

A STUDY OF THE JOINT RESEARCH PROJECT FUTUREHOTEL

# **FUTUREHOTEL – POST CORONA HOTEL ERA**

THE INFLUENCE OF CURRENT TRENDS ON THE HOTEL OF THE FUTURE  
AND ITS USER GROUPS



**FutureHotel**

FRAUNHOFER INSTITUTE FOR INDUSTRIAL ENGINEERING IAO

# **FUTUREHOTEL – POST CORONA HOTEL ERA**

## The Influence of Current Trends on the Hotel of the Future and its User Groups

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## 1.1 How and Why the Hotel Ecosystem is Changing

The world is changing at an unprecedented rate. Climate change is accelerating which presents us with ever greater challenges due to changing environmental conditions. Factors such as globalization, the development of new technologies and the emergence of new social systems demand innovative approaches towards solutions. In addition, the fundamental changes in all areas of life can currently only be predicted to a limited extent. In order to face the difficult tasks of a complex future, it is necessary to deal with the ecological, economic, political and social changes.

Due to the close interrelationships between the various factors of change in a complex ecosystem of the future, many factors such as the changes in the office and working world, as well as new forms and cultures of mobility, also have a significant impact on the hotel industry. Tourism activities are increasingly characterized by new user-specific requirements, such as the growing desire for individual and diverse offers, as well as political constraints. In addition, more and more hotel operators see themselves as drivers of a social and ecological market economy. In the future, it can be assumed that the image of classic tourist destinations will change just as much as the highly simplified user group of tourists. Both the leisure and business travel industries will have to find creative and innovative solutions to remain viable in the long term. Trends such as workations also illustrate the dissolution of previously fixed structures and categories and shows the strong urge for flexible adaptable models. In order to understand the context of the current changes and to obtain a holistic picture, the FutureHotel Innovation Network ([www.futurehotel.de](http://www.futurehotel.de)) started its 7<sup>th</sup> project phase in 2022 with research on the impact of current trends and developments on the hotel industry and its ecosystem. The examination and classification of trends serves as a basis for identifying the biggest drivers of change in the economy and society as well as their influence on the hotel landscape.

This white paper is part of a series consisting of three elements. The first paper addresses current changes and their impact on hotels. The subsequent papers each focus on trends in more detail: The changes in business travel and events (MICE industry) and the emergence of coworking spaces and community living in the context of societal changes.

## 1.2 The FutureHotel Innovation Network

The content of this white paper has been developed within the framework of the FutureHotel Innovation Network, based on research, many years of experience in the conjoint project, and intensive regular exchanges with research partners who are experts and representatives of the hotel industry. The FutureHotel Innovation Network is led by Fraunhofer IAO in Stuttgart and is currently

in its seventh research phase. Founded in 2008, FutureHotel is known as a leading think tank and innovation laboratory for the research and development of future-proof hotel solutions. For more than 10 years, the network of experts has been conducting research on topics such as the hotel room of the future, current and future guest requirements, the new working world in the hotel, the use and potential of technology in the hotel industry, innovative concepts for the use of space, as well as business models for the hotel industry. Excerpts and findings from the diverse research project are listed at [www.futurehotel.de](http://www.futurehotel.de).

Future-proof hotel concepts are being developed as part of the FutureHotel Innovation Network. The starting point is a trend map, which provides information about current future trends in all areas of life. This examination and classification of trends serves as a basis for identifying the biggest drivers of change in the economy and society as well as their influence on the future hotel landscape.

The following whitepaper is the first in the »FutureHotel - Post Corona Hotel Era« series. It focuses on general trends and developments in all in all ten different trend fields.

### WHAT ARE THE TRENDS?

To identify future trends, ten fields of action were defined in a first step and trend movements have been analyzed in each field of action. This clustering allows a detailed examination of different areas of life and a deepening discussion of the influences on the hotel landscape of the future. The fields of action are depicted in the following graphic:



Fig. 1: Fields of action in the FutureHotel Trend Map

### WHAT IS THE FUTURE HOTEL LANDSCAPE?

Based on the fields of action, generally applicable social trends and developments have been analyzed and are presented later in this paper. In summary, it can be stated that major changes result in complex transformations with different dependencies. These in turn also influence the hotel industry to a great extent. The general trends form the basis for the identification of changes in the hotel landscape, which is fundamental for the development of new innovative solutions and concepts. In this white paper, as well as in the following papers, hotel concepts are considered holistically, and the trends are applied to all hotel sectors.

## 2.1 Mobility & Logistics



Due to restrictions and regulations on mobility during the COVID-19-pandemic, the means of commuting and traveling were subject to different changes. Commuter mobility and business trips were largely replaced by home office and virtual communication. Positive attributes, such as time and economic benefits as well as the reduction of the personal CO<sub>2</sub> footprint, were increasingly appreciated. This change could be described as the

beginning of virtual mobility, which will remain in the future. The establishment of new technologies and the interconnection of individual mobility strands to form a compact network that supports this general change in mobility.

One result of the change of mobility culture during the pandemic is the increased use in modes of micro-mobility such as walking, cycling and taking one's own car as the main means of transportation, even after the pandemic. Especially the bicycle has seen a great rise in popularity. It can be assumed that city dwellers in particular will continue to use their bicycles to commute to the workplace or leisure activities more often than before the pandemic. A consequence of this is increased demand for measures taken by local authorities to enhance riding bicycles in urban environments, including a long-term integration of pop-up bicycle lanes. Additionally, there has been an increase in the use of multimodal (i.e., different means of transportation for different routes) and intermodal mobility (i.e., combining modes of transportation for one route). This trend can be noticed especially among young city dwellers.<sup>1</sup>

These trends emphasize the growing need for flexible means of mobility, which has implications for hotels, as this need for flexible, personal travel forces hotels to provide personalized transportation for the individual's "micro-adventure". Furthermore, the journey itself has become more important as mobility means time for relaxation, work or knowledge enhancement.<sup>2</sup>

<sup>1</sup> Abduljabbar et al., 2021: 2

<sup>2</sup> Matyas, 2020: 2

## THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE MOBILITY FIELD OF ACTION

- To promote a **holistic and seamless travel experience**, the arrival as well as the departure should be user-friendly and co-designed to be sophisticated.
- Multimodal mobility: Mobility hubs should be considered inside or around a hotel to guarantee easy access to guests and employees.
- E-mobility infrastructure and services should be provided.
- Services for the last mile – how to easily approach the hotel from the airport, the train station or the parking lot should be offered. Micro-mobility solutions: Providing **e-scooters, bicycles** has become more important.
- Incentives such as discounted **public transport tickets** could be offered to support sustainable mobility.
- **Attributed based booking**: Hotel rooms could be equipped with extra services, especially for the target group of micro-mobility lovers.
- **Green mobility**: Programs for the compensation of mobility-based CO<sub>2</sub> emissions could be joined.
- **Reconsidering logistics and infrastructure** inside hotels and within the ecosystem of suppliers.
- Supporting **virtual mobility** e.g., substitution of certain journeys.
- Online booking opportunity and **mobile payment solution** for all means of transport (interoperability of systems).

### CHANCES

More **sustainable travel** through tracking and real-time analytics (traffic congestion displays, etc.)

Increasing **user comfort** during arrival and departure through seamless and frictionless travel solutions

Travel time can be designed as an **experience**

### CHALLENGES

**High investment costs** for the integration of new forms of mobility (e-scooters, e-charging stations, etc.)

**Technological prerequisites** for implementing new forms of mobility in hotels not yet available in some cases

Connection to **rural areas difficult** to implement, i.e. hotels in rural regions may not benefit at all or only at a very late stage

## 2.2 Habitat & Real Estate



Our habitat is changing increasingly due, on the one hand, to changing environmental conditions, e.g., climatic changes such as heavy rainfall and floods, heatwaves and droughts, etc., and, on the other hand, due to social change. The ecosystem habitat is influenced by many different movements. It is strongly related to trend movements in the field of action mobility, as well as trends in society: Regional focus with urban retreats to rural areas, self-sufficient self-catering

lifestyle and an increase in regional economic areas (glocalization) are gaining in importance while mega-urban areas with a high population density are also emerging.<sup>1</sup>

In order to generate a sustainable livable environment for residents, urban spaces must transform and adapt to changing conditions. In particular, the transformation to a sustainable and environmentally protective space with resource-conserving processes currently plays a central role in shaping the city of tomorrow. Current trends indicate that cities are trying to achieve that goal with the smart redensification of natural areas, making urban districts more self-sufficient while making use of local energy sources.

Additionally, mobility is becoming less individual and more a service. Cars are being pushed to the outskirts of cities, making the possession of one less viable. The mobility of tomorrow is taking place in coordinated networks of a multitude of different transportation modes. To make this and other objectives as

<sup>1</sup> afry, Future Cities Survey, 2021

efficient as possible, the city needs to become smarter and evolve into a digitally networked smart city.

Lastly, the structure of cities is changing as well. Instead of small blocks with unstructured access to certain goods and services, city districts are evolving into superblocks, where all the important day-to-day services are reachable in 15 minutes or less by foot or bicycle. In addition to decentralization and the increase in the importance of neighborhood centers, the requirements for living spaces and residential quarters are also changing, for example: Single households will increase in the future, as will the need for new forms of shared living, e.g., coliving and serviced apartments, as well as flexible, modular living spaces with a high sharing ratio. Staff housing is another topic of upcoming demand since many urban areas are too expensive for making a living. It is necessary for employers to provide appropriate accommodation.<sup>1</sup>

### THE EFFECT OF TREND MOVEMENTS ON THE FUTURE HOTEL LANDSCAPE IN THE HABITAT & REAL ESTATE FIELD OF ACTION

- The hotel industry will also play an important role for the neighborhood in the design of new meeting rooms in districts and will become a **cultural hub**.
- Hotels will become **community centers**, exhibition and event areas, i.e., a place with several functions.
- Sustainability in construction, planning and operation will play a key role, e.g., **circular economy**, recycling, reuse, cradle to cradle.
- Green and blue infrastructure: As with city and nature, **hotel and nature** will also find a **new symbiosis** and complement each other, e.g., animal-aided design, biophilic design, community gardening, vertical and horizontal farming.
- Hotels will become **adaptable and flexible**. Their spatial structure and range of services can be quickly adapted according to social needs.
- **Employee accommodation** will become a crucial factor for employer branding and staff recruiting.
- **New lifestyles and living styles** lead to new demands for spatial design and services.

<sup>1</sup> Rueda, 2018: 141

## CHANCES

The structure of hotels will be more **flexible and adaptable** in the future, so they can govern easier and faster (agile building)

Hotels become a **meeting place** for the neighborhood and contribute significantly to the togetherness (social impact)

Hotels become **creative community clusters** with space for art and culture

Hotels form a new symbiosis between nature and the built environment (Circular Economy / **Building bionic**)

## CHALLENGES

Current **shortage of skilled workers** in the construction industry, shortage of materials and rising gas prices

**Uncertainties** lead to numerous suspensions of construction projects and the risk of entering new, innovative ideas

If hotel areas are partially opened to the neighborhood: **potential for conflict** between hotel guests, employees and the neighborhood

**High investment costs** in the implementation of flexible structures and multifunctional locations (especially in concept development)

## 2.3 Sustainability & Responsibility



The topic of sustainability is becoming increasingly important for the corporate world. Global warming and the climate crisis make a positive environmental balance incredibly important. Therefore, the pressure for sustainability and corporate social sustainability has arisen for companies. Sustainability has become a corporate advantage and a deciding factor in employer selection. Especially younger generations pay a lot of attention to the green potential of corporate businesses. The so-called "generation global" is critical of consumerism and advocates a globally connected community with a more sustainable and equitable economy and society. The new awareness of sustainable action promotes the development of new innovations. For example, the trend movement of DIY (Do it yourself) with a new culture of preserving, developing and manufacturing individual products. Or the growing interest in green tech developments in the field of new technologies and digitalization.

In particular, the current gas crisis, which is closely related to sustainability issues, is influencing the way society thinks and acts. In the hotel industry, too, questions about the sharp rise in gas prices, the associated surcharges and the effect on guests are playing a major role.

## THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE SUSTAINABILITY & RESPONSIBILITY FIELD OF ACTION

Current Trends Influencing the Hotel Industry

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- **Energy consumption** needs to be reduced as much as possible, from consumption to presumption, from usage to production.
- **Nature-based solutions** in real estate and **bioeconomy** need to be embraced.
- The **CO<sub>2</sub> consumption** of a hotel is disclosed to guests. This influences travelers in their **choice of hotel**.
- Companies now only book hotels for their employees if the hotel provider acts in a **climate-neutral manner**.
- **Social impact** means social and ecological sustainability are becoming increasingly important. The hotel of the future sees itself as a pioneer in protecting the environment and society.
- **CSR** (Corporate Social Responsibility) leads to the necessity of having an individual approach and strategy for every hotel business.
- **Value and purpose-based management** becomes essential for success.

### CHANCES

**Value and purpose based management** becomes essential for success of hotels

**Reduction of CO<sub>2</sub> emissions** from hotels and a new awareness of the consumption of finite resources (energy use, consumption of food, etc.)

Development of **green nudging systems** to support sustainable guest behavior.

Improvement of **working conditions** due to a new awareness of the importance of their own employees

Development of **nature-based solutions**

### CHALLENGES

**No uniform standards** for awarding sustainable hotels, means no overview and **greenwashing danger**

**High investment costs** when converting hotels to sustainable, climate-neutral hotel concepts

Interference with hotel guests' behavior could be seen as an **invasion of privacy** and encourage guests to act in the opposite direction

## 2.4 New Working World & MICE



The new framework conditions lead to spatial and temporal autonomy - with the help of digital tools and mobile devices, work can now often be pursued regardless of location. Even after the pandemic, it can be assumed that the proportion of time spent in the home office or at other work locations such as co-working spaces will remain high. This development will drive the emergence of so-called "third places," places of work in urban spaces, and lead to a new dynamic. Workation and working in co-living communities will no longer be an exception but will become an integral part of the working world.<sup>1</sup>

This also means that company locations will change in the long term. The work locations currently offered at a company site often no longer match user requirements. Since informal exchange and joint creative work cannot be mapped virtually, the office of tomorrow must, above all, provide communication and meeting platforms for interpersonal interaction.<sup>2</sup>

The event industry, especially with its focus on business events, is also affected by the change. The proportion of hybrid and purely virtual events has increased sharply in recent years. It can be assumed that hybrid events will continue to make up a significant proportion of all events on offer after the pandemic. Since this gives attendees an alternative to the physical presence, on-site events must find their strength in providing emotional experiences. This can be achieved, for example, by moving events to authentic, creative locations, for example, pop-up event spaces in city centers, in former industrial halls, etc. Cooperation with regional providers is also becoming increasingly important. Uniqueness is the focus here. The high number of hybrid events on offer also increases the demand for new competence profiles, including digital competencies but also expertise in transferring emotionality from the real to the virtual space.

The merging of work and private life at all levels, especially among office and knowledge workers, will also have a lasting impact on the hotel industry. Because of the new office and working world, the tourist of tomorrow will be more similar to digital nomads than to the classic user description.

<sup>1</sup> Hofmann et al., 2020: 6

<sup>2</sup> Hofmann et al., 2020: 13

## THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE NEW WORKING WORLD & MICE FIELD OF ACTION

Current Trends Influencing the Hotel Industry

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- Trends such as **workations**, the linking of free time and work on vacation, will continue to increase. This changes the user requirements in hotels.
- The role of the hotel provider as a matchmaker is becoming increasingly important, especially concerning workcations or business travel. The focus is on the **emotional experience**.
- **Coworking** is a growing trend. Upcoming brands are beginning to differentiate their offers depending on market segments, their target groups/ locations.
- The need for **serviced apartments and coliving structures** with community areas will continue to increase and change hotel building concepts.
- In addition to the provision of infrastructure, the proportion of events and experiences in the hotel industry will increase. Workation travelers in particular need **soft services**.
- **The MICE industry** is changing: Hybrid meetings are the new normal. Hotel meeting rooms need new technical equipment and rooms for creativity

### 2.5 Society & Individuals



The lifestyles of society are increasingly characterized by high diversity and hyper-individualization. Human diversity in various dimensions is valued and consciously promoted as social potential, and generational diversity leads to success through different values, experiences and attitudes. The different life models also open up living communities: In addition to the traditional family, other community models are increasingly being formed. These are known as neo-tribes, which are formed mainly in

urban areas where different cultures and value systems come together.<sup>1</sup> At the same time, a shift towards a digital society has begun. Especially since the pandemic, social life has become more digital and the amount of time on digital

<sup>1</sup> Hardy et al., 2018: 1

devices has increased. However, awareness about possible addictive tendencies has also grown. Because of this, a new trend has emerged: Detox from the digital world. Mindfulness, especially regarding the digital world has become necessary for a healthy mind-body balance. Digital detox retreats are becoming essential in a digitalized society. In the last few decades, spirituality in relation to tourism has become more popular. People are searching for alternative lifestyles and spiritual experiences. Hotels need to take on people's longing for spirituality as well as the growing movement of detoxing from virtual reality and alongside the increase in mindfulness.<sup>1</sup>

## THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE SOCIETY & INDIVIDUALS FIELD OF ACTION

- Spirituality is taking on a high priority in society. Hotels are becoming oases of tranquility, **digital detox zones, mindfulness camps**.
- User requirements for hotels are increasing rapidly and becoming diverse. A **personalization** of the offers is required. In the same time, a limitation or focus on the most valued service demands is essential to react economically on the increase in diversity.
- The importance of **specifying your own target group** and linear alignment as well as thematically deep improvement is increasing.
- Due to the increasing number of singles and the later commitment of individuals, the need for **single trips with new services** is increasing.
- **Employees** want to be treated as **individuals** with support for their specific lifestyles.

### CHANCES

Great development potential for individual and **singles travel**, forming a **new target group**

Innovative, **new concepts** for single travelers, (e.g. special events, single rooms, design of gastronomic facilities with single tables or large group table

**New add-ons** due to the urge for **spirituality**, digital detox and health awareness

**Development of co-spaces** with shared usable areas and thus improved space utilization or efficiency

### CHALLENGES

**Pluralization of lifestyles** also means individual requirements in the travel industry, which are associated with additional effort in **planning and management**

In the future, hotels will no longer be able to cover all the needs of the target groups and may have to **specialize**.

More complicated, **complex processes** mean extra work for hotel staff

<sup>1</sup> Digitalstudie Postbank, 2021

## 2.6 Market & Competition



The pandemic had a tremendous impact on the job market related to the hotel industry. In Germany alone, approximately 325,000 skilled workers changed the industry they worked in.<sup>1</sup> Additionally, the changes seen in the broader society impact the demands of the workforce as well. The need for more flexibility and individualized working environments translates into growing demands on space, time and content flexibility. Furthermore,

changes in the importance of socio-political values have led to the demand on employers that they take a stance in topics like sustainability and diversity. This is additionally linked to the majority of employees placing more relevance on the external image of an employer as well as the corporate culture of a company. The sustainability efforts of firms are especially important for younger generations flowing into the workforce, as they not only demand changes made in the political framework, but also by companies. This means that employers need to react to future changes in values of employees, not just in terms of language but also actions, to stay competitive on the job market.

Another growing trend in the market is the sharing economy. As the need to own goods themselves has reduced, many items have become shared goods. This change is especially pronounced in the mobility sector, with the rise of carsharing, e-scooters and shared bicycles, combined with less priority placed on a privately owned car as a status symbol. This transformation has opened other markets as individuals have to know the sharing economy. In the future, more options for goods and services will become permanently available for consumers and all needs can be covered all the time. This demands a high degree of flexibility from service providers such as hotels.<sup>2</sup>

<sup>1</sup> mrp Hotels, 2021

<sup>2</sup> Schor & Vallas, 2021: 374

## THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE MARKET & COMPETITION FIELD OF ACTION

Current Trends Influencing the Hotel Industry

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- The hotel industry also benefits from the **sharing model**. New usage symbioses are emerging: Thanks to the platform economy, hotel rooms can also be used temporarily, e.g., as workspaces, and community areas.
- Sharing platforms are also finding their way into internal hotel operations: Many hotels are **offering their staff**, as well as their spatial infrastructure, to each other on digital platforms.
- The **war for talent** and professionals continues to escalate in the hospitality industry. The introduction of **new corporate cultures** to increase employee motivation and improve the working environment is necessary.

### CHANCES

**New business models** and digital platforms due to the increasing attention of sharing economy models

**Sharing of resources leads** to improved utilization, for example by temporarily adding employees (networking platforms) or improved space efficiency through new space marketing concepts

Establishment of **new corporate cultures** in the hotel industry combined with an increase in the working conditions of hotel staff (4-day week, special benefits, improved work-life balance, etc.)

### CHALLENGES

Current **shortage of skilled workers** burdens the hotel industry in all areas and leads in part to significant challenges and risks

## 2.7 Political Framework Conditions & Economy



Political conditions have a decisive influence on our social and economic activities. Especially during the Corona pandemic, new strict regulations presented limits to trade for many companies and institutions as well as individuals.

The COVID-19 pandemic and, the measures implemented to fight it, introduced a new kind of uncertainty. Highly differing and changing hygiene regulations from one state to another showed that travelling is always a subject to the political framework of the travel destination. Tourists often need to adapt to regulations and restrictions, and the dynamic of the pandemic proved to be a difficult factor to account for when planning a trip abroad. Political aspects need to be accounted for and hotels need to adapt their hygiene measures to be able to react accordingly to future regulations determined by the state. This includes training staff to a high degree of hygiene standards and having a stockpile of appropriate hygiene products, such as masks, ready for when hygiene regulations change. This is to make sure, that a hotel can operate through increasingly uncertain times even after the COVID-19 pandemic.

Another regulatory framework that has been implemented in a growing number of countries concerns laws for the data security of citizens, especially in the EU and the US. This has resulted in the need for hotels to have trained professionals, establishing work processes to ensure that GDPR regulations are upheld.

### THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE POLITICAL FRAMEWORK CONDITIONS FIELD OF ACTION

- Regulations can sometimes change flexibly in order to react to the fragile environment. As a result, the **flexibility of hotel structures** must increase in order to quickly adapt to the regulations.
- **Resilient strategies and solutions** are necessary in order to prevent business shocks.
- **Purpose driven business** and **social economics** might lead hotel businesses into the future.

## 2.8 New Technologies & Digital Transformation



New innovations in the field of technologization and the digitization of almost all areas of life are shaping actions and behaviors. Not only is the office and working world characterized by the use of new technologies, but also urban systems, healthcare, and especially the way we communicate. That the emergence of new technologies and digitization also has a significant impact at the social and cultural level is illustrated by the megatrend of connectivity. Digitization allows the emergence of complex, global networks in society. The so-called network society is creating a strong, unprecedented exchange of knowledge that functions independently of space and thus has become borderless. Technology and digitalization are transforming customer journeys, employee journeys, the way hotels communicate as well as the services and products themselves.<sup>1</sup>

Overall, digitization and new technology as collective terms encompass diverse trend movements. These include the emergence of virtual parallel worlds, combined with new business cases as well as the development of digital currencies. Interest in VR/AR technologies is also growing steadily and will have a major impact on all areas of life in the future, including the automation and personalization of processes. There are new revenue sources accessible by means of technology and digitalization.<sup>2</sup>

New technologies are on the rise everywhere and therefore also in tourism. The main trend fields here are marked by a growing degree of digitization. This results in more individualized travel patterns, due to an improvement in the accessibility of tourist attractions. Tourists base the navigation and structure of their trips more on their own devices, depending less on offers at the destination. Additionally, many tourists are looking to minimize the ecological footprint of their vacation. All of these patterns can be understood more thoroughly with open data, so future trends can be predicted sooner, making the industry more futureproof.<sup>3</sup>

<sup>1</sup> Bitkom, 2022: 5  
<sup>2</sup> Bitkom, 2022: 14  
<sup>3</sup> Bitkom, 2020: 7

## THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE NEW TECHNOLOGIES FIELD OF ACTION

Current Trends Influencing the Hotel Industry

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- The use of **sensors** will increase in the hotel context, e.g., to better regulate the flow of hotel guests.
- **Green nudging** can be used in combination with technologies to increase sustainable behavior, e.g., displaying the CO<sub>2</sub> consumption.
- The design of the **cognitive environment** also plays a major role in the hotel, for example the temperature of the room and the music settings, etc. can be individually adjusted to the guest.
- **Digital transformation managers** and technology specialists are needed in the hotel industry.
- **Digital literacy** is a success factor for employees in a hotel. Employers need to enable staff and guarantee access to training courses, provide state-of-the-art equipment and live digital leadership.
- Guest journeys and employee journeys need to be adapted to the **users' digital literacy and use patterns** of channels, digital tools and interests.
- **New business opportunities** and revenue sources need to be embraced with the help of XR-technology, web3 and cryptocurrencies.

### CHANCES

Implementing **cognitive environments** in the hospitality industry for a personalized guest experience

**Smart building concepts** to reduce CO<sub>2</sub> emissions through optimized energy consumption (smart air conditioning and lighting systems, etc.)

**AI-based solutions** to reduce guest consumption, e.g. at the hotel buffet, and to optimize staff and guest processes (e.g. live tracking of the utilization of F&B areas).

**Green nudging** to increase sustainable behavior (CO<sub>2</sub> consumption)

### CHALLENGES

**New requirements and competence** profiles, specialists in the field to develop digitization strategies, structural implementation to integrate sensors, etc.

**High investment costs** for the fundamental use of new technologies and digitization strategies

**Training for employees** to use digital tools as well as promotion of emotional skills (reduction of routine activities and increase of individual guest care)

## 2.9 Food & Health



Health plays an increasingly important role in society. The Corona pandemic further accelerated the awareness of an individual's mental and physical health. Health can be interpreted as a fundamental goal in life and thus influences many other areas. The devotion to a healthy balanced lifestyle is not only perceived as particularly important by individuals, but is also gaining more attention from political systems. In particular, the pandemic raised awareness of the importance of preventive measures and the development of a resilient healthcare system. Specifically, the pursuit of perfectionism also plays a major role when considering the health and food field of action. Tracking systems enable the constant monitoring of physical activities, physical measurements such as blood pressure, as well as food intake. The latter is also becoming immensely more important and is the focus of many people's daily lives.<sup>1</sup>

Eating describes much more than mere food intake. The actual fundamental need has been growing for years to a manifestation with religious and cultural patterns. In relation to western society, eating behavior often provides information about attitudes towards the environment, politics, attitude to life, etc. Eating behavior is, in some cases, becoming more extreme, while in some cases the trend towards consuming local, regional food is increasing. This trend has also increased during the course of the Corona pandemic due to the clarification of fragile global supply chains. In addition, reused and personalized food have become more popular. Overall, the food of the future will be shaped both by innovations in product development and traditional, almost forgotten production methods - as the current trend towards fermentation shows. Ecological and social sustainability are becoming a quality feature, as is the transparency of origin and creation.<sup>2</sup>

### THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE FOOD & HEALTH FIELD OF ACTION

- **Mental health** is becoming important in corporate healthcare. To actively prevent illnesses, companies are focusing on relaxation stays in specific hotels with an additional range of seminars and information on preventive measures.
- Pandemics, climate change, war in Europe: Society is concerned about its security and is changing to a **security culture**. As a result, security precautions in hotels as well as high booking flexibility are taking on a new importance

<sup>1</sup> Zukunftsinstitut, 2021

<sup>2</sup> Zukunftsinstitut, 2021

- Food & Beverage (F&B) areas are becoming increasingly important in the hotel industry. **Food** has become the **flagship** and symbol for behavior in sustainability, transparency, regionalization and authenticity.
- Cooperation with **local providers and manufacturers** is becoming more important and enhances the unique on-site experience of hotel guests.
- **Food waste** needs to be eliminated and decreased by embracing circular economics.
- **Employee health** is a crucial factor in a future-proof working world.
- **Food** will be a differentiating factor for hotel brands as food and beverages serve as an **experience factor** for every journey.

## CHANCES

New partnerships with local suppliers and **urban manufactures** to develop unique and authentic customer experiences

**Mental health:** New offerings for guests e.g. yoga classes or meditation prevention, relax, preventive measures

**Food & beverage:** Symbol for behavior in sustainability, transparency, regionalization and authenticity, food as a lifestyle

New focus on **employees' mental health** (increasing work-life balance)

## CHALLENGES

**New diversity** of offerings brings new challenges for employees

Requirement for new offerings for the **Silver Linings** generation (demographic change)

**Self-optimization** as part of societal change can not only specify and complicate requirements for the hotel industry but also represent a challenge for society as a whole

## 2.10 Leisure & Behavior



The value of leisure continues to increase in mainstream society and shapes the organization of everyday life. Many employees are demanding a redistribution of work and leisure time or a new work-life balance. However, leisure time is not only perceived as free time, but also as quality time, also to further educate yourself, to gain new experience or to pursue voluntary work. In short: Time in which private, individual self-realization can be pursued - whereby self-realization does not have to exclude working hours, but can certainly affect both work and private time.

Accordingly, the field of activity of leisure includes a variety of trend movements. For example, the trend towards lifelong learning. In the future, further training and learning will no longer only be promoted formally, but will take place intuitively, creatively and diversely on several channels. Knowledge transfer spreads informally and unseen. In addition, the leisure time behavior of society is increasingly characterized by a high experience factor. Individuals are seeking adventure, especially in their free time, to escape everyday routines. Nevertheless, these are mostly plannable adventure experiences whose thrills are foreseeable and calculable. This trend is strongly linked to the trend of self-expression, because sharing one's own experience is the focus of the experience itself from the very beginning.

### THE EFFECT OF TREND MOVEMENTS ON THE FUTUREHOTEL LANDSCAPE IN THE LEISURE FIELD OF ACTION

- **Sharing vacation experiences** is becoming increasingly important: Hotels are adapting to this and offering the temporary hiring of professional photographers, while experts from the film industry help with the development of the interior design (scenographic film settings in the hotel).
- Globalization also means a prerequisite of **mutual cultural understanding**. Hotels should be aware of their role as knowledge brokers and cultural hubs. Increasing demand of authentic experiences.

#### CHANCES

Travel teaches and increases understanding and respect for other foreign cultures, this is where the hotel industry can make a social impact (**developing culture hubs**)

Increasing an **authentic vacation/travel experience** by promoting the integration of regional suppliers and opening hotels to the neighborhood/immediate environment

#### CHALLENGES

Travel is becoming a **new lifestyle**, also through trends such as work/leisure travel this could have a negative effect on the travel destination through overtourism.

Partly **local companies cannot profit** from the tourism flows, because they do not use the infrastructure, but stay in hotel bubbles.

Sustainability could suffer under the new nomadic society due to the associated **high travel volume**

### 3.1 The 10 Main Trends on the Hotel Industry

The preceding trend map illustrates the fragility of our systems due to constantly changing framework conditions. Key factors are impacting the hotel industry, in some cases on a large scale. Among other things, the flexibilization of the office and working world is leading to new trends such as workation or bleisure travel, AI-based technologies are simplifying the design of a personalized travel experience, as a result of the individualization of society, offers for solo travelers are coming into focus, and so on. In addition, overarching trends such as the Corona pandemic, the subsequent economic crisis, political instabilities and, above all, the climate crisis will have an additional strong impact on the hotel industry in the coming years. Based on the development of the trends and key factors in the individual fields of action, ten main trends for the hotel industry were identified and presented below.



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#### **SOCIAL VALUE OF SUSTAINABILITY**

Throughout the world, the issue of sustainability is playing an increasingly important role. In order to keep the ecosystem worth living for the benefit of future generations the reduction of environmental impact has been the guiding principle for political and economic decisions for many years. Sustainable action in ecological, social and economic terms will also shape the hotel industry in the coming years. In particular, a holistic approach plays an important role here. It is not just about reducing greenhouse gases in the tourism sector, but also about developing entrepreneurial action into a value system oriented towards the common good, working for positive change in society.

These aspects are of importance for all types of hotels, regardless of their hotel category, location, type of operation or size.



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#### **INDIVIDUALITY OF LIFESTYLES**

Individualization has become a key factor of social change in the 21st century. Whereas in previous generations society consisted of rather uniform, homogeneous lifestyles, people today see themselves as unique individuals. Personality and diversity are now associated with particularly high and significant values that enrich society and the development of each individual.

The individualization of society will continue to have a strong impact on the hotel industry and will change user requirements in particular. Individual and solo travelers will increase, the demand for single rooms but also offers for networking with other hotel guests will permanently grow. Individual life models also demand individual solutions in the hotel: The classic user types should be supplemented by other life forms to sharpen the picture.

Individualization affects all types of hotels. In particular, however, city hotels in urban areas, service apartments and boarding houses with a coliving model, which appeal to lifestyles such as urban youngsters or the digital avantgarde.<sup>1</sup>



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## LACK OF AVAILABILITY OF RESOURCES

Recent years have highlighted the high level of economic dependence in a global context. During the Corona pandemic, the stability of supply chains could not be maintained in some cases, and temporary shortages of resources followed. The development of resilient supply chains is a far-reaching task of the 21st century. Resilience is not only about avoiding certain risks, but also about quickly returning to full operations when problems occur.<sup>2</sup>

In addition to current supply bottlenecks, a growing shortage of skilled workers is also forecast for the coming years. According to the results of a Civey study, 66 percent of the companies surveyed are already affected by labor shortages. In addition to the healthcare sector, the hotel and catering industry is also severely affected. In 2020, 215,889 people who had previously worked in a tourism, hotel or catering occupation - voluntarily or not - opted for a new occupation. This corresponds to 27.4 percent.<sup>3</sup> During the Corona pandemic, people's need for security increased considerably. On the other hand, it became clear how difficult it is to reconcile work and private life in the catering, hotel and tourism industries. Forecasts therefore see a further escalation in the coming years.<sup>4</sup>

Employers in these sectors must therefore find new ways of making jobs more attractive in their entirety in order to attract and retain skilled workers. A first step in this direction is to increase awareness of the fact that there are different

<sup>1</sup> Zukunftsinstitut, 2020

<sup>2</sup> Grömling, 2021

<sup>3</sup> Jansen & Risius, 2022

<sup>4</sup> Jansen & Risius, 2022

user groups in a hotel landscape. In addition to the classic hotel guest, the most important users include employees in various areas such as reception, catering, services, cleaning, etc., as well as suppliers and the immediate neighborhood. In the future, the hotel will therefore have to respond to the different groups of people and take their needs into account.



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## CHANGE IN THE OFFICE AND WORKING WORLD

The world of work is changing - and at a speed like never before. Digital tools and virtual exchange platforms enable collaboration despite physical distances. The values of "New Work" such as self-determined and autonomous work and a results-oriented measurement of performance are shaping more and more companies - especially in office and knowledge work.<sup>1</sup> The new world of work enables freedom and reinforces trends such as workation, the combination of work and vacation, working at third work locations, e.g. in coworking spaces, and the sometimes complete temporary relocation of the place of residence to other locations due to increasing project work.

For hotels, this means a rethinking of business models: workplaces in hotels are becoming increasingly important. Service apartments and coliving models with shared areas are in demand, especially in urban locations. Workation offers a permanent basis for a growing new target group. Neighborhoods could also complement hotel users in the long term and use hotel lobbies, gastronomic facilities, etc. as work locations. This trend affects city hotels, business hotels and service apartments as well as hotels in rural areas by expanding the range of team and group events for creative meetings and identity-creating places of collaboration.



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## IMPORTANCE OF COMMUNITIES

Digitization and the shift of communication into virtual space is transforming us as a network society not only in digital space but also in physical space. Despite the increasing abandonment of a given social structure, there is an emotional need behind the formation of new communities: there is a deep longing for

<sup>1</sup> Hofmann, Piele, Piele, 2021

shared identities and for a culture that creates relationships.<sup>1</sup> This recomposition of social relations is currently described by terms such as neo-tribes, digital tribalism or postmodern tribes. The formation of new communities will also influence hotels in the future: Hotels can see themselves not only as service providers but also as social platforms that act as starting points for Neo-Tribes in a similar way to urban spaces. New neo-tribes could form communities here. This consideration is connected to tribal marketing: Hotel is shared experience, adventure, emotion - not only rationally necessary operational structure. Experience based booking could be a part of it.

In particular, the flexibilization of the working world results in a rapid change of location due to temporary project work, workation, etc. Hotels could become places where temporary communities are formed, based on a common location but also on the same values, visions of the future or tastes. The formation of communities affects all types of hotels, but especially hotels in urban areas as well as serviced apartments and coliving concepts.



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## THE RISE OF VIRTUAL PLATFORMS

Virtual platforms are becoming increasingly important for society as a whole. The potential of the Metaverse platform in particular is currently attracting the interest of companies and consumers. A new analysis by McKinsey & Company shows that the Metaverse has the potential to be worth up to \$5 trillion by 2030. Although the Metaverse is currently still in development and needs to be defined, experts confirm the expectation of a strong influence - virtual as well as real - of the platform in the future.<sup>2</sup>

The rise of the Metaverse will also have a major impact on the future hotel industry. From a guest perspective, pre-visits will be simplified, and employees will be able to better train and continuously adapt work organizational processes with the help of the Metaverse. In addition, virtual images of hotels can provide virtual rooms for meetings etc. to non-travelers. Numerous extensions and additional services are conceivable here. On-site, the Metaverse can enhance the real hotel experience and complement the places of stay. The Metaverse can become equally interesting for all types of hotels and supplement, expand and completely restructure their business models in various ways.

<sup>1</sup> Zukunftsinstitut, 2015

<sup>2</sup> McKinsey, 2022



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## EXCITEMENT FOR EMOTIONAL EXPERIENCE

Especially after two years of isolation and abandonment of experiences in the physical space, the need for emotional experiences is currently increasing in society. The hotel of the future must be able to create a unique experience for the hotel guests and anchor itself sustainably in the minds of hotel guests through emotions. This development is essential to bind guests, the immediate neighborhood and also employees to the hotel brand and the organization in the long term.<sup>1</sup>

The longing for authentic experiences will shape the entire tourism industry in the future. Society is no longer looking for artificial worlds, but for contact and exchange with other cultures and honest experiences with local residents.<sup>2</sup> Especially since we are currently almost increasingly on the road than statically in a particular place, travel and the associated stay is completely redefined. It requires a shift in thinking from traditional tourism to providing "homes" with the opportunity to have real experiences.



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## PERSONALIZED GUEST EXPERIENCE

Today's hotel guests expect to be recognized and treated as individuals. In the future, however, the personalized perception of hotel guests will go far beyond writing to guests by name before and after their stay. Based on data analysis, the personal needs of guests can be met even better in the future or expectations can even be exceeded. This is necessary, especially due to the high individualization of society. With the help of booking process innovations, e.g., Attribute Based Booking, which enables more targeted and personalized booking of specific rooms and additional services (view of the courtyard, temperature setting, etc.). In addition, hotels could generally be made more personalized with the help of data from social platforms: E.g. by playing the favorite song when entering the hotel room or providing the books of the guest's digital wish list. The increase in the personalized travel experience currently affects higher-priced hotel categories, but could in future spread across the board.

<sup>1</sup> Dienes, Naujoks, Rief, 2021

<sup>2</sup> Zukunftsinstitut, 2019



## FOCUS ON HEALTH AND SAFETY

Due to the Corona pandemic and the current uncertain political situation in Europe due to the Ukraine crisis, the importance of safety and health in general is increasing significantly. The new attention to the general well-being and the mental and physical health also has an impact on the hotel industry through changed or tightened requirements of the guests and employees. Society wants a high guarantee of safety, risks are hardly taken anymore. Instead, there is a need for stability and predictability - also when traveling.

As a result, security precautions in hotels and a high degree of booking flexibility are gaining new importance. Despite the adventure factor and the desire for authentic experiences with other cultures and locals, many travelers want an "adventure light" with a calculable scale. This consideration in the development of services and infrastructures affects hotels in all locations, company sizes and target group specifications.

### 3.2

#### How the Hotel Industry Should Respond

Our environment is characterized by numerous uncertainties, upheavals and instabilities: Corona pandemic, the war of aggression on Ukraine, the gas crisis, shortages of materials and skilled workers and, last but not least, the climate crisis. In order to be able to respond to all the future challenges and find solutions, it is necessary to constantly reinvent existing structures and critically question existing patterns. Innovation and creative ideas as well as a constant mode of transformation are in demand. They form the basis for adaption and problem solutions in the future. How can the hotel industry react flexibly and agilely to the new circumstances in the future?

- Innovation management and implementation
- Sustainability strategy and solutions
- Digital transformation managers
- Collaboration and cooperation
- Networking and knowledge sharing

Innovation networks such as the Fraunhofer IAO's FutureHotel Innovation Network create a platform of constant exchange for the generation and transfer of knowledge and the development of innovative concepts. These innovation hubs help actively shape the future of the industry with inventiveness.

## 4 Outlook

This white paper provides initial information and food for thought as to how far the design of the hotel landscape will be shaped by various influencing factors in the future. In order to formulate more specific recommendations for action, the white paper is followed by two further short studies on the following fields of action:

- New Business Travel World & MICE: Future Business Events
- Habitat & Real Estate: Co-Spaces and Community Living

The specification of these two trend topics is based on a prioritization of the existing topics and their key role in changing the hotel landscape of tomorrow.

Furthermore, the FutureHotel Innovation Network continuously discusses and analyzes further trends and developments in an interdisciplinary, creative context. Intensive exchanges with partners in the industry are just as important as the continuous research and analysis of our own survey results. The focus is on the conception of as diverse and correlative visions of the future as possible in order to bring innovative ideas and solutions to the hotel industry and to actively influence the design of tomorrow.

Further information can be found on the following website:

<https://www.futurehotel.de/>

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# Imprint

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## **Cover Image**

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The »FutureHotel – Post Corona Hotel Era« study presents overall societal trend developments and their impact on the hotel industry.

This leads to initial recommendations for action. The study results are based on literature research and empirical data. In a regular exchange with hotel industry experts from the research and innovation network FutureHotel the results were discussed and assessed which enriched the applied research perspective. The study is aimed at experts in the hotel industry, destinations, infrastructure providers, service sectors, and those interested in trend analysis and future forecasts.

The world is changing at an unprecedented speed. Climate change is accelerating and presenting us with ever greater challenges. Factors such as globalization, the development of new technologies and the emergence of new social systems demand innovative approaches to solutions. The changes are complex, and so are the impacts on our planet, economy and society.

At the same time, these fundamental changes in all areas of life can only be predicted to a limited extent. This is where trend analysis comes in. To structure the analysis of a complex future and develop applicable solutions, it is necessary to take a look at the ecological, economic, political and social changes. Therefore, this study includes a total of ten different trend fields:

- Mobility & Logistics
- Habitat & Real Estate
- Sustainability & Responsibility
- New Working World & MICE
- Society & Individuals
- Market & Competition
- Political Framework Conditions & Economy
- New Technologies & Digital Transformation
- Food & Health
- Leisure & Behavior

Based on developments in the aforementioned ten trend fields, the study offers initial approaches for translating social, political, economical, and environmental change to the hotel industry. Future potentials were identified in the following areas:

- Social Value of Sustainability
- Individuality of Lifestyles
- Lack of Availability of Resources
- Change in the Office and Working World
- Importance of Communities
- The Rise of Virtual Platforms
- Excitement for Emotional Experience

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