

# Smart Hospitality

## *Market Scenario and Competitive Landscape*

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A CURA DI

Francesca Furlan  
**Research Valorization Unit**

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## Introduction and Methodology

“Market Scenario” is a customized and organized analysis to gather information about target markets and competitive landscape in a particular sector.

“Market Scenario” provides relevant information to identify and analyze market needs, market size and competition in the fields of interest of the customer. A technology or a product developed by the customer can be characterized according to the sectors and potentiality of application, target market, competitive advantages and potential partners of the technology. The analysis is performed with the application of technology and business intelligence tools. The research in the information providers is usually based on the use of keywords or by thematic area, according to the specific topic of interest.

The results of the assessment are data about the target or global market potential, market value and applicability of the technologies or products developed by the customer, the trends of the market of interest, the segmentation of the market (e.g., by application, geography or indication), the supply chain and the competitive advantages of products or technologies, the key players active in the market of interest and the possible direct or indirect competitors of the customer.

## Context

This report provides an overview of the **smart hospitality market**, with reference to the trend and dynamics in the period 2022 - 2027, to the market segmentations by offering, by solution, by end user and by region and to the competitive landscape in the field, especially at the European level.

## 1 Smart Hospitality

**Smart hospitality** solutions help the hospitality industry control costs, improve staff efficiency, and create an environment that makes guests want to return. Smart hospitality solutions today include smart internet booking solutions, smart hotel app solutions, smart property management solutions, smart unified communication solutions, smart room automation, and smart social listening solution. The oversupply of tourism suppliers, especially in the hotel industry, forces hoteliers to be innovative and creative and to find ways to differentiate and give prominence to their hotel among many competitors. Smartness through interoperability and interconnectivity of all network partners increasingly enables hospitality organizations to develop their competitiveness by better understanding customers and market conditions and their decision-making process.

**Smart technologies** can effectively develop networks to create an ecosystem and dynamically interconnect all entities. The Internet of Things (IoT) and the internet of everything revolutionize and reengineer business processes, effectively disrupting the tourism and hospitality industries. Data is one of the most valuable assets in the hospitality industry. Contemporary hospitality management requires a tremendous amount of data, including big internal data (such as hotel reservation history, cost analysis, guest history, revenue statistics, and marketing statistics) and external context information collected from the external macro-environment. Big data from internal and external services enable hospitality practitioners to collect from internal and external services to use historical databases to forecast and predict business trends such as occupancy, rates and yield, labor costs, and investment decisions.

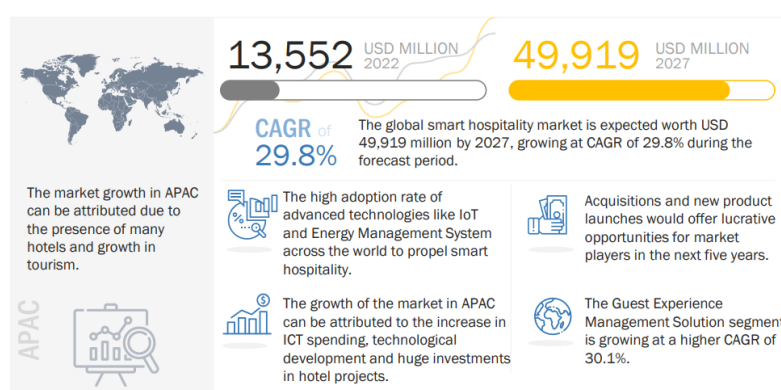
A **smart hotel** represents a technologically integrated system of hospitality services provision, the functioning of which is based on new information and communication technologies. The attributes of such a hotel are as follows: the availability

of broadband internet, the implementation of smart technologies and smart devices, an effective policy aimed at the Internet and ICT dissemination. Transforming hotels into Intelligent environments can benefit guest experience, energy efficiency, maintenance, marketing, online reputation and employee engagement.

## 1.1 Global Market and Market Dynamics

The **global smart hospitality market** is estimated to grow to reach USD 49,919 million by 2027, at a Compound Annual Growth Rate (CAGR) of 29.8% during the forecast period (Figure 1). Inclinations towards sustainability, regulation, hyper-urbanization (growing tourism and travel), focus on connected hotels, information technology innovations and resource mobility are expected to spur the growth of the smart hospitality market.

Figure 1. Smart Hospitality Market in the Period 2022 - 2027



The market has shown significant **growth** in the last few years. The key factors driving the growth rate in this market are tourism growth and increased investments in hotel projects, growing demand for guest-oriented personalization with real time optimized experience, reduction in operational costs, high revenue opportunities, and high adoption of advanced technologies (Figure 2).

Figure 2. Smart Hospitality Market: Drivers, Restraints, Opportunities and Challenges



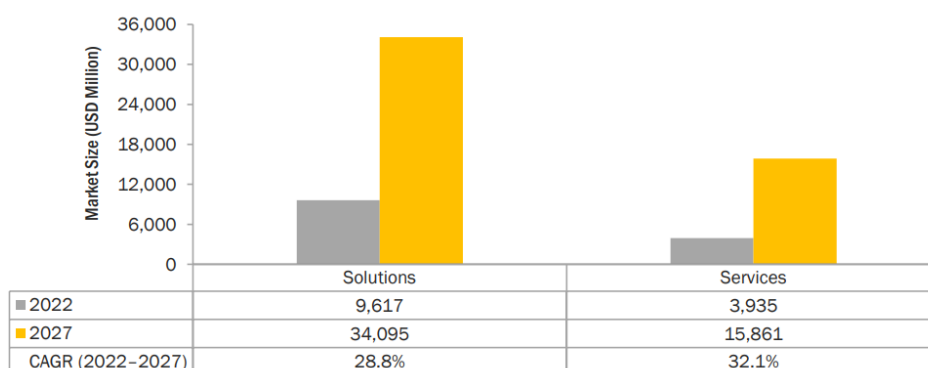
Due to the exponential growth of the **tourism** sector, there has been an increased demand for luxury hotels, which will lead to the growth in the demand for smart hospitality solutions. Also, after the COVID-19 period, more people are looking to travel, and the tourism sector has experienced growth. This will drive the demand for hotels and several smart hospitality solutions that can ensure people's safety and health. By implementing smart hospitality solutions, hotels can create positive satisfaction within the guests that will help them expand their business.

## 1.2 Market Segmentation by Offering

The smart hospitality market is segmented into **solutions** and **services** based on offering (Figure 3). Solutions and services help hotel owners overcome operational challenges and manage the hospitality infrastructure. The **solutions** segment is estimated to have the largest market size of USD 9,617 million in 2022 and is expected to reach USD 34,059 million by 2027, at a CAGR of 28.8% during the forecast period. The solutions segment provides innovative, automated solutions to support business operations in various industries. The growth of the solutions segment is attributed to the growing adoption of smart devices in the commercial hotels, resorts and spa, heritage and boutique halls, restaurants, and others, in the hospitality sector to achieve operational efficiency.

The **services** segment is projected to grow at a CAGR of 32.1% during the forecast period. The services segment delivers best-in-class efficient services to improve system reliability and operational efficiency and save costs. The growth of the services segment is attributed to the growing need to maintain the performance of smart hospitality solutions.

Figure 3. Smart Hospitality Market, by Offering, in the Period 2022 - 2027



Smart hospitality **solutions** have helped integrate various business processes that pushed the hospitality industry toward growth. Using smart hospitality solutions, hotels, including commercial resorts and spa, heritage, and boutique halls, are improving the guests' personalization level. The customers are also benefitting from smart technology as it allows them to access information. Smart hospitality solutions are gaining traction with the increasing demand for power and energy to utilize for a better understanding of energy needs, consumption automation, and adaptation to current occupancy. To resolve various challenges such as the need for increased network reliability, customer pressure for quality, and the regulatory pressure to reduce carbon emissions have increased the demand for the smart hospitality market.

The **services segment** is broadly divided into **professional services** and **managed services**. Furthermore, professional services include consulting, system integration & deployment, and support & maintenance services. The benefits of employing smart hospitality services are needed for implementing the optimal solutions, resulting in improved building performance, reduced energy, and reduced operating expenses. Services play an important role in managing power distribution, smart devices, and smart infrastructures such as smart grids and smart meters. These services facilitate smooth implementation, development, and maintenance of ongoing activities in organizations. Most smart hospitality vendors offer consulting services, deployment service and integration, support and maintenance to hotels, cruise, luxury

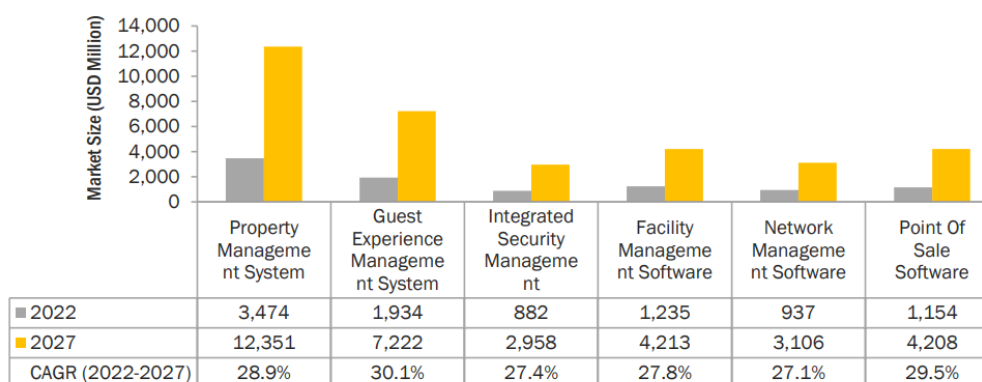
yachts, and others to drive more business revenue. Services provided in the smart hospitality market focus on providing consumers with assistance, answering their queries, and helping them solve problems related to technical issues across IoT devices, data transfer issues and customer experience issues.

### 1.3 Market Segmentation by Solution

The demand for smart hospitality solutions in hospitality is expanding at an impressive rate globally. This expansion can be attributed to the increasing technological advancement and adoption of smart devices. The smart hospitality, by solutions, has been segmented into: the **Property Management System (PMS)**, **Guest Experience Management System**, **Point Of Sale (POS) Software**, **Facility Management System**, **Network Management System** and **Integrated Security Management System** (Figure 4).

The **property management system** segment is projected to have a market size of USD 3473 million in 2022 and is expected to reach USD 12351 million by 2027, at a CAGR of 28.9% during the forecast period.

Figure 4. Smart Hospitality Market, by Solution, in the Period 2022 - 2027



A **Property Management Software (PMS)** is a centralized application for hotels to perform front and back office daily operations and transactions related to rooms & guests management, guest check-in/out, booking reservations, room rates, inventory management, billing, payments, etc. Using Property Management Software (PMS), it becomes easier to streamline operations for the staff. Businesses are adopting Property Management Software to streamline their operations for their staff and improve guest services during check-in and check-out. A Property Management Software (PMS) also allows hoteliers to better grasp the real-time demand and performance of hotel operations, which helps them make real-time decision-making.

**Guest experience management system** primarily focuses on improving the service quality for the customers and on increasing customer retention. The system intensifies customer loyalty, guest service indicators, and hotel profitability. It provides hotel operators with a clear picture of the hotel activities that can easily be accessed from anywhere, and includes real-time notifications, direct contact, guest feedback, and preventive maintenance. Guest service management system comprises three subsystems, namely, centralized reservation system, room automation & control system, and guest experience management system.

A **point of sale (POS)** is a system that is used to conduct retail transactions. It serves as a tool for processing payments and allows businesses to deliver quick and convenient service to customers. It has a broader range of features than a conventional cash register, allowing users to process different payment types, access important information, check stock, and more. In the hospitality industry, POS systems are being adopted by hoteliers as businesses need to make sales while accessing the most up-to-date information about perishable inventories, and while optimizing pricing based on revenue.

management principles. It also allows instant and continuous communication between different departments and even different branches of the same business.

**Facility management system** solution is an IT-based solution, which helps facility managers to optimize the use of resources and cost in managing amenities. Basically, the solution helps facility managers to take strategic decisions, which might have a significant impact on smart hospitality. It includes a variety of program features such as administrative operations, luxury suites, club seats, club lounges & other premium areas, water management, concessions, supply chain management, concession storage and kitchen, parking, and elevators & escalators management system. To manage all these features, the hospitality operators require facility management solution. It comprises software and systems that facilitate efficient management and use of workspace, assets, and real estate; standardize services; and streamline the processes.

The other activities that are supported by the facility management system are water & waste management, Data Centre Infrastructure Management (DCIM), and escalators & elevators management. The parking management system software is embedded with various tools, such as barcode technology, magnetic stripe technology, transponder technology, automatic barriers, vehicle detection loops, RFID, and entry log devices. The software provides strong backup of the vehicle's entry and exit data in case of any network failure. The system is linked with embedded sensors, which help in transmitting data onto the IP network where the maintenance authority can view the transmitted data.

**Network management systems** include network performance monitoring and optimization, IP address management, network bandwidth, and network security. Network management software detects failures, system or router slowdown, and automatically alerts the hotel administrator about the status of these devices on real-time basis. In the hotel network, there are numerous devices connecting and leaving the network throughout the day with all day access for the guests.

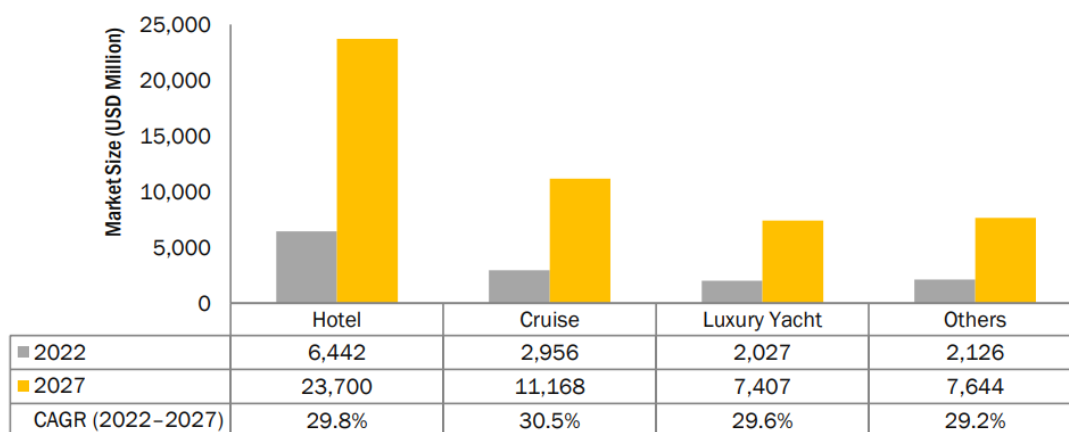
A smart hospitality **integrated security management** system is an integration of video surveillance system, access control system, and emergency incident management system. The integrated security system is a real-time web-based control system connected with multiple building components such as fire detection controllers, incident response/alarming systems, physical security systems, and emergency sensors. It contains various features such as unlimited network connectivity, analytics, smart video modules, robust user rights management, and complex event solution. The integrated hospitality security consists of physical devices such as scanners, screening devices, alarms, fire systems, and others.

## 1.4 Market Segmentation by End User

Based on end users the smart hospitality market is segmented into: **hotels, cruises, luxury yachts, and others** (Figure 5). The market for the **hotel** segment is projected to grow from USD 6,442 million in 2022 to USD 23,700 million by 2027, at a CAGR of 29.8% during the forecast period.

The **cruise** segment is estimated to register a higher CAGR of 30.5% during the forecast period and grow from USD 2,956 million in 2022 to USD 11,168 million by 2027. The need to provide a highly personalized cruise experience on and off the ship to the customers will drive the cruise segment.

Figure 5. Smart Hospitality Market, by End User, in the Period 2022 - 2027



**Hotels** are classified according to their size, service levels, location, target markets, facilities provided, number of rooms, and level of ICT-centric technology implemented. The hotel type is segmented into four categories: commercial, heritage & boutique hotels, resorts & spas, and other hotel types. Hotel types are classified according to the type of guests they attract, from royal and executive guests to common people. Hoteliers deploy various technologies as per the requirement and guest type to enhance operational efficiency and improve the overall guest experience during their stay at the hotel.

Technology is enhancing the way how **cruise** operates their businesses. Smart solutions such as remote check-in, digital waivers, smart dinner reservations, geolocation-based mobile ordering, and wearable tech are being adopted by cruise companies to transform these floating hotels into smart cities. Cruise companies are adopting smart hospitality solutions to enhance passenger experiences. For instance, MSC Cruises adopted SMART LED Signage and hospitality displays by Samsung to create a unique experience for its passengers from start to finish.

**Luxury yachts** are large, luxurious, professionally crewed motor or sailing yachts ranging from 75 feet to more than 250 ft. Luxury boats are frequently offered for rental as well as private use to give a smooth luxury experience with high standards and comfort. Yacht management improves efficiency and decreases operational costs. Technological advancement enables yacht owners to adopt the same preferences for “smart home” gadgets on their yachts. Adopting IOT based solutions creates the infrastructure that supports the ease of communication and creates the infrastructure that supports ease of communication and makes new ways of securing crew and vessel.

The **other hotel** type in the smart hospitality market comprises airport hotels, extended stay hotels, bed and breakfast, convention centers, boatels, ecotels, motels, and budget hotels, among others. These hotel types typically target specific guests and have adequate staffing. The deployment of smart hospitality technology is the least in this hotel type.

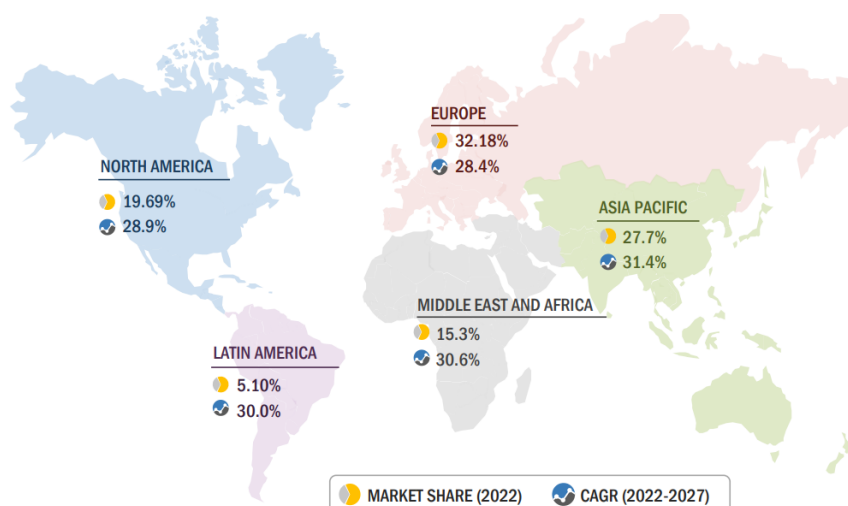
## 1.5 Market Segmentation by Region

The geographical analysis of the smart hospitality market covers five major regions: **North America, Europe, Asia Pacific, the Middle East and Africa and Latin America** (Figure 6). Among the five regions, **Europe** is estimated to hold the largest market share during the forecast period due to the presence of leading providers of smart hospitality solutions and services in the region. Also, the region is heavily investing in modernizing its infrastructure.

**Asia Pacific** is projected to grow at the highest CAGR during the forecast period, due to the flourishing tourism industry with a developing hotel infrastructure. **North America** is projected to grow at a CAGR of 28.9% during the forecast period, from USD 2,669 million in 2022 to USD 9,510 million by 2027.



Figure 6. Smart Hospitality Market: Regional Snapshot (2022)



### 1.5.1 Focus on: Europe

**Hospitality and tourism** represent the 3rd socio-economic activity in **Europe**. Digitization has transformed the distribution and booking end of the hospitality industry with the inexorable rise of online travel agents and the rapid evolution of consumer booking to online and mobile devices. Businesses are increasingly using digital technologies to create new and modify existing business processes as the business and market requirements are changing. The relatively robust internet infrastructure, openness to new technology, and presence of a strong domestic cloud provider have all contributed to the growth of the smart hospitality market. The European market for Internet of Things (IoT) solutions is growing. Germany, the United Kingdom, France, Italy, Spain, and the Netherlands are leading European IoT adoption. The hospitality sector in Europe is undertaken strong efforts to raise resource efficiency and reduce its greenhouse gas emissions. For instance, In December 2020, EU member states agreed to raise the 2030 emission reduction target from 40% to at least 55%.

**Digital technologies** such as Artificial Intelligence (AI), the IoT, and Distributed Ledger Technology (DLT) can improve the efficiency and flexibility of energy systems in Europe by supporting deeper penetration of renewable and distributed energy sources. It will also help and support the development of innovative products and services for consumers.

The **European market segments by solutions, by end user and by country** are reported in the following Tables.

Table 1. Europe: Smart Hospitality Market, by Solutions, 2022–2027 (USD Million)

Solutions	2022	2023	2024	2025	2026	2027	CAGR (2022–2027)
Property Management System	1,095	1,352	1,699	2,175	2,839	3,784	28.1%
Guest Experience Management System	812	1,004	1,264	1,621	2,119	2,828	28.4%
Integrated Security Management	269	327	404	510	655	859	26.2%
Facility Management Software	364	444	551	696	897	1,181	26.6%
Network Management Software	267	325	401	505	647	848	26.0%
Point Of Sale Software	356	440	553	708	925	1,234	28.3%
<b>Total</b>	<b>3,162</b>	<b>3,891</b>	<b>4,873</b>	<b>6,214</b>	<b>8,082</b>	<b>10,734</b>	<b>27.7%</b>

Table 2. Europe Smart Hospitality Market, by End User, 2022–2027 (USD Million)

End User	2022	2023	2024	2025	2026	2027	CAGR (2022–2027)
Hotels	1,880	2,317	2,905	3,709	4,831	6,425	27.9%
Cruise	1,254	1,560	1,974	2,545	3,346	4,492	29.1%
Luxury Yachts	894	1,112	1,407	1,813	2,383	3,197	29.0%
Others	334	409	510	648	840	1,111	27.2%
<b>Total</b>	<b>4,361</b>	<b>5,397</b>	<b>6,796</b>	<b>8,716</b>	<b>11,400</b>	<b>15,225</b>	<b>28.4%</b>

Table 3. Europe: Smart Hospitality Market, by Country, 2022–2027 (USD Million)

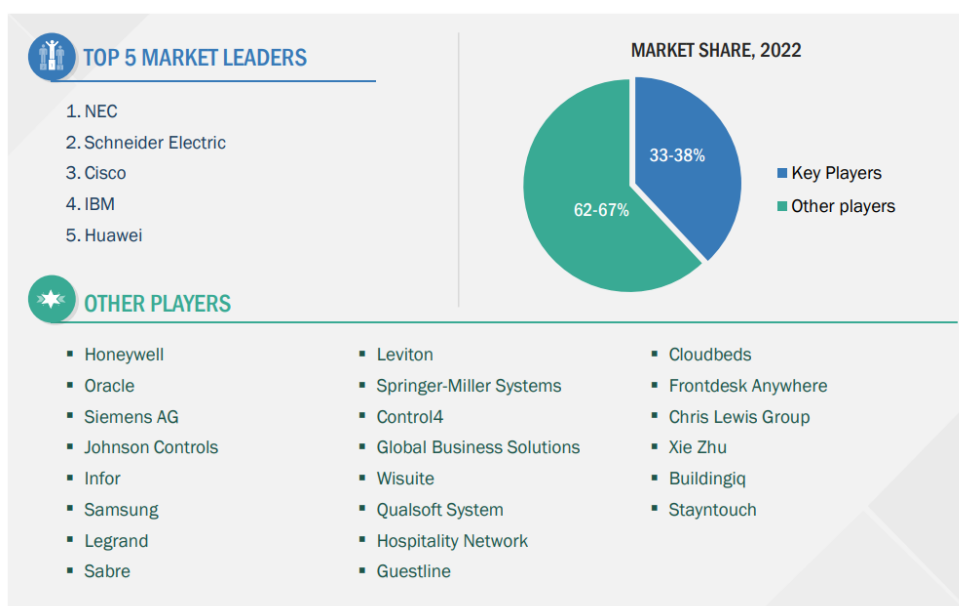
Country	2022	2023	2024	2025	2026	2027	CAGR (2022–2027)
UK	850	1,074	1,380	1,804	2,405	3,273	30.9%
Germany	927	1,160	1,478	1,917	2,536	3,426	29.9%
Rest of Europe	2,584	3,163	3,938	4,994	6,458	8,526	27.0%
<b>Total</b>	<b>4,361</b>	<b>5,397</b>	<b>6,796</b>	<b>8,716</b>	<b>11,400</b>	<b>15,225</b>	<b>28.4%</b>

*\*Rest of Europe comprises Italy, Sweden and Ireland*

## 1.6 Competitive Landscape

The **top five players** in the market can be considered: NEC Corporation, Schneider Electric, Cisco Systems, IBM Corporation and Huawei (Figure 7). The market share and ranking of key players are done according to various parameters, including product offerings, regional reach, segmental revenue, and organic and inorganic growth strategies, such as new product launches, partnerships, and collaborations.

Figure 7. Smart Hospitality Market: Revenue Analysis



The main **European players** active in the market are reported in the following Table.

**Table 4. European Players in the Smart Hospitality Market**

Company	Location	Description	Website
<b>Chris Lewis Group</b>	UK	The company offers smart technology solutions for hospitality and hotel management in the smart hospitality market, including enhancing elements such as lighting, Wi-Fi, audio, visual and security	<a href="#">Chris Lewis Group - Fire, Security &amp; Smart Technology Specialists</a>
<b>Guestline</b>	UK	Leader in cloud-based hospitality technology. It is specialized in SaaS software solutions for hospitality, property management systems, distribution channel management, social media management, PCI-DSS compliance, EPoS systems, central reservation systems and conference & banqueting systems	<a href="#">Hospitality Software Platform   PMS, CRS, C&amp;B, EPoS, IBE, Payments</a>
<b>Johnson Controls</b>	Ireland	The product portfolio of the company includes multiple solutions such as HVAC equipment, fire detection, fire suppression, distributed energy storage, digital solutions, industrial refrigeration, building automation, smart home, oil and gas products, cyber solutions and others	<a href="#">Johnson Controls   Johnson Controls</a>
<b>Legrand</b>	France	Manufactures products and systems for low-voltage electrical and digital building infrastructure used in residential, commercial, and industrial buildings. The company also offers various security systems, including emergency lighting, alarms and access control systems such as audio and video entry phones	<a href="#">LEGRAND GROUP - News, Financial, RSE, Careers - Legrand</a>
<b>Schneider Electric</b>	France	The company offers EcoStruxure solutions to improve hospitality and enhance customer experience while visiting hotel. EcoStruxure is an IoT-enabled solution that drives energy and operation efficiency, including connected rooms, products, edge control, apps, analytics & services	<a href="#">Schneider Electric Global   Global Specialist in Energy Management and Automation</a>
<b>Siemens</b>	Germany	The product portfolio of the company includes building automation, HVAC products, fire safety, security, energy automation, vendor finance, working capital finance, industrial automation, mobility and others	<a href="#">Siemens</a>

## 2 Sources

**MarketsandMarkets Knowledge Store** - Multisectoral database that collects market research reports in various technological fields and designed to process some information interactively. More than 1,200 market reports are published each year (<https://www.mnmks.com/>). The information presented are contained in the report “*Smart Hospitality Market – Forecast to 2027*”, published in June 2022.

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