



Navigating  
Guest Expectations  
into 2023

# Traveler Sentiment: Future Travel is Tentative

Travel experienced a considerable upswing in 2022. Guests are getting comfortable staying in hotels again, and this past Labor Day weekend, the TSA<sup>1</sup> reported travel numbers topped pre-pandemic levels for the first time in over two years.

However, this increase in travel comes with a big “for now” stamp, as rising inflation continues to increase prices everywhere. While the government has yet to announce an official recession, concern is already evident in traveler sentiment. Pent-up demand for traveling has positioned many travelers to cut back on their spending to maintain travel plans, but 72%<sup>2</sup> say they will cut back on travel overall if high inflation continues.

Solonis set out to better understand traveler sentiment, conducting independent research and surveying travelers about their outlook on leisure travel and plans for future trips in 2023. We then expanded our research to include consumer and business data from across the travel industry to glean further insights into the coming year’s predicted travel trends. Among our findings, our survey found that only around 41% of guests expect their travel desire to remain the same.

Guest expectations are of the utmost importance when it comes to hospitality. As the travel industry continues to recover and adapt, hoteliers find themselves navigating changing expectations while also navigating shortfalls in technology, a labor shortage, and rising prices. But expectations are not as cut and dry as they seem. In this State of the Industry Report, we will examine the twists and turns that come with deciphering and adhering to guest expectations.

## Topics covered include:

- Expectations frequently change
- There are different types of expectations
- Different guests have different expectations



Our data revealed that today’s travel sentiment is as nuanced and individualized as the properties we serve. Consumers are operating based on comfort level, which is entirely personal. Looking ahead to 2023, we don’t expect a one-size-fits-all approach to catering to travelers.

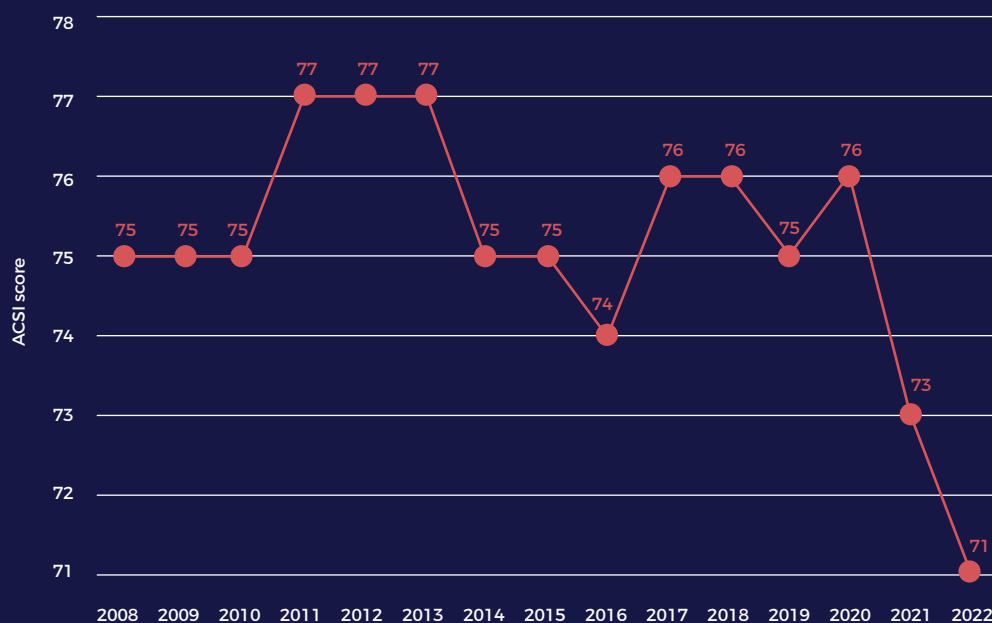
Frederic Dominion, Chief Revenue Officer at Solonis



# Expectations are a Moving Target

Despite the best efforts of hoteliers, guest expectations rise and fall from year to year. This fluctuation is because guests are not solely influenced by hotel experience, but also by external factors. According to the J.D. Power 2022 North America Hotel Guest Satisfaction Index<sup>4</sup>, guest satisfaction has fallen 8 points since 2021, despite rising bookings and an influx of travel. According to the study, this fall in satisfaction correlates with rising room rates. During the study period, June 2021 through May 2022, the ADR of branded hotels rose **34.8%**.

**American Customer Satisfaction Index Scores for North American Hotels**



# Average Daily Rate increased by 34.8% from June 2021 to May 2022

The rate hikes are a mix of surging demand, a strained labor market, rising business costs, and inflation. However, from the customer perspective, they are paying significantly more for little to no change in service. Increased costs raise scrutiny of even the tiniest details and make the guest liable to have a poor experience.

## What Hotels Can Do

**Paying extra attention to small details can help. They are low cost but have a significant impact.**

- Offer a complimentary gift at check-in
- Partner with local businesses to provide unique services and experiences
- Use your CRM software to leverage guest information for a more personalized experience

**Keep a pulse on guest satisfaction through frequent communications and feedback surveys.**

- Communicate with guests before their stay with important information about their upcoming reservation
- Encourage guests to fill out feedback surveys by offering a discount on additional services or the chance to win a gift card



# Don't Forgo Expectations for Trends

Guest behavior is shifting towards trends like contactless technology and sustainability efforts, and hotels are responding in kind. Following guest trends is a great way to maintain relevancy, build customer loyalty and improve booking numbers. Guest trends can also be a solid long-term investment, as they have historically indicated shifts in guest expectations.

## Rising Guest Trends

**38%**

of guests prefer contactless payments and check-in

**64.85%**

of guests expressed positivity towards sustainability efforts

## Industry Response

**74%**

of hotels plan to or are offering contactless payments<sup>5</sup>

**30%**

of global room availability belongs to Sustainable Hospitality Alliance

However, hoteliers must remember that trends are also nuanced and gradual. For example, while over half of our survey respondents showed positive sentiment toward sustainable hotel initiatives, the majority selected,



Sustainability efforts are nice to see, but not the defining factor in my travel choices.

# When planning a leisure trip, what is the most challenging?

Before investing in new trends, hoteliers should ensure they meet the basics first. As the pandemic has leveled off, old industry pain points are beginning to resurface. When asked what the biggest challenge was when planning a trip, the top answer was making a reservation at **34.95%**.

## What Hotels Can Do

- Prioritize investing in core service technologies such as reservation management systems and online booking engines first.
- Investigate the growth of trends within core guest segments to better gauge the need for investment.





# Optimize Expectations with Options

Younger guests tend to adopt trends more quickly than older ones, especially around technology. This accelerated adoption leads to younger guests forming new expectations well ahead of older segments.

This leaves hotels in the position of needing to cater to the expectations of both generations. The best way to do that is to provide guests with options.

## What Hotels Can Do

- Allow guests to opt in or out of new trends when possible.
- Install self-check-in kiosks or enable mobile reservations for more technically savvy guests.
- Allow guests to opt-in to more frequent housekeeping and linen changes.



# Forecasting

Guests are thrilled to be traveling again after such a long pause. However, while their desire to go remains high, rising room rates and inflation threaten to send some packing. To keep guests happy, hotels must navigate increased scrutiny over service and accommodations while striking a balance between investing in rising trends and maintaining existing expectations.

# About Solonis

Solonis is a modern, cloud-based property management system built for the hotel industry. The first brand expansion of RMS North America, Solonis was crafted by a team of hospitality and business intelligence professionals with more than 35 years in the industry and helps property owners increase occupancy, enhance guest experience, and optimize revenue.

To learn more, visit [solonis.com](https://solonis.com).

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