TraknProtect

abstract:

Speed and quality of service are two of the most important factors guests consider when posting reviews for a hotel – and if hotels fail in either one, it can result in a 2-Star rating instead of a 5-Star rating on a travel website. TraknProtect (TnP) solution provides real-time inventory tracking and analytics to reduce delivery times, allowing hotels to enhance the guest experience while reducing time to conduct inventory and make smarter inventory decisions. TnP conducted a two-month pilot of its solution with the Hyatt Regency McCormick Place, the largest convention hotel in Chicago. Previously, Hyatt was able to handle only a 19% increase in requests without a change in delivery time. With TnP's technology, the hotel handled a 207% with little change to delivery time, resulting in a 91% increase in staff efficiency and savings of over $40,000 in labor costs over a year. In addition, TnP identified that Hyatt could reduce its inventory of the tracked assets by 33% - a total savings of almost $90,000 per year!
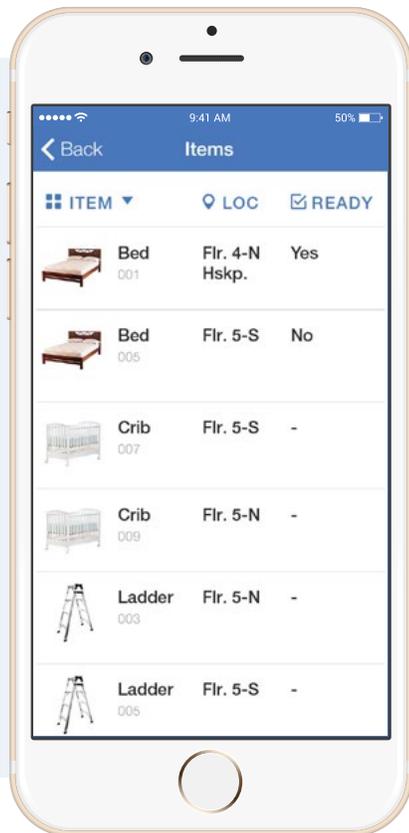
background:

Favorable guest reviews are impacted by 3 things: price, location and speed & quality of service by hotel staff.

However, few hotels realize a simple delay in the delivery of a rollaway bed or crib can result in the difference between a 5-Star rating and a 2- or 3-Star rating — a difference between a satisfied customer and a miffed guest. According to a survey done by the White House Office of Consumer Affairs, it has been found that each satisfied customer will share their experience with at least 5 people, while a dissatisfied customer will tell more than 10 people. In today's age, it is even easier to share a negative review on a multitude of websites and social media with one keystroke.

In addition, few hotels realize that they are wasting hours of time and losing thousands of dollars by inefficiently tracking guest requested items such as rollaway beds and cribs. Hotels are currently deploying staff at regular intervals to check all areas where an item could be to conduct a manual inventory. And when a requested item cannot be located, staff is deployed to conduct a "search and rescue" mission of sorts.

TraknProtect (TnP) solution provides real-time inventory tracking and analytics to reduce delivery times, allowing hotels to enhance the guest experience while reducing time to conduct inventory and increasing asset utilization.

HYPOTHESIS:

Making the location of items available in real-time increases guest satisfaction and employee efficiency.

PILOT:

To prove the above hypothesis, TnP worked with Hyatt Hotels to deploy a pilot at Hyatt Regency McCormick Place, the largest convention hotel in Chicago. The hotel is a 43,000 sq. ft. property with 1,258 guest rooms and a total of 50 floors across two towers, serving over 3 million guests each year. In addition, the hotel has 110 housekeeping staff and approximately 55 item storage locations.

METHOD:

A small BLE tag was attached to each item that was to be tracked and a gateway was placed in each area that an item may be stored.

TECHNOLOGY:

Each tag emits a Bluetooth signal, which is received by the gateway, and the tag's information is communicated over the hotel Wi-Fi to TnP's secure cloud servers. These servers update the TnP App every 3-5 minutes to give the most up-to-date information to the staff using our app.

scope of pilot:

The scope of the trial entailed tracking 260 items throughout the hotel across 2 towers, 50 floors and 55 closets/storage areas for a two-month period.

The items tracked included:

- 146 rollaway beds
- 33 cribs / pack-n-plays
- 44 refrigerators / VIP refrigerators
- 5 microwaves
- 32 ladders

The following hotel employees used the TnP App and provided feedback:

- 110 Housekeepers
- 12 Lobby Runners
- 5 Housekeeping Managers

data:

Pre-Pilot:

Pre-Pilot Average (January – June)

- **124 – average number of requests per month**
- **17 minutes – average time to complete one guest request**
  - *9 minutes – average time to find item within hotel*
  - *8 minutes – average time to walk to guest room once item is located*
- **2-3 hours – average time to conduct full inventory of all inventory – just once**

data:

The hotel was able to handle a 19% increase in requests with no change in delivery time.

During the Pilot Period:

Over the two-month period, the following data was collected.

- **381 – average number of guest requests per month during the pilot**
- **10 minutes – average time to complete one guest request**
- **Under 1 minute - average time to conduct full inventory of all inventory once.**
- **Accuracy ranged from 77-96% with an a with an average of 94% accuracy of TnP App**

Other Data:
- **Employees used the TnP App a total of 1,100 sessions for an average of 20 sessions / day**
- **Usage peaked during the end of July with a maximum use of 90 sessions / day**
- **Average of 30 seconds / session**
- **72 unique users**

- **The App received the following ratings:**

  1-Star Rating: 2%

  2-Star Rating: 0%

  3-Star Rating: 9%

  4-Star Rating: 17%

  5-Star Rating: 72%

results:

During the Pilot, the average number of guest requests increased from 124 to 381 – a 207% increase from pre-pilot months. However, the time to deliver decreased from 9 minutes spent on average locating an item to under two (2) minutes for a total of 10 minutes. Therefore, the hotel was able to handle a **207% increase in requests** while **reducing delivery time by 1%**. TnP identified $40,000 of labor savings from more efficient deliveries.

Ample research suggests that better service from a hotel will increase customer satisfaction and repeat customers, resulting in higher hotel revenues. Assuming a conservative 1% increase in revenues from TnP's solution at a $25 million property such as Hyatt McCormick Place, the hotel can potentially benefit an additional $250,000 per year. In addition, research shows that the hospitality industry suffers from employee turnover of 60-70% each year [1]. Increasing employee satisfaction can reduce employee turnover to best-in-class metrics by 20% to 40%. As TnP's solution makes lives easier for employees, if the property can also reduce employee turnover by a conservative 5%, the property can save an

[1] Source: http://csi.softwareadvice.com/the-secretto-ritz-carltons-customer-service-mojo-1101012/

additional $28,000 per year from a housekeeping staff of 110 employees. These soft benefits amount to an additional $278,000 of value per year for the property.

Inventory Utilization Results & Recommendations

Total anticipated inventory savings of at least $47,000 (33% of total inventory) over 2 years based on the following data.

ROLLAWAY BEDS

- Lowest number of beds available throughout all closets was **50**.
- **Recommendation**: Do not need replace beds over the next couple of years but phase out those that are towards the end of their useful life, and lower annual budget allocated to replacement of rollaway beds.
- **Cost Savings**: By reducing the inventory of beds by 40 beds over 2 years, hotel will have cost savings of approximately **$40,000** (cost of purchase of beds, mattresses, additional sheets and pillows to go with these beds).

Bed [August 2015]

Bed [July 2015]
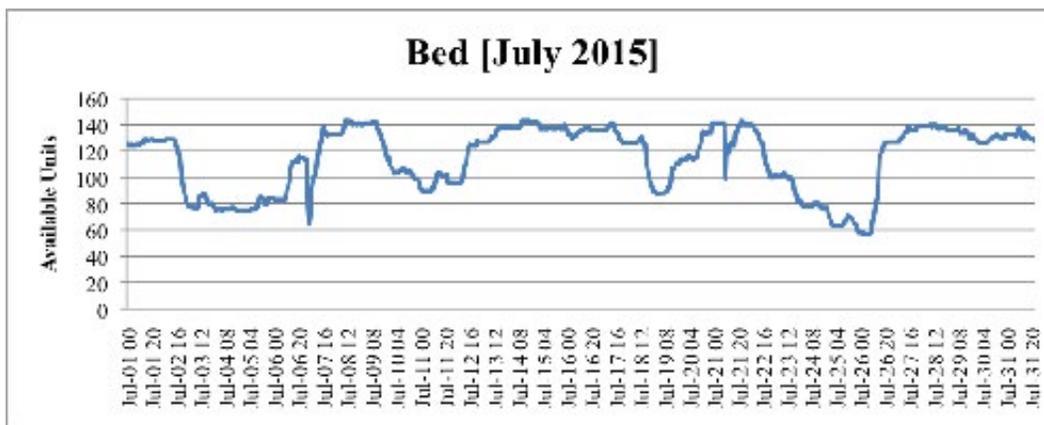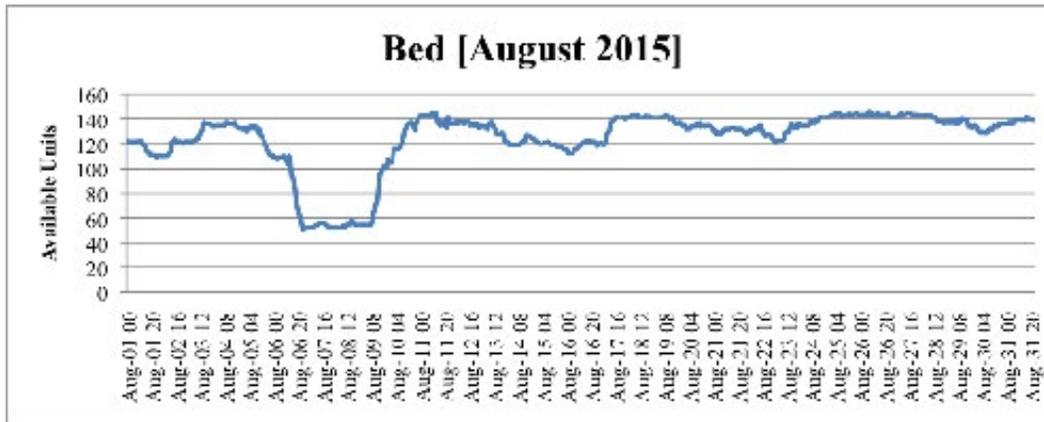
results:

CRIBS & PACK & PLAYS

- Lowest number of cribs available during the pilot = 3 (For only 2 days out of 60 days);
- Lowest number of pack & plays available during the pilot = 11.
- **Recommendation**: Cribs and pack & plays do not need to be replaced for the next couple of years and phase out the items that reach the end of their useful life.
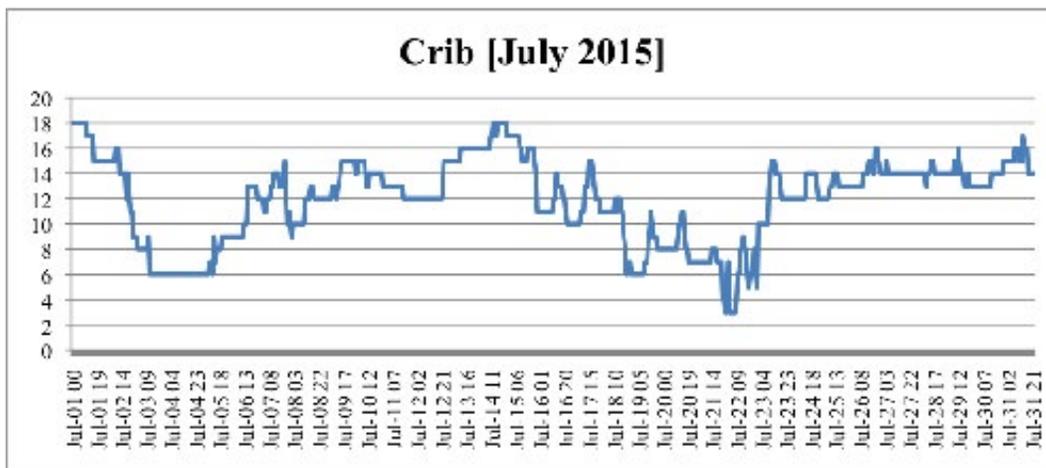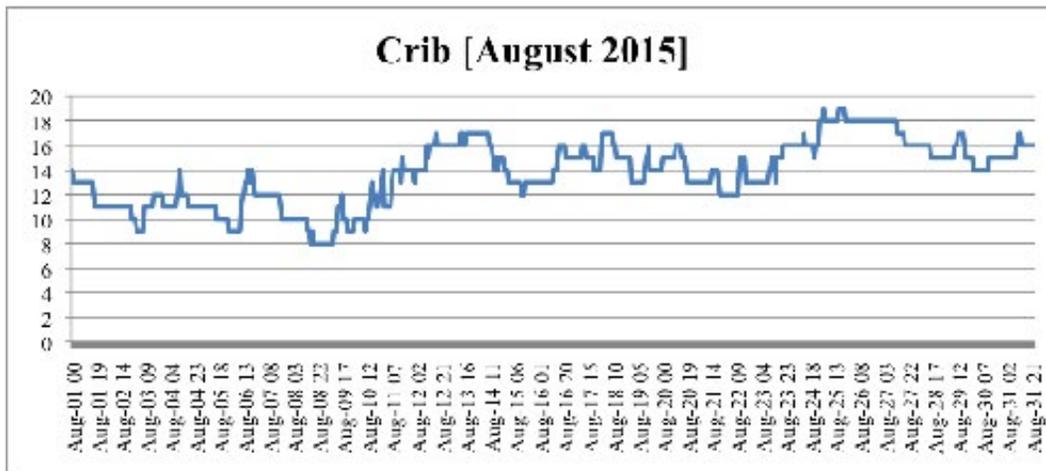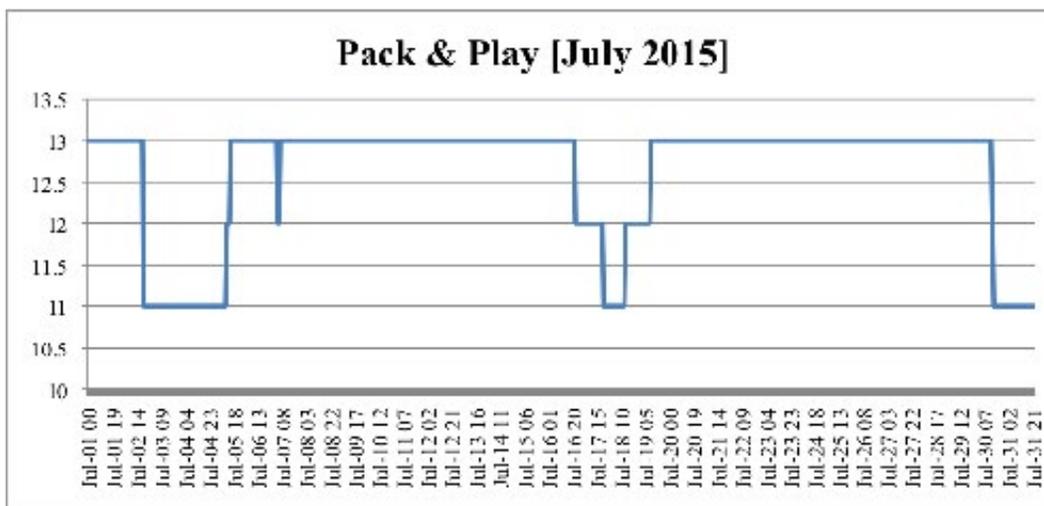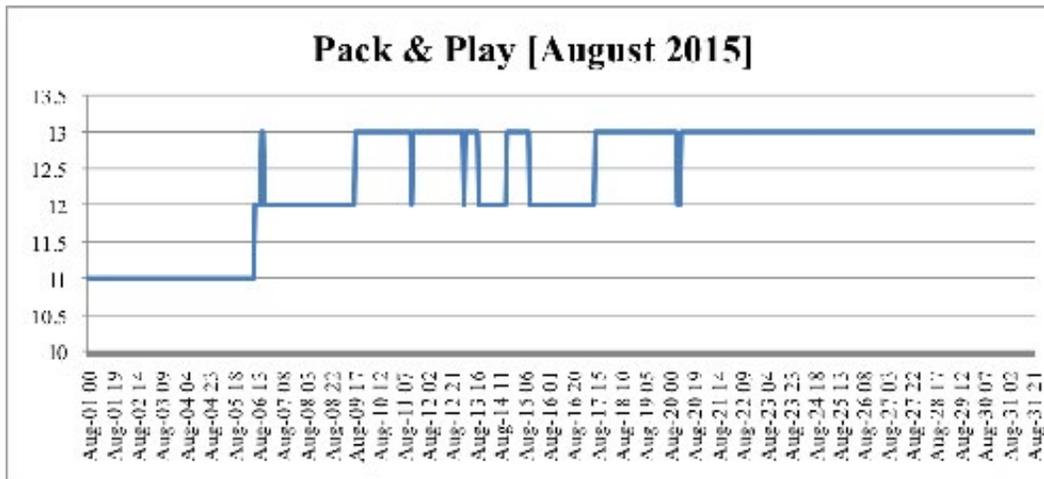
• **Cost Savings**: By reducing the inventory by 2 cribs & 10 pack & plays over 2 years, hotel will have cost savings of approximately **$3,000** (cost of purchase of cribs, mattresses, additional sheets and pillows to go with these items).

Crib [August 2015]

Crib [July 2015]

Pack & Play [August 2015]

Pack & Play [July 2015]

results:

FRIDGES – FOR ALL GUESTS

- Lowest number of fridges available during the pilot = 10;
- **Recommendation**: The fridges do not need to be replaced for the next couple of years and phase out the items that reach the end of their useful life.
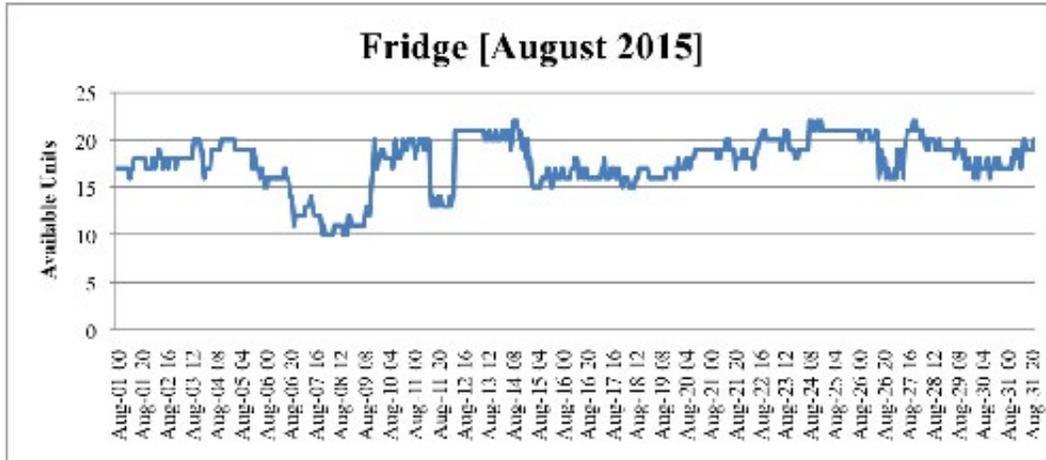
- **Cost Savings**: By reducing the inventory of fridges by 5 over 2 years, hotel will have cost savings of approximately **$4,000** (cost of purchase of fridges & repair costs).
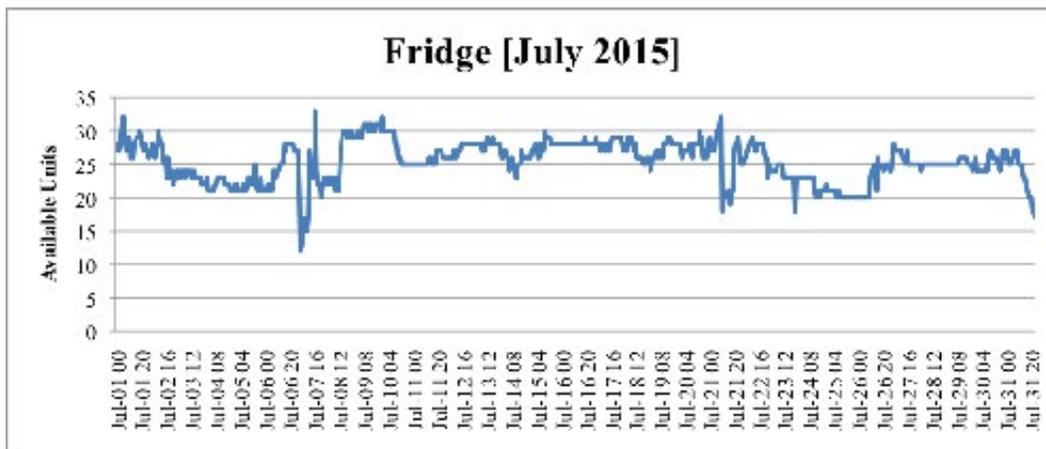
Fridge [August 2015]

Fridge [July 2015]

results:

VIP FRIDGES – FOR VIP GUESTS

- The VIP-Fridges were not available for any guest requests **10 days out of 60 days** or about 17% of the time;
- **Recommendation**: Add 2 VIP Fridges to better manage demand.
- **Cost Savings**: No cost savings because of additional purchase of VIP Fridges required.
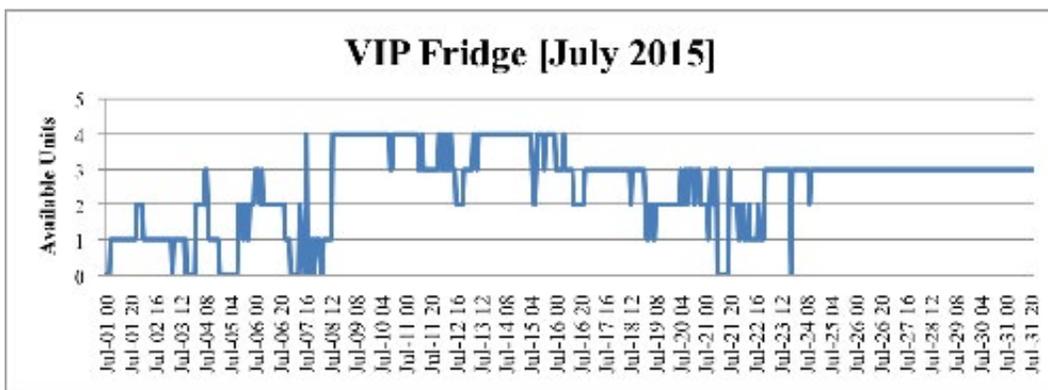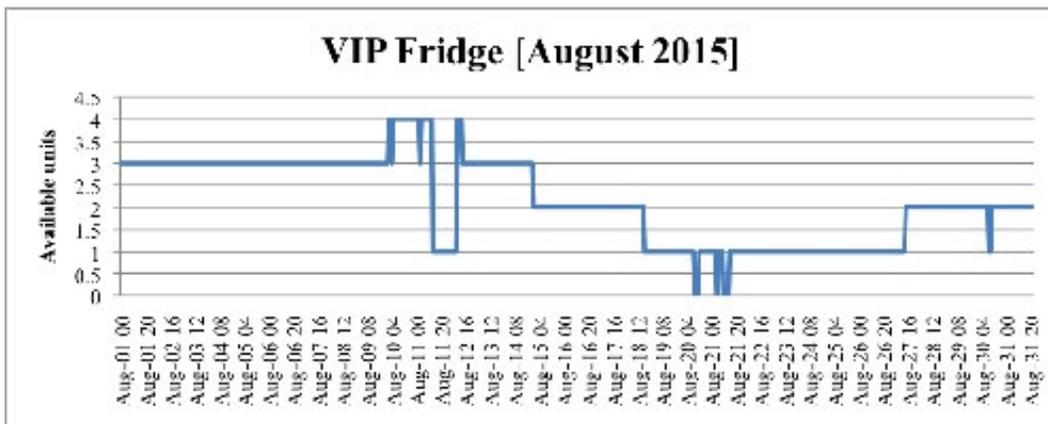
VIP Fridge [August 2015]

VIP Fridge [July 2015]

MICROWAVES

- The microwaves were not available for any guest requests **2 days out of 60 days** and only **one** was available approximately **14 days out of 60 days**;

- **Recommendation**: No need to add or phase out any microwaves – since there are just enough microwaves to address guest requests.

- **Cost Savings**: No cost savings.
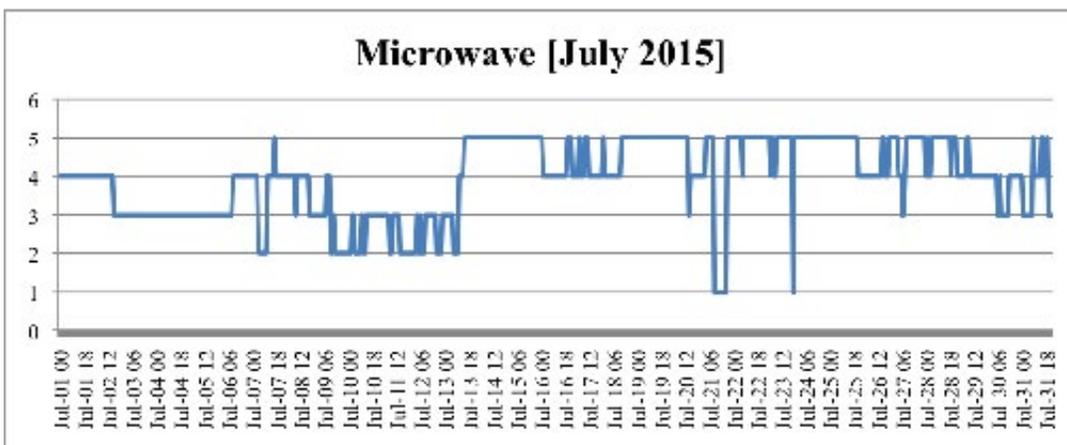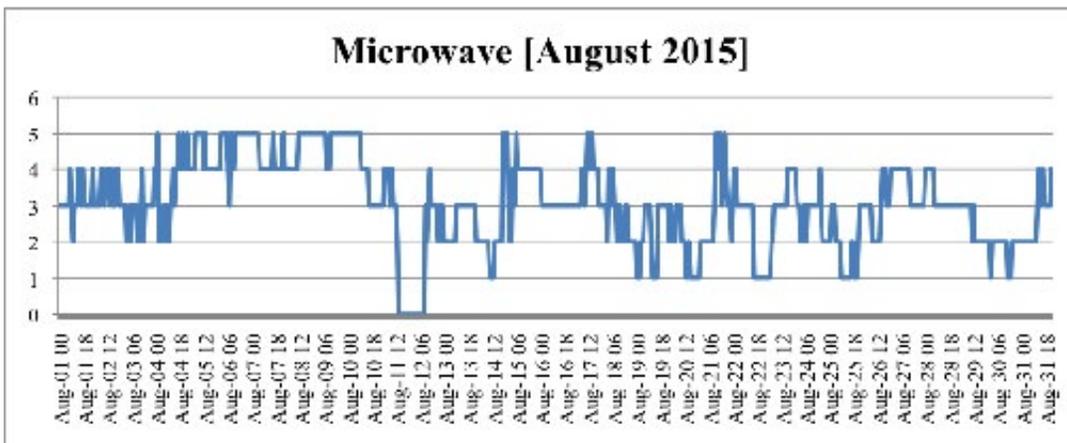
Microwave [August 2015]

Microwave [July 2015]

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conclusion:

As a result of the successful implementation of TnP App, the hotel handled a 207% increase in requests with little change to delivery time, resulting in a 91% increase in staff efficiency and savings of almost $90,000 in labor costs and reduced inventory over a year.

TnP has created an effective means of enhancing the guest experience while making employees more efficient and identifying savings for hotel management.