

# Key trends driving the evolution of the hotel industry

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The hospitality industry was one of the sectors [worst hit](#) by the pandemic. The hotel sub-sector has seen [encouraging](#) recovery across Europe since then.

However, if it is to enjoy continued growth, we need to look at it through a forward-looking lens in the context of the cost of living, rising interest rates, energy prices and the climate crisis. We also need to look at new

ways to deliver outstanding and future-proofed destinations for the more discerning guest, who may also take into consideration the environmental impact of the hotel sector. The industry will have to navigate multiple complexities to ensure resilience. So, what are the major trends influencing the evolution of hotels?

## The power of digital

Fast-advancing digitalisation has changed the way customers interact with brands, with expectations of a convenient, instantaneous and flexible service at the click of a button. Embracing digital innovation is central to creating seamless experiences and enriching the end-to-end user journey.

The ideal experience immerses guests in an exciting new setting yet enables them to engage with the digital journey intuitively. With greater scope to make buildings more intelligent and connected, hotel operators can capitalise on emerging technologies such as voice and digital controls, plug and play solutions such as ports for entertainment streaming, wireless charging and more. An area where digitalisation adds significant value is within Building Management Systems (BMS) for more accurate operational performance monitoring; this is the first step for asset improvement.

## Prioritising sustainability

The environmental factor will remain high on the agenda. According to [CBRE](#), the global hotel industry is above average for CO<sub>2</sub> emissions, and cutting its climate

footprint is an urgent priority. In the UK, this is particularly crucial in light of the government's net zero goals to reduce greenhouse gas emissions by 68% by 2030 and eliminate them by 2050. As awareness grows, hotels are catering to a more climate-conscious clientele, with [more than 80%](#) of people preferring more sustainable accommodation options.

As the built environment strives to make meaningful progress, we have a responsibility to shift attitudes by illustrating to clients that green buildings can also be profitable. A report from the [Sustainable Hospitality Alliance](#) reveals that the cost of constructing a LEED-certified hotel is no more than 2% higher than the cost of constructing a non-green building and, critically, ROI can be improved by around 19% through sustainable measures in existing buildings and 10% for new ones. This can boost the bottom line in the longer term, a key consideration in today's uncertain economic landscape. Additionally, there is a need for more consistent and transparent data-led insights and reporting based on ESG criteria and building usage, which is interlinked with the above digitalisation trend.

### **Tailored and people-centric**

Personalisation will become more vital. That means we will need to adopt a hyper-local approach to ensure hotels have a strong identity that reflects their relationship with their locations and the heritage of the city, through architecture, interior design, materials used and services provided. Guests don't just want a vanilla brand with basic functionality, they increasingly expect the 'experience factor' with unique and memorable experiences that respond to their individual needs. As approximately [86% of consumers](#) seek greater personalisation in hotels, getting it right will lead to higher customer retention, trust, loyalty and satisfaction. Here, too, technology can play a vital role.

When working on the modernisation and refurbishment of the Hilton London Metropole on London's vibrant Edgware Road, HDR put sustainability, technology and people at the heart of the engineering design. For a comfortable 'home-from-home' environment, the team implemented a new BMS to enhance the guest experience. Meanwhile, interiors were inspired by the capital's rich history and technology was used to support deeper customisation, with smart temperature controls allowing guests the freedom to set the ambience of their room ahead of arrival.

As developers seek return on investment and operators aspire to grow their brands, the industry will need to collaborate to deliver holistic new business models. Only then will this sector reach new heights and stay relevant, profitable and, more importantly, socially and environmentally beneficial for years to come.



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