

FOODSERVICE NEWS

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ACCELERATING GROWTH

Hotels face growing demand from millennials for external takeaway food deliveries

New research from EP Business in Hospitality indicates two thirds of millennials are more likely to book with hotels that will accept external third-party food deliveries 'in-room'

The firm jointly hosted a thought-provoking business forum made up of world class hoteliers, with HGEM (guest experience management firm), to question how external food delivery services such as Deliveroo and Just Eat are impacting hotels and food service today.

The debate was triggered by new consumer research conducted by HGEM, which revealed that 67% of millennials are more likely to make room reservations with hotels that are prepared to accept third party food deliveries 'in-room'.



In addition, although a further 80% of consumers expect hotels to have an on-site restaurant only 72% will use it, and only for breakfast. Even though many hotels offer a room service menu, which also spans 'out of hours' a resounding 81% of hotel guests say they would never use room service.

Yet the appearance of external pizza delivery drivers turning up at luxury hotels to deliver food ordered by guests directly from their rooms, is becoming far more commonplace today. In fact, external in-room deliveries are predicted to rise by 83% in the future.

The Big Debate:

Many are questioning if there is a business opportunity for hotels to allow delivered-in services from external providers or if it is simply case of if you can't beat them, join them?

Chris Sheppardson, CEO at EP Business in Hospitality commented on the debate, "It's a fascinating topic for our industry, interestingly the initial thinking was that hoteliers would be resistant to third-party food services delivering food to their guests, but that wasn't the case.

'Many believe it is now a guest expectation to be able to have food 'delivered in' from outside providers and that refusal could alienate future generations of customers. Boutique hotels in particular, believe that this can actually work to their advantage in terms of add-on sales for beverages to accompany the deliveries and also building relationships with local restaurants, which can be effective and authentic.'

This industry debate is forcing many operators to re-evaluate their guest service options to decide whether the 'delivered-in' model should become a natural extension to those services already on offer, or perhaps a natural extension to a more luxurious service.

Key points from the forum also included:

- > As an extra service level, some hotels are considering building relationships with a small selection of third party food operators that have specific global cuisines that complement their own menu.
- > Many hotels agree in-room deliveries from external providers should become part of the overall service package but controlled by the hotel.
- > There is negativity surrounding hotel room service so considering external options is viable. Some believe it may also force hotels to improve and re-evaluate their own in-house room service options.
- > Hotels are struggling to cater for all dietary requirements in today's evolving world, which places pressure on hotels to constantly learn and adapt. A relationship with good outside sources could provide support.
- > Guests want to access fresh locally produced food and this may act as a catalyst to back away from delivered-in models. But is there greater trust in a hotel one stays in or the brand chosen to deliver the food?
- > For large hotels, many agree the development of branded Apps could add a service level to guests and provide the extra experience.