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The Impact of Digital Transformation in the Hospitality Industry on Tourism Consumption Experience

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Abstract: With the rapid development of information technology, digital transformation has become a crucial means for industries to enhance competitiveness and optimize customer experiences. As an essential part of tourism consumption, the digital transformation of the hospitality industry has had a profound impact on tourism consumption experiences. This paper aims to explore the current status and trends of digital transformation in the hospitality industry, analyze its specific impact on tourism consumption experiences, and provide relevant recommendations.

Keywords: Hospitality industry; digital transformation; tourism consumption experience; impact

Introduction

In today's digital age, the widespread application of technologies such as the internet, big data, and artificial intelligence has brought unprecedented opportunities for transformation to the hospitality industry. Digital transformation has not only changed the operational models of hotels but has also significantly enhanced the tourism consumption experience. This paper will analyze the current status and trends of digital transformation in the hospitality industry and delve into its specific impacts on the tourism consumption experience.

1. The Current Status and Trends of Digital Transformation in the Hospitality Industry

1.1 Rapid Development of Information Technology

In recent years, the rapid advancement of internet technology and the widespread adoption of mobile

communication technologies have laid a solid foundation for the digital transformation of the hospitality industry. The rise of high-speed networks, smart mobile devices, and various online platforms has not only reshaped consumers' travel booking habits but also significantly expanded the boundaries of hotel services. The hospitality industry has actively embraced cutting-edge technologies such as cloud computing and the Internet of Things (IoT), using digital tools to enhance service quality and operational efficiency to meet the growing demand for personalized and convenient services.

1.2 Data-Driven Business Models

In the wave of digital transformation, data has become the new "oil" for the hospitality industry. Through big data analysis, hotels can deeply explore customer behavior patterns and predict consumption trends, allowing them to implement precise marketing



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strategies. The application of AI technologies, such as smart customer service and recommendation systems, has made services more attentive and personalized. By collecting customer feedback, consumption records, and other multidimensional data, hotels continuously optimize service processes and launch customized service solutions that cater to customer preferences. This has significantly enhanced customer loyalty and satisfaction.

1.3 Optimizing Operational Efficiency and Cost Control

Digital transformation has also driven the innovation of operational models in the hospitality industry, effectively reducing operational costs. Automated tools such as self-check-in kiosks and intelligent room control systems have significantly reduced human intervention, improving service efficiency. For example, customers can complete a series of operations like booking, room selection, and check-in through mobile apps, greatly shortening waiting times. Additionally, the application of smart technologies like energy management systems has effectively reduced energy consumption, achieving green operations. These transformations not only enhance the customer experience but also give hotels a competitive edge in the market.

2. The Impact of Digital Transformation on Tourism Consumption Experience

With the development of technology, digitalization has gradually been applied to the tourism sector, and people's demand for digital tourism continues to rise. Digital transformation has become an irreversible trend in the tourism industry. This transformation has not only changed the operational model of the tourism industry but has also profoundly impacted the experience of tourism consumers.

2.1 Improving the Convenience of Booking and Services

Digital transformation has brought unprecedented convenience in booking and services for tourism consumers. In the past, travel bookings often had to be made through travel agencies or by phone, a process that was both complicated and time-consuming. However, now, consumers can simply tap on their mobile phones or computers to make bookings

anytime and anywhere. Online booking platforms, such as Ctrip and Qunar, provide a wide range of hotel choices and real-time price information. Consumers can compare prices, locations, facilities, and services of different hotels, enabling them to make more informed decisions. Additionally, these platforms frequently offer various discounts, cashback, and gift promotions, further reducing travel costs. Beyond the convenience of booking, digital transformation has also enhanced hotel service convenience. The application of technologies like smart room systems and self-check-in equipment allows customers to enjoy more efficient and convenient services during their stay^[1]. For example, the smart room system allows guests to control the lights, air conditioning, TV, and other devices through a mobile app without needing to manually operate them. Self-check-in devices enable guests to complete check-in and check-out procedures quickly without waiting in line. Moreover, full coverage of wireless internet is another major benefit brought by digital transformation. Guests can connect to the internet anywhere in the hotel to handle work, entertainment, or social needs, significantly enhancing their overall stay experience.

2.2 Realizing Personalized Recommendations and Customized Services

Digital transformation enables hotels to gain a deeper understanding of customers' interests and preferences, allowing them to provide personalized products and services. Through data analysis and personalized recommendation algorithms, hotels can uncover customers' consumption habits, preferences, and needs, and offer tailor-made services. For example, based on customers' past booking records and reviews, hotels can recommend dishes that suit their tastes. If a customer likes Sichuan cuisine, the hotel can recommend nearby Sichuan restaurants or offer a Sichuan menu. If a customer is allergic to seafood, the hotel can avoid recommending seafood dishes. Similarly, hotels can recommend tourist attractions or activities based on the customer's interests in sightseeing. Moreover, digital transformation enables hotels to offer customized room options. Based on customers' needs and budgets, hotels can suggest different types of rooms, such as family rooms, business rooms, or suites. Customers can also choose room locations, orientations, and facilities according to their preferences^[2]. This personalized

recommendation and customized service not only enhance customer satisfaction and loyalty but also increase the hotel's competitiveness and market share. When customers feel the hotel's attentiveness and professionalism, they are more likely to choose to stay again or recommend it to friends and family.

2.3 Strengthening Customer Interaction and Engagement with Hotels

Digital transformation enables hotels to better interact and engage with customers, thereby enhancing customers' recognition and loyalty to the hotel brand. Through social media platforms, hotel apps, and other channels, hotels can communicate with customers online, share travel experiences, and collect customer feedback. Social media platforms such as WeChat, Weibo, and others provide hotels with new avenues for interaction. Hotels can post the latest news, promotional events, and travel guides on these platforms to attract customer attention and participation. At the same time, customers can leave comments, ask questions, or share their own travel experiences, interacting with both the hotel and other customers. Hotel apps are also important tools for customer interaction. Through the app, customers can make reservations, make payments, check in, and check out anytime and anywhere. Additionally, the app can provide personalized service recommendations, travel guides, and local dining information. Customers can also communicate with the hotel via the app, offering suggestions or lodging complaints. Furthermore, digital transformation allows for high-engagement interactive activities. For instance, hotels can host online booking discount events, lottery draws, and other activities to attract customer participation and attention. These activities not only increase customer enjoyment and engagement but also enhance their recognition and loyalty to the hotel brand.

3. Case Studies

3.1 Marriott Marquis New York: Smart Assistants Enhancing Customer Engagement and Satisfaction

Marriott Marquis New York has been a leader in digital transformation, particularly with its integration of Alexa smart assistants, which has provided guests with an entirely new experience. Alexa serves not only as an information query tool, capable of answering basic questions about hotel facilities, service

hours, and more, but also cleverly integrates into the hotel's marketing strategy. When guests inquire about information, Alexa proactively pushes current promotional events and special offers, such as discount vouchers for restaurants or limited-time deals for spa services. This intelligent interaction model greatly benefits guests, as they no longer need to actively seek out or ask the front desk for details about discounts but can naturally receive this information through everyday interactions with Alexa. Moreover, these personalized recommendations encourage guests to participate more actively in the hotel's various services and activities, boosting their engagement and satisfaction. For the hotel, this intelligent marketing approach not only increases customer loyalty but also enhances revenue potential, creating a win-win situation.

3.2 San Diego Orchid Hotel: Smart Key Card System Enhancing Room Security and Convenience

San Diego Orchid Hotel has innovated its room management system by introducing a smart key card system. This system uses advanced data encryption technology to ensure the security and non-replicability of the key card information. Compared to traditional key cards, smart key cards are more difficult to clone, effectively preventing unauthorized access and significantly enhancing room security. Furthermore, the smart key card system is linked to the hotel's property management system, allowing hotel staff to remotely monitor and control all entry points to the property. This means that when guests need to extend their stay or check in early, they no longer have to visit the front desk for processing; instead, they can complete these tasks via a mobile app or self-service terminal within the hotel. This improvement in convenience not only saves guests' time but also reduces the workload at the front desk, thereby improving the hotel's overall operational efficiency.

4. Challenges and Strategies in Digital Transformation

Digital transformation has become an inevitable trend in the development of the hospitality industry. However, this process also brings numerous challenges, including issues related to security and privacy, technology implementation and employee training, as well as the importance of strengthening industry collaboration and cooperation.

4.1 Security and Privacy Issues

Digital transformation has placed the hospitality industry in a position where it faces unprecedented challenges in handling customer data. With the digitization of customer information, data security and privacy protection issues have become increasingly prominent. As service providers, hotels must take on the responsibility of protecting customers' personal information and privacy. To address this challenge, hotels need to enhance the development and management of data security technologies. This includes adopting advanced encryption techniques, establishing strict access control mechanisms, and conducting regular security audits and vulnerability scans. Additionally, hotels should establish comprehensive data backup and recovery systems to deal with potential data loss or corruption. Beyond technical measures, hotels also need to strengthen the regulation and oversight of data usage and sharing^[3]. This includes developing clear data usage policies to ensure that customer data is used only for legitimate and appropriate purposes, signing strict data confidentiality agreements with third-party partners to define the scope and conditions of data sharing, and providing regular data security training to employees to raise their awareness of data protection.

4.2 Technology Implementation and Employee Training

Digital transformation requires hotels to have the appropriate technological infrastructure and talent support. However, many hotels face shortcomings in the promotion of technology and employee training, which hinder the progress of digital transformation. To promote digital technology, hotels should actively introduce advanced digital equipment and systems, such as smart room systems and self-service check-in devices, to enhance service efficiency and customer experience. Additionally, hotels should strengthen cooperation with IT companies and research institutions to jointly develop digital solutions tailored to the hospitality industry. In terms of employee training, hotels should create comprehensive training programs that provide employees with the necessary opportunities for learning and development. Training content should cover basic knowledge of digital technologies, operational skills, and the impact of

digital transformation on hotel business operations. Through training, employees' awareness of and ability to cope with digital transformation can be improved, enabling them to better adapt to the digital era's work environment. Moreover, hotels should encourage employees to actively participate in the practical implementation and innovation activities of digital transformation, stimulating their creativity and innovative spirit. For example, a digital innovation award could be established to recognize employees or teams who have made significant contributions to digital transformation.

4.3 Strengthening Industry Collaboration and Cooperation

Digital transformation is not solely the responsibility of individual hotels; it requires the collective effort of the entire industry. Hotels should strengthen collaboration and cooperation with IT companies, internet platforms, and other partners to jointly explore new models and business formats for digital transformation. Specifically, hotels can cooperate with IT companies to develop customized digital solutions that meet the specific needs of the hospitality industry. Cooperation with internet platforms can help hotels expand their online channels, enhance brand visibility, and increase market share^[4]. In addition, hotels can collaborate and exchange experiences with other players in the hospitality industry, sharing insights on digital transformation to drive industry-wide progress. Hotels should also actively participate in activities organized by relevant industry organizations and associations, fostering cooperation and communication with other industries. By engaging in cross-industry cooperation, hotels can learn from the digital transformation experiences of other sectors, broadening their perspective and ideas. For instance, collaboration with related industries such as tourism and aviation can help create a digitalized tourism industry chain.

Conclusion

The impact of digital transformation on the hospitality industry is undoubtedly profound and extensive. It has significantly enhanced the convenience of the tourism consumption experience, allowing customers to easily book and manage their trips anytime and anywhere. Additionally, digital transformation has catered to customers' unique needs through personalized services,

increasing customer satisfaction and loyalty. At the same time, it has propelled leaps in hotel operational efficiency and optimized cost control, bringing new growth momentum to the hospitality industry. However, this process also involves challenges such as security and privacy issues, the promotion of technology and employee training, and the need for industry collaboration and cooperation. The hospitality industry must actively respond to these challenges, continuously innovate, and drive the deep development of digital transformation to provide customers with higher-quality and more efficient service experiences.

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