3 Trends That are Shaping the Hospitality Industry

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After a difficult few years, things are beginning to look up for the hospitality industry. Travel bans are lifting. More than 30 million Covid vaccines are administered worldwide each day. Airlines are getting busier by the day.

And while there are several reasons to be optimistic, here are a few that will be defining trends for the industry's future:

Pent-up demand

After almost two years at home, many consumers are eager to get away. Because of high levels of personal savings and credit and loyalty program points, they are willing to splurge.

According to a survey from American Express, 57% of travelers are willing to spend more on a "once-in-a-lifetime" vacation than they were before the pandemic. In addition, nearly half are more likely now to book lodgings that offer luxury experiences and amenities.

Hotels and resorts — many of which closed in the early days of the pandemic or operated at reduced capacities — are more than happy to accommodate them. Some brands are so bullish on luxury travel that they're investing heavily in the market. This summer Hyatt spent $2.7 billion to purchase Apple Leisure Group, doubling the company's global resorts footprint and making it the largest operator of luxury hotels in Mexico and the Caribbean. The acquisition also expanded Hyatt's presence

into 11 new European markets.

There’s even an ultra-high-end hotel that will be opening in space in 2027. The views, in particular, will be out of this world.

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The rise of technology

While technology was becoming an increasingly important part of hospitality before Covid (ex. complimentary wifi or the ability to book easily online) the pandemic took things to the next level.

Now, a hotel’s digital offerings play an important role in attracting guests and enhancing their on-site experience. For example, virtual and augmented reality are increasingly being used to offer tours of properties before booking. This gives prospective guests a view of a hotel’s amenities beyond anything previously available.

User-friendly apps now provide a seamless experience from booking rooms, to reserving services on the property, to checking out. These services are now the industry standard.

The pandemic has also increased consumer appetite for, and familiarity with, contactless service experiences. This allows hotels to digitize some of their standard processes, like check-in or concierge services. As we continue to navigate Covid-19, this could be key to protecting guests and staff from virus exposure.

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An emphasis on sustainability

From groceries and building materials to travel plans, people are making buying decisions based on the impact they will have on the environment. In keeping with this trend, ecotourism is hot. As travelers look to responsibly tour new parts of the world, the hospitality industry will be able to expand to meet the demand — and provide critical dollars to local economies and conservation efforts. Take Gabon, for example, where a series of sustainable luxury lodges are about to make the nation's protected forest-covered terrain more accessible than they have ever been before.

Travelers are also seeking out hotels that operate sustainably. This includes using green building materials, reducing waste and cutting carbon emissions. A new hotel in Copenhagen, for example, built its new facade using recovered materials from its interior demolition. In addition, many cities and countries have made pledges to reach carbon neutrality, which will require businesses to meet new environmentally friendly standards.

2022 will be a defining year in hospitality. These factors, as well as other trends, will drive occupancy volumes and innovations, bringing travelers to new frontiers. And, as both an investor in the space and an avid traveler, I am looking forward to doing my part to help push the industry forward.

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