

The ROI of Hotel Delivery Robots

Improved Social Rankings, Increased Revenue, and Significant Labor Efficiencies Make a Case for Robot Adoptions



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The ROI of Hotel Delivery Robots

In today's highly competitive, socially-charged environment, operating a hotel is fraught with challenges. Owners and General Managers must juggle a range of variables to improve the guest experience and differentiate their property while, at the same time, keep their staff motivated. Maintaining high occupancy levels and enhancing the reputation of the property gets tougher every day as more options become available to travelers, including accommodation sharing (AirBnB) and third-party booking sites.

To meet these industry challenges hoteliers are continually on the lookout for innovative ways to gratify customers, assist staff, and improve overall operations. Delivery robots are a promising new technology that is already helping hotels drive revenue while improving competitive differentiation, guest appreciation, and staff productivity.

ROBOTIC AUTOMATION TO IMPROVE THE BOTTOM LINE

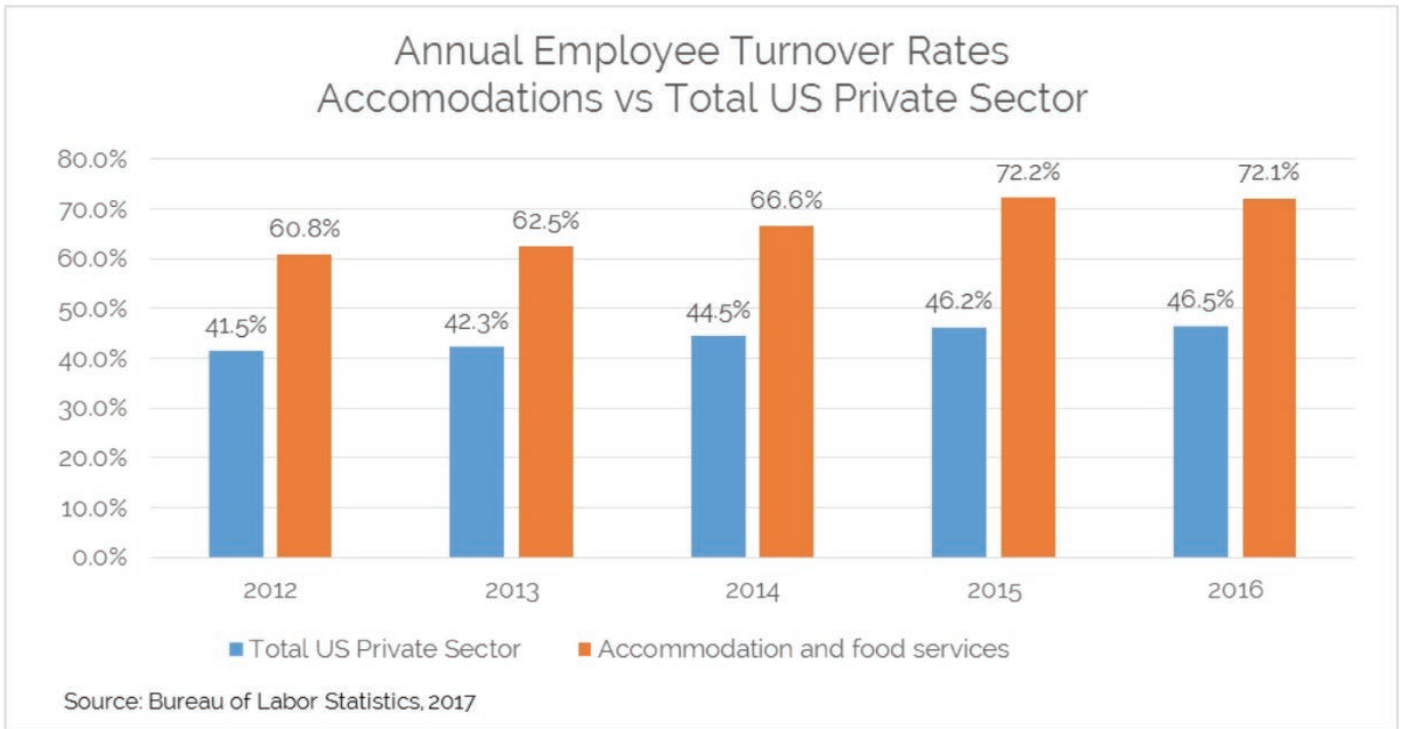
In 2014, the first autonomous delivery robot was introduced at a hotel to assist with delivering amenities, snacks, coffee, linens, and other items directly to guest rooms. With almost no setup or training required, these robot helpers navigate autonomously from the front desk and operate elevators to safely and quickly make deliveries to guestrooms. Autonomous delivery robots use cameras and sensors to avoid walls, people, luggage, laundry carts, or any other obstacles, and are designed to be friendly, polite, and helpful (similar to a service dog).

Autonomous delivery robots are a cost-effective way for hotels to simultaneously improve overall operations and differentiate themselves in a highly-competitive environment. While delivery robots save costs, increase incremental revenue, and boost occupancy rates, they also provide new types of return on investment (ROI) such as improved social media rankings and a measurable increase in reviews, as well as more satisfied, focused, and productive staff.

THE COST OF EMPLOYEE TURNOVER

Hotel owners and GMs know having patient, capable staff who enjoy their work is the #1 factor in providing a positive experience for guests. However, attracting and retaining quality employees is an industry challenge.

The fact is, employee turnover rates in the hospitality industry are far higher than the private sector average. For 2016, the average turnover rate for the hospitality segment was 72%, significantly more than the 46.5% rate for the rest of the labor market. The accommodation and restaurant annual quit level was 21% in 2016, the highest level across all market segments that year and over the last five years, according to the 2017 Bureau for Labor Statistics "Job Opening and Labor Turnover Survey".



THE ROI ON LABOR SAVINGS

Determining the bottom line savings with robotic delivery implementation is straightforward and, in many cases, startling. A hotel with an average of 20 guestroom deliveries per day could easily see a \$8,315/year ROI just in labor costs by adding a delivery robot to the team.

If the average round trip delivery cycle time from the front desk to the guest room and back is 20 minutes, it means that a hotel staff member will spend nearly 7 hours a day or 2,433.3 hours per year away from the front desk each day just to deliver incidentals to guests. At a wage of \$13.28/hour (based on Glassdoor salary analysis of the average salary of US Hotel Front Desk staff), the property is spending \$32,315K in labor per year on guestroom deliveries.

This labor savings doesn't take into account the additional revenue generated via increased sundry sales and optional service fees some properties add to deliveries.

Use this simple [ROI Calculator](#) to determine the potential labor savings by employing a delivery robot in your property.

SUPERCHARGING SOCIAL MEDIA

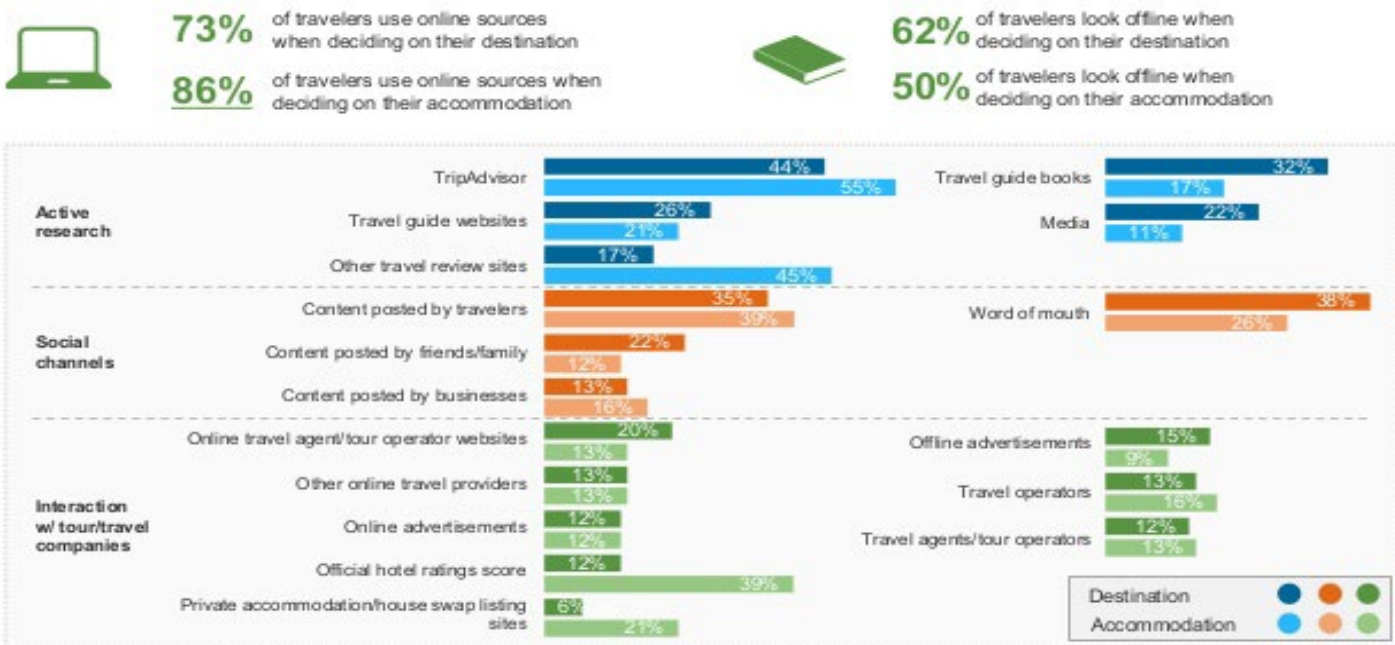
Providing excellent service is critical as hotel guests have become more vocal online. Guests are posting photos, videos, and reviews to Facebook, Instagram, Twitter, YouTube, and TripAdvisor to share their experiences with other travelers. One single negative post, especially on TripAdvisor, can have a lasting impact on a property’s reputation.

“Hotel brands which focus on the quality of the guest experience will drive loyalty, positive reviews, social likes and shares, and word-of-mouth recommendations resulting in more revenue.”

Deloitte Travel and Hospitality Industry Outlook 2017

According to the most recent TripBarometer report (Fall 2016), 86% of travelers use online channels to make accommodation bookings, and 39% of travelers rely on comments posted by other travelers combined with star ratings when making their decisions.

TripAdvisor is more influential than other sources when choosing destination and particularly accommodation



In the age of social media, hotel delivery robots provide a wealth of photo and video opportunities. But it’s

TripAdvisor where delivery robot posts are having the biggest positive impact for hotels. Guests are continually posting videos and photos of the delivery robots along with high ratings for improved service. In addition, special benefits like no tipping, increased privacy, and fast delivery are prompting many more guests to jump on social media to rave about their experience. Not only are guests giving positive TripAdvisor reviews for hotels that have delivery robots, some are actually posting disappointment over hotels that don't have them.

ATTRACTING THE PRESS

tripadvisor

Tampa
🏠
👤
JOIN
🔍

About Tampa
Hotels
Vacation Rentals
Restaurants
Things to do
Flights
...

United States > Florida (FL) > Tampa > Tampa Hotels West Wing Boutique Hotel, Tampa

West Wing Boutique Hotel

●●●●● 54 Reviews | #26 of 163 Hotels in Tampa
📍 2501 E Fowler Ave, Tampa, FL 33612-6270 ❤ Save

●●●●● Reviewed June 15, 2017

Amazing hotel with robot!

Really beautiful rooms. Amazing customer service and a robot to boot. The robot brought wine to our door for our anniversary. Breakfast was delicious and they have onsite laundry. Several restaurants nearby. Recommendation: Shells. Great drinks and dinner. Close to lots of shopping too. [More](#)

Review collected in partnership with this hotel

👍 Thank Team78hq

Response from Benjamin T, Manager at West Wing Boutique Hotel
Responded June 20, 2017

Dear Guest, On behalf of the entire staff (including Wes), we would like to congratulate you and your partner on the anniversary. We are extremely grateful for the opportunity to be part of this special occasion. We hope to see you again very soon! Congratulations... [More](#)

●●●●● Reviewed April 18, 2017

The robot was cool !

...Explore the zen garden 2. Order room service from Wes, the robot. My brother was so excited and really loved it, and wanted to constantly order from. Overall, I think this place is perfect as all staff is really nice and welcoming, and super clean. [More](#)

👍 Thank Ashley D

Response from Benjamin T, Manager at West Wing Boutique Hotel
Responded April 28, 2017

Hello Ashley, Thank you for choosing our hotel! We are very glad that your brother had a memorable visit from Wes. Our team at the West Wing Boutique Hotel strives to ensure that we provide the best accomodation and memorable experiences when visiting the area.... [More](#)

●●●●● Reviewed 4 days ago

Very Relaxing

I would love to stay longer next time. My children and I really enjoyed ourselves. The service was excellent, front desk staff, room service (West) the robot, and house keeping. All were very professional and kind!!! [More](#)

Review collected in partnership with this hotel

👍 Thank RacquellWest

Response from Benjamin T, Manager at West Wing Boutique Hotel
Responded 3 days ago

Dear RacquellWest, On behalf of the West Wing Hotel team, we would like to thank you for your kind review! We are glad that all our team members were able to provide you a relaxing stay. We wish you safe travels and hope to see... [More](#)

●●●●● Reviewed 1 week ago 📱 via mobile

Thank you west wing staff!

...Velroy and Kayla, especially, at the reception were a great help! THEY ALSO HAVE A COOL ROBOT NAMED WES THAT CAN BRING YOU WHATEVER YOU NEED TO YOUR BEDROOM DOOR! [More](#)

👍 Thank malakelsharef

Response from Jaimie E, Manager at West Wing Boutique Hotel
Responded 4 days ago

Thank you for taking the time to inform us of your recent stay. We very much appreciate and value your feedback and will share it with our team. Your information will serve as encouragement to all of our staff as we strive to continuously improve... [More](#)

One significant benefit that isn't often considered in ROI, is the measurable media coverage hotels receive when employing guest-facing robots. National and local press stories on robotics in general is massive; this is especially true in the hospitality industry where robots serving guests and helping staff is not yet commonplace. Robot-enabled hotels are getting regular press coverage, which is helping to differentiate the properties and position them as more progressive and technology forward than traditional hotels.

DELIVERING INCREMENTAL REVENUE

The collage features several key elements:

- San Diego Business Journal:** Article titled "Hotels Make Room For Robots" by Lou Hirsch, dated May 16, 2017. It discusses an autonomous service robot named Relay.
- The Buffalo News:** Article titled "Replay Robot makes the rounds at Delaware North Buffalo. Relay Robot, designed and built by Savioke, deliver drinks, merchandise, etc." by John H. News.
- TPG:** Article titled "Room Service Robots Be Coming to a Hotel Near You" by Jennifer Wang, dated August 21st, 2017.
- Hotel Management:** Article titled "Hotel EMC2 opens with robots, Alexa and other tech amenities" by Esther Hertzfeld, dated August 3, 2017.
- Westin Buffalo:** Article titled "Robot butler, at your service at Westin Buffalo" by Samantha Christmann, published March 30, 2017.
- Hotel EMC2:** Article describing the hotel's features, including in-room acoustic amplifiers, functional robots, and live-streaming monitors in the kitchen.
- Images:** Photos of the Relay robot in a hotel hallway, the Replay robot in a hotel room, and the exterior of Hotel EMC2 at night.

Within weeks, many robot-enabled hotels see a noticeable uptick in revenue due to increased sales of grab-and-go items, beverages, and incidentals. In fact, one hotel GM recorded nearly \$2,000 per month in incremental sundries sales and at least a 0.5% increase in RevPAR attributable to his robot.

[Click here for the full case study.](#)

“Guests love the robot. Even if they don’t want anything they will go up to their rooms and order something. My sundry sales are triple my budget. Big time increase in sales.”

Robert Rauch, RAR Hospitality

In addition, several hotels are now using robots to help close large-volume corporate deals to have a positive and measurable impact on the top line. Several hotels report signing long term, multi-million dollar contracts with the help of a robot. Whether it’s having the robot deliver food and drinks during the sales meeting or simply charm the clients with its warm and friendly personality, the GMs agree that having a robot significantly contributed to the eventual signing of their deal.

AUTONOMOUS ROBOTS DELIVER TO HOSPITALITY

The challenges facing today’s hotelier, such as staff turnover, increased competition, and very public reviews and ratings, are changing the hospitality business. Creative new solutions that provide a unique, rewarding guest experience and keep staff engaged and productive while providing a real ROI are needed for most hotels to thrive. Autonomous delivery robots are proving to be such a solution.

These “always on” helpers continue to deliver a measurable, positive impact on operations, staff and most importantly on the guest experience. And because they are quick to deploy and simple to use, it is becoming easier than ever before for hotels to realize the positive impact on on hotel operations.

Use our simple [ROI Calculator](#) to determine the potential labor savings by employing a Relay robot in your operations.



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