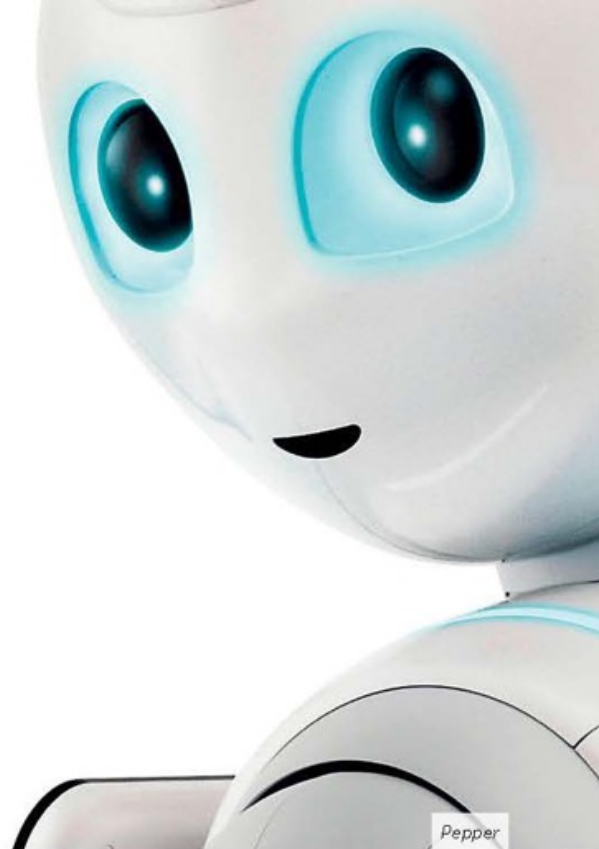


ROBOTICS IN HOSPITALITY

Rev up your RevPar with robots – Hospitality News ME speaks to global experts to find out how



Galen Collins, Ph.D.
Professor and Co-founder
Hospitality Information Technology
Association

According to a 2016 report by the World Economic Forum, robots will not completely replace workers in most occupations in the foreseeable future. Rather, they will perform specific tasks previously carried out as part of existing jobs, leaving employees to focus on new tasks. There is growing evidence that hospitality organizations can achieve an attractive return on investment (ROI) by replacing manual labor with machines. Consequently, employees' social and collaboration skills, such as emotional intelligence, will be in higher demand than narrow technical skills, said Galen Collins, Ph.D., professor at the School of Hotel and Restaurant Management (SHRM) at Northern Arizona University and co-

founder of the Hospitality Information Technology Association.

For robots, gaining these soft skillsets will require advancements in robotic design and artificial intelligence (AI), enabling machines to mimic cognitive functions found in human minds. In the US, robots are providing digital waiting relief services in airports like San Jose International, while Wendy's Burger restaurants are experimenting with humanoids for order intake. In Japan and Belgium, the first robot hotels are opening their doors. At Marriot Gent, Robot Mario is one of the first Digital Assistants in the industry and is able to speak 19 languages and remember the faces of guests for six months. It can welcome guests and provide keys to the rooms.

SOCIAL ROBOTS: GOOD OR BAD?



Eric Wesselman
Partner
KPMG Digital Labor Advisory
Services EMA

A social robot interacts with people using language processing capabilities and animation or natural-looking gestures and movements, according to Eric Wesselman, partner at KPMG Digital Labor Advisory Services EMA. Some social robots are able to make eye contact with their customer and track their faces, thanks to algorithms and software programming. These robots may read emotions, guess a customer's age and estimate their mood. Softbank's Pepper robot is known for this feature and is considered the leader of the pack of social robots. It looks inviting, which is seen as an important factor in the hospitality business. The social robot will be linked to the company's computer network with

some sort of AI attached to it, allowing it to learn from previous conversations and use real-time data from the front and back office process flows to manage the expectations of customers.

BILL GATES TO TAX AUTOMATION

Robots have at least one unfair advantage over human workers: they do not pay income tax. Bill Gates, co-founder of Microsoft, suggested taxing companies using robots. Money should be used to retrain people replaced by machines.

ft.com

CHAT WITH THE MAKER



Steve Cousins
CEO and Founder
Savioke

Hospitality is one of the first industries to deploy robots that interact directly with the public. Here is what one of the makers had to say.

1. How do you believe the world is embracing robotics, and how is the hospitality industry using it?

Robots are becoming more common as powerful sensors, chips and software are now low cost enough to produce autonomous robots used in multiple industries. However, hospitality is one of the first industries to deploy robots that interact directly with the public. Savioke's autonomous delivery robot, Relay, is already in use in dozens of hotels worldwide, including Hilton, Marriott, Intercontinental and Starwood, among

“Hospitality is one of the first industries to deploy robots that interact directly with the public”

others, as well as some apartment buildings. It will soon appear in hospitals, office buildings and industrial facilities, to name a few. Hotels use Relay to deliver goods to guest rooms, including towels, drinks, snacks, meals, gifts, personal care items and more. Relay even delivers balloons and cakes to guests on their birthdays. It can even take elevators on its own, navigate complex floor plans



and has powerful sensors to ensure it operates safely, even in the most crowded locations. Relay robots have made nearly 100,000 successful deliveries in hotels since 2014.

2. What are the advantages and the disadvantages of having a robot in a hospitality establishment?

Robots, such as Relay, increase hotel revenue, improve guest experience and boost employee productivity. Guests enjoy the security and speed of Relay deliveries. They love interacting with Relay and post many positive reviews about it, boosting word of mouth for the hotels that use him. Many consumers will go out of their way to stay at a hotel with a Relay and some hotels even have ‘robot specials’ where a special delivery is included in the room rate. Hotels have actually increased occupancy because of Relay. In addition, we are seeing an incremental revenue increase through more sales of snacks and other items. Relay replaces, and surpasses minibar income for most hotels that use it. Hotels often charge a service fee for each delivery, which adds to the profitability of the robot. A Relay delivery robot frees up approximately five hours of staff members’ time each day to pay more attention to guest needs.

3. What are the financial returns?

Hotels that use Relay robots report increases in incremental revenue from item sales, a boost in occupancy rates due to guest interest in interacting with the robots and an increase in revenue per available room (RevPAR) due to increased occupancy. They sometimes also charge about USD 2 per delivery, generating a new revenue stream. For example, Residence Inn by Marriott LAX/Century Blvd, reported a 0.5 percent increase in RevPAR attributable directly to Relay, after one year of operating the robot. The property also reported an average USD 1,700 increase in incremental revenue/month, in addition to a surge in occupancy and repeat business, requiring new staff hires. Relay robot is a robot-as-a-service that rents for about USD 2000 a month. That includes installation, training and 24/7/365 monitoring and call center support.

4. Where do you see this technology heading?

Relay is not yet in any hotels in the Middle East, but several robots are deployed in an industrial setting in Dubai. We expect Relay to roll out in some Middle East hotels in the near future.

