



Kiosk check-in/check-out technology finally hits home for hotel guests

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There is a new trend emerging in the hotel industry. Although not predominant yet, ATM style check-in/check-out kiosks are finding their way into hotel lobbies. Most major hotel chains have test sites in one or two of their hotels or are planning to test them in the near future. These self-service systems can manage basic tasks such as handle check-ins and check-outs, assign rooms to guests, encode keycards, check for messages and guest mail, and print registration cards and guest folio statements. More sophisticated systems update guest folios, let guests book airline flights, and much more. However, front desk managers have many questions that must be addressed: Are ATM style kiosks affordable? How are they maintained? And most importantly – will guests welcome them?

Are kiosks affordable?

There are different aspects to contemplate before determining affordability. First to be considered is the constant need for front office personnel. Staff turnover is very high in the hospitality industry and the Front Desk is no exception. The kiosk would be a very reliable alternative, filling in during very busy times in the beginning and increasing productivity during the day. Many hotel operators would welcome such an alternative. When impatiently waiting guests are lined up at the Front Desk because there is no additional staff to accommodate peak times, can a hotel afford not to use these kiosks?

Next to be considered is the bottom line. Can ATM-style kiosks actually be self-sufficient or even save money? From past history we know that technology reduces the need for labor for a product; however, the trade-off is that new jobs are created in the new industry. The cost of the average kiosk is between \$10,000 and \$20,000. For the purpose of this example, the mean of \$15,000 per unit will be used. This is just 85% of the average front desk clerk's annual wage of \$17,500. There would be almost no labor savings in the first year of use because customers would need instruction to use this new product. However, bank and airline ATM's were quickly accepted by customers; hence, it is reasonable to assume that kiosks could soon become the norm in hotel lobbies as well. If each unit were amortized over three years, with a productivity of half-staff, there would be cost savings. The four-year breakdown of these savings would be as follows, illustrated at the average unit rate of \$15,000 for acquisition.

Pictured below: Touted as the most flexible kiosk of its kind, Sheraton Speed Check offers guests the ability to receive messages, additional room keys and upgrades, change room type, and view, print and e-mail personal folios, in addition to check-in and check-out.



Per kiosk	Year 1	Year 2	Year 3	Year 4	Totals
Kiosk cost	(\$5,000)	(\$5,000)	(\$5,000)	\$ 0	(\$15,000)
Staff savings	\$ 0	\$8,750	\$8,750	\$ 8,750	\$26,250
Annual (loss)/savings	(\$5,000)	\$3,750	\$3,750	\$ 8,750	\$11,250
Cumulative (loss)/savings	(\$5,000)	(\$1,250)	\$2,500	\$11,250	

Note: ½ staff = 1000 labor hours = 2.75 hrs/per day over one year. No staff savings in first year is realized, as guests will need instruction and time to acclimate to the new system. Staff would be reassigned to assist them. Any reduction in employee benefits due to reduced full-time front desk personnel would be used to offset routine maintenance, supply, and energy costs associated with operating the kiosk.

Are kiosks easy to maintain?

Although the units come in all shapes and sizes, the majority are freestanding four-foot tall units. Unlike the original kiosks, today's technology is much more advanced. Strategic alliances are formed between manufacturers and software providers to ensure a high level of service and user friendliness. This includes maintainability. Today's units are linked to the Front Desk and transmit an instant message when something needs to be replenished. Key cards, paper, and ink are usually the only supplies that need to be refilled and this process is very easy to complete. Software can be accessed through the Front Desk, and hardware is very low maintenance. Most kiosks work well between temperatures of 32 degrees and 140 degrees Fahrenheit and humidity levels up to 90 percent. Some kiosks are designed with impact resistant touch screens and waterproof keyboards, making them almost vandal proof.

Are guests welcoming kiosks?

Major hotels began testing these units in the mid-1990s and concluded that customers were not yet ready to use them, mainly because of immature technology. However, test results now show higher levels of acceptance, with some test areas reporting 5-20% usage. It is believed that airlines introduced kiosks to reduce staff and that this technology saved up to 30% on labor costs in the ticket area. Hotels and airlines share many of the same customers, with the business traveler the main consumer.

But clearly, today the technology is beginning to take hold in hotel lobbies and continues to become a main point of focus for full-service chain hotels. In September 2003, Hilton Hotels Corporation announced plans to pilot test self-service kiosks at two of its larger properties, the Hilton New York in Manhattan and the Hilton Chicago. In April 2004, Starwood Lodging rolled out its kiosk concept with the unveiling of Sheraton Speed Check at its Sheraton flagship hotel, the newly renovated Sheraton New York Hotel & Towers in midtown Manhattan. NCR Corporation announced in June 2004 that Marriott International, Inc. is piloting the NCR EasyPoint Xpress Check-In solution in three Marriott properties, allowing guests the option to bypass the front desk and check in or out without waiting in line.

Pictured below: Expect ATM-style kiosks such as Fairmont Hotels & Resorts' Express Check to become a common fixture in full-service hotel lobbies.

Why switch?

Consider the reasons people would switch to this new technology. A 2002 study by Vanderbilt University showed more than 50% of respondents indicated a preference to use self-service check-in kiosks. Line-ups at the Front Desk convey immediate stress, and this is not a hospitable environment. Clearly, guests perceive lines for check-in and check-out as an aggravation. And in today's age of diminished profits and super-tight operational budgets, some Front Desk personnel are overworked and may not always handle stressful or busy situations appropriately.

Very precious to business travelers and even more important than money, time is a factor second only to security issues. Technology needs to be user-friendly, and the newer versions use simple touch screen instructions. As a means of identification, customers simply swipe their credit card or frequent guest card. This can be viewed as an improvement to guest services because there is no waiting; the customer is in control of his/her time. Frequent travelers are increasingly users of sophisticated technology such as cell-phones, PDA's, and other wireless communication devices. Kiosks are, or will be, a regular part of their life.



The units are also very quick, processing information in split seconds and then printing out receipts in a 3.5" version, or if preferred, a more official 8.5" version. Key encoding and distribution is quick as well. When offered as a self-serve option and not mandatory, customers would feel less pressured and more likely to use these kiosks. If perceived as a value added service, guest self-empowerment and satisfaction will be increased. And if hotel affinity programs follow suit with airlines, it is not unreasonable to expect that guests may be rewarded with additional frequent stay points/miles for opting to use self-service kiosks when arriving or departing from hotels.

The front desk remains

Yet, it is recognized that some guests may opt not to embrace this new technology. Some guests may prefer to interact with a live person rather than through an automated service. Those customers need not be worried about losing personal service. Employees will continue to staff the front desk and be in place to assist customers that would prefer service in a more personal atmosphere.

Kiosks are indeed the trend of the future until newer technology is developed. They are affordable, can decrease labor costs, are very easy to maintain, and there are many reasons customers might opt to use them. In regards to technological developments, many visionaries in the industry believe ATM-style kiosks are forerunners for more sophisticated technology advances for check-in/check-out and other services. A future article in TRC will focus on such devices as PDA's and cell phones and their future role as part of the self-check in/check out process. ✧

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