

LATIN AMERICAN HOTEL SECTOR: MAJOR TRENDS OF 2022



According to an analysis by DOT Hotels, which runs more than 100 hotels in 11 countries, the following trends will stand out in 2022 across the Latin American hotel sector.

Better Than 2021, But Worse Than 2019

Although the pandemic continues, 2022 is projected to outperform 2021 in terms of the recovery of the hotel sector. Travel restrictions are easing and many of the places that were closed are reopening; this will mean an increase in both domestic and international tourism.

This revival will generate more travel demand but will not yet reach the pre-pandemic levels (2019). This is because there is still a lot of uncertainty around, especially with international travel; in addition, new strains of coronavirus continue to appear.

On the other hand, corporate tourism, which is essential for city hotels, is still well below pre-pandemic levels because companies cut unnecessary costs and rely on technological tools for videoconferencing.

Direct Selling as the Main Channel

Direct sales have been the queen of channels since the end of 2020 and all of 2021. This trend was seen in all markets in Latin America and Spain, where the customer contacts and books directly with the hotel relying on the confidence hotels in their country provide. This trend will continue in 2022 and hotels will have the opportunity to increase their margins if they leverage these sales to reduce intermediary costs.

Guests Prefer WhatsApp

This instant messaging service will become the main means of contact between guests and clients with the hotel, largely displacing email, telephone and other means of contact.

The big challenge for hotels is to manage and attend to all of the queries through these channels, which if used correctly can become a gold mine of bookings.

Chatbot as a New Tool

Considering that speed is everything in messaging services, those hotels that implement a WhatsApp BOT in the first stage of the conversation will gain customers thanks to the immediate response. This tool should solve the basic doubts of guests, taking into account that 90 percent of queries on WhatsApp are about the location and price. Those who have more elaborate doubts or want to talk to a person should be able to choose that option in the BOT and be attended immediately by a human.

Hotel Staff Shortages

The pandemic caused many workers in the tourism and lodging industry to lose their jobs or be laid off. Independent hotels will have troubles finding staff willing to work with them, as many have opted for working in other sectors. Plus, the trend of working remotely made many workers not want to return to work in an industry that is almost entirely face-to-face and where schedules are 24/7 in operational areas.

The Costs Grow

Many governments have subsidized or provided economic aid so that companies and hotels can cope with the pandemic; in other words, they have printed money to be able to get through the crisis.

Countries such as the United States have registered more than double the inflation than they usually had, causing costs to increase more than income. For this reason, the hotel sector must prepare to face higher inputs and labor costs. In other cases, hotels are facing the challenge of repaying the government aid they received in the first months of the pandemic, so most hotels will have high levels of debt in the coming years.

Virtual Receptions

Those hotels with select services will have to hire virtual receptions. Both the increase in costs and the lack of personnel will help these new modalities and services to totally or partially replace the traditional receptions. We will not see a complete change in this, but we will see many companies testing this modality.

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