Capitalizing on Data Analysis and Performance Reporting

Making smart decisions and driving continuous performance improvement requires anytime, anywhere access to a 360-degree view of hotel operations and guest relationships. Hoteliers need built-in performance reporting and analytics tools that are flexible and sophisticated, mirroring robust business intelligence solutions. They need to be able to readily monitor occupancy trends, guest spending, market position, channel profitability, upsell offer performance and countless other business drivers. Further, they need to gain insights that can improve the quality of the guest experience and also identify opportunities to bolster marketing and sales effectiveness and increase RevPAR.

The sharing of data and accessibility is key to improving operations, processes and financial performance in not only these areas but in areas ranging from human resources to supply chain management. Hoteliers can radically improve operational efficiency and effectiveness by deploying not only a next-generation PMS, but, also, other types of cloud-based software. Examples include enterprise performance management (EPM), human capital management (HCM) and enterprise resource planning (ERP). An advanced ERP solution provides 360-degree insights across all data sources. It consists of a powerful and comprehensive analytics and data management platform that empowers finance HR, supply chain, and operations teams by providing ready-to-use content, such as key performance indicators (KPIs), out-of-the-

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Percent of hoteliers with gaming operations that view the need to improve their enterprise resource planning (ERP) capabilities as a high-priority IT investment area over the next 12 months

box dashboards, data models, and reports. These analytics let CFOs, COOs and CHROs delve into complex analysis, deep historic trends and predictions that enable them to make better business decisions. In fact, the benefits of a modern cloud-based ERP range from standardizing and automating financial processes and enabling faster month-end, quarterly and year-end closings to lowering fraud and ensuring compliance with financial regulations, supporting hybrid work models with finance and accounting personnel working offsite and allowing for smart sourcing and procurement.

Reporting and analytics tools should inform the decisions made not only by CFOs, finance teams and revenue managers but across multiple departments and functions. As already suggested, the insights gained from these tools can have far-reaching benefits, from improving marketing, sales and customer service effectiveness to generating competitive intelligence. Key revenue stakeholders should be able to monitor occupancy trends, guest demographics, market position, and channel profitability.

A next-generation PMS comes equipped with a large number of standard dashboards that should meet most hoteliers' day-to-day performance management requirements. Some reports are simple and straightforward. A good example is a housekeeping report that provides information related to the last cleaning date, occupancy and housekeeping statuses, and, for reserved and occupied rooms, information about guests such as reservation number, arrival date, departure date and time, and number of guests. Another example is a revenue dashboard, providing insights into pre-arrival and on-property incremental revenue generation, including room upgrades and non-room products and services. This type of report can have a direct impact on a hotel's revenue management and marketing strategies.



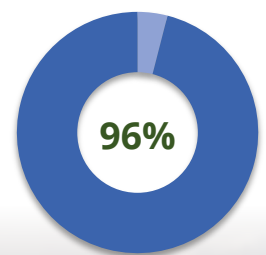
Looking Ahead

The global pandemic that wreaked havoc on the hospitality industry forced hoteliers everywhere to re-examine their fundamental strategies of business preparedness and technology investment. More than anything before it, the crisis underscored the need to protect hotels from future existential threats. By harnessing the power of a next-generation PMS — one that consists of an open architecture, built-in integration services and open API — hoteliers can centrally connect and share data across all departments, touchpoints, locations (if more than one) and functions, including their gaming operations.

As discussed, suboptimal performance due to outdated IT systems often stems from poor technology integration. A cloud IT foundation consisting of an open architecture, built-in integration services and open API serves to not only optimize technology performance but also to “future-proof” the technology stack, allowing hoteliers to “plug in” future hotel technologies, including Internet of Things (IoT) devices that may not yet be on the market or even on the drawing board.

Moving past the confines of legacy infrastructure, hoteliers today can implement an agile, mobile, data-driven revenue generating technology platform that serves as the foundation for all hotel operations going forward. With a next-generation PMS, they can turbocharge the guest experience, gain unprecedented staff efficiencies and achieve financial outcomes that may not have previously been possible even in the best of times.

Next-generation technologies can drive revenue while creating staff efficiencies.



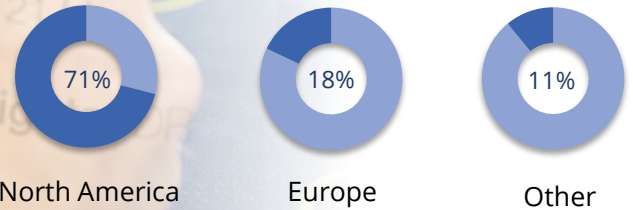
Percent of hoteliers with gaming operations that currently offer slots and/or table games; only 16 percent currently offer sports betting



Research Notes

From November 2021 to February 2022, Starfleet Research conducted an online survey consisting of multiple-choice questions to capture the perspectives of hotel executives, managers and staff at lodging properties with casino / gaming operations. Some of the research findings are highlighted in this publication. A total of 223 qualified survey respondents participated.

Geographic location of survey respondents



About Starfleet Research

Starfleet Research, the IT market research arm of Starfleet Media, provides in-depth perspectives and insights into the hospitality technology. Each year, our Smart Decision Guides benchmark best practices in technology-enabled business initiatives across thousands of hotels and restaurants. We also publish *Hotel Technology News* and *Restaurant Technology News*, which are leading sources of insights and information. Tens of thousands of senior executives read our premium content assets to gain actionable insights and make smarter business decisions.

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About Oracle Hospitality

With more than 40 years of experience and a track record of pioneering industry-specific technology solutions for hotels and resorts, casinos, and cruise lines, Oracle can enhance every facet of hospitality business, including revenue generation, simplifying work for staff, driving efficiency in front-office and back-office operations, and enabling exceptional experiences for guests. Our array of business applications, cloud services, and hardware allow hospitality operators to gain data insights across the entire guest journey, elevate operations and service, and rapidly incorporate innovations to meet new consumer demands – all with the peace of mind of unparalleled data protection.

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