

# HB REPORTS

## Why the TV remains the centerpiece of the hotel guestroom

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### Introduction

Travelers are using their own devices to manage nearly every aspect of their hotel stay<sup>1</sup>, but new data shows there is still significant demand for guestroom entertainment options—particularly, the guestroom TV. In fact, according to a new study, three out of four hotel guests say a guestroom TV is “essential” or “very important” to their hotel experience, and TV remains the most utilized guestroom media option. In light of these findings, hoteliers should ask themselves how they can use guest attention that has already been captured by this device.

Media and the way it is consumed is changing across the world. Today, nearly all consumers are subscribed to an average of three video streaming platforms, and many users are used to accessing their content everywhere they go. Hoteliers can take advantage of these trends in order to offer a leaner, more fulfilling guestroom entertainment experience as long as they are willing to move on from trying to market the technology as something that it is not and focus on the value a central screen brings to guest entertainment.

New research shows guest preferences are continuing to trend away from traditional Video-On-Demand services, while consumer interest in live content and streaming platforms continues to rise. Connectivity is the most important entertainment option hotels can offer today, and guests are most interested in the flexibility of a hotel’s entertainment suite.

To gain these insights, DIRECTV HOSPITALITY and Hub Entertainment Research surveyed 1,200 U.S. consumers who typically stay three or more nights per year in a hotel. The data sample includes business or leisure travelers who are members of at least one hotel loyalty program, and their submissions show a consistent desire for guests to have access to a hotel TV—even as the reasons for using the screen continue to evolve.

### The guestroom TV as a hub

Guestroom TVs are having to prove a case for their position in the hotel ecosystem for the first time since their introduction. According to Jon Giegengack, principal, Hub Entertainment Research, this is because the concept of “entertainment” has quickly shifted away from being centrally assessed on a TV to any number of screens over the past decade. In a remarkably short time, Giegengack said, consumers at home have become accustomed to subscribing to as many as seven different entertainment services, in addition to social media services such as TikTok and YouTube. Despite this, research shows guests’ desire to use the TV as a medium for entertainment remains consistent.

“Our research among hotel guests found that, even with the ubiquity of streaming video and mobile devices, the great majority of hotel guests still want to have a TV set in the room. However, guests want to use the TV in different ways today than even trends we saw five years ago,” Giegengack said. “At home, the average viewer watches three or more of the five biggest streaming platforms. This is in addition to live TV for sports and local content. This bundling of streaming

and traditional sources has already become a habit at home, and the ability to access them all on the road is a big opportunity to provide the best guest experience.”

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Hub Entertainment Research

Defining what makes a hotel TV a desirable “hub” is no longer a challenge—simply examine the consumer market. Today, ownership trends for nearly all entertainment technology have remained the same since 2020, save for pay TV set-top boxes which have declined as more and more users gravitate away from cable<sup>2</sup>. At the same time, the rise of contactless technology in hospitality has led to more active use of mobile and voice technology while on property, necessitating the need for hotel entertainment to interface directly with it. However, hotels should keep in mind research shows access to local, live TV and streaming or on-demand TV has the greatest impact on guests choosing one property over another<sup>2</sup>.



“Hoteliers are in luck as they already have the means to bring the contactless experiences their guests demand,” said Kimberly Twiggs, associate vice president, DIRECTV HOSPITALITY. “The in-room TV set is valuable not just for meeting guest entertainment needs, but also for supporting pandemic-inspired contactless services. Our latest research shows that nine out of 10 guests believe the in-room TV is suited to at least one contactless experience. DIRECTV’s Advanced Entertainment Platform (AEP) is well-suited to not only help deliver the entertainment guests want, but to help enable an additional contactless experience by allowing hoteliers to share information with travelers—such as the location of exercise facilities, or other property amenity information.”

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### Imitating home

While hotels continue to set the pace of consumer trends for design, the consumer market has often set the target for technology investments. Access to streaming is just as important as the quality of the screen it is viewed on, and hotels offer an opportunity to exceed expectations using modern technology.

Hotels have grappled with the value of the guestroom TV in the wake of streaming’s popularity, but content streaming is improved by the presence of guestroom TVs, first and foremost. Guests overwhelmingly use hotel TVs to watch

### 5 ways the guestroom TV serves guests

- 1. Live and direct TV**  
The ability to view live events such as sports and news coverage continues to drive consumer usage.
- 2. Video streaming**  
Video streaming is among the most popular ways to view content today, with nine in 10 survey respondents subscribed to at least one video streaming service.
- 3. Personal device casting**  
Travelers want the capability to cast their personal content TV using their mobile devices as a medium. This allows hotel guests to access their content subscriptions on the guestroom TV without entering personal information onto hotel devices.
- 4. Hotel and local information**  
Since travelers’ attentions are focused on the TV due to its central location in the guestroom, the screen is an ideal location to include information on hotel events, amenities, services, and promotions.
- 5. Voice controls**  
Hotel voice controls can be integrated directly with smart TVs to help promote a contactless stay experience, while offering an additional level of connectivity to all travelers.

live TV—significantly more often than streaming. Forty-five percent of respondents claimed to watch guestroom TV every time they travel, while 31% said they opted for streaming services<sup>2</sup>.

The impact of streaming on consumer preferences is not to be underestimated. Most guest respondents still own a paid TV subscription at home, but the number has dropped from 84% in 2020 to 64% in 2022<sup>2</sup>. While this shows a lower overall use of traditional cable, satellite or telco TV subscriptions, the fact that more than half of the market is still retaining and using these services is telling as to their value. This is despite the fact that nine in 10 guests subscribe to at least one streaming service.

The discrepancy in the popularity of streaming in the hotel guestroom versus its popularity at home is most likely attributed to the hotel industry's gradual adoption of sophisticated technology capable of simplifying the process of accessing streaming on guestroom devices. While more guests than ever before are using available TVs to stream their content (62%), the vast majority of travelers continue to use their personal devices to access this content (69%)<sup>2</sup>.

“Hoteliers should look to provide guests with personalized and flexible in-room entertainment options,” said DIRECTV HOSPITALITY’s Twigg. “Guests crave the choice of either watching live TV or having the option to stream their own content because it allows them to conduct their stay on their terms—it’s personalized, choice-driven and creates a home-like environment in the guest space.”

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## Contactless technology benefits guestroom entertainment<sup>2</sup>

Survey results show travelers who value contactless technology closely correlate keyless entry and in-room voice control with a positive guest experience. Increased use of voice controls among traveler’s benefits hotel entertainment by allowing the guestroom TV to centralize interactions and facilitate orders made using voice technology.

### Contactless checkout

- 80% of guests like this technology
- 68% of guests want to use this technology post-COVID

### Contactless check-in

- 79% of guests like this technology
- 65% of guests want to use this technology post-COVID

### Keyless entry

- 77% of guests like this technology
- 65% of guests want to use this technology post-COVID

### In-room voice controls

- 75% of guests like this technology
- 60% of guests want to use this technology post-COVID

## Guest segmentation

Three guest segments continue to have the highest potential for guestroom entertainment initiatives: business travelers, loyalty program members and younger guests between the age of 21-49. Respondents within all three groups were found to be more likely than others to use in-room TV options, would be willing to pay more for access to guestroom TV technology, and some were even willing to pay a higher room premium if offered. When examining the future utility and return on guestroom technology, hoteliers should always keep these three groups in mind as they will be driving innovation in this space for the foreseeable future.

One thing to note is that video streaming trends have seen a positive increase in usage for travelers of all ages, and every segment of guest. The uniformity with which U.S. travelers have adapted to technology trends presents an opportunity to hoteliers who are looking to reimagine the hotel entertainment landscape. Now is the time for operators to set the pace for what will be expected from guestroom entertainment going forward.

## Business travelers favor utility

Survey results found business travelers were typically more likely to use all in-room technologies (aside from live TV), and more business respondents said having a TV in the guestroom was important than any other segment of traveler<sup>2</sup>. The survey also found that 84% of business traveler respondents would choose a hotel based on its ability to offer access to local, live and streaming services, and 68% of business travelers said they would be willing to pay more for these features when compared to just 49% of leisure travel respondents<sup>2</sup>. Most impactfully for hoteliers, incremental revenue from business travelers who use these services is typically 1.5-times higher than from leisure travelers<sup>2</sup>.



## Loyalty program members want options

Travelers join loyalty programs for a variety of reasons, but one of the most consistent is for these services' ability to convey additional services, amenities and privileges during a guest's stay. This desire extends to guestroom entertainment, where loyalty members not only desire a TV (76%), but also have the need to have access to a variety of different platforms<sup>2</sup>. Guestroom entertainment is currently not a major factor in determining where hotel loyalty members book, but the availability of many different features and options during their stay is an indicator of how much more they are willing to spend on property<sup>2</sup>. Additionally, loyalty members present 1.3-times more potential incremental revenue than non-members they typically spend more on property.

## Guests under 50 go for streaming

While 76% of guests under the age of 50 say that having a TV in the guestroom is "very important," in many cases, they are not using the device for live TV, with just 70% opting to use the service compared to 74% from business travelers and 75% from loyalty members<sup>2</sup>. Despite this, guests under 50 present two- to three-times as much incremental value than other guests thanks to their willingness to pay for access to video content than other segments. Roughly 83% of guests under 50 were willing to pay for access to live and streaming TV video services, compared to 66% of travelers over 50<sup>2</sup>. Seventy-seven percent of travelers under 50 were willing to pay for access to casting technology so they could view their personal content on the guestroom TV, while just 48% of travelers above 50 were willing to pay for the service.

## Prioritizing casting and contactless on the TV

Among travelers who are interested in casting technology, the vast majority want to use it to watch video (82%) or view social media content (52%) on the guestroom TV<sup>2</sup>. Upward trends in casting indicate the technology is only going to become more popular over time, and the hotel TV is perfectly positioned in the guestroom as the ideal focal point for this technology's application.

The good news is that access to services like casting or streaming in the guestroom, while still a pain point, has become a little easier in the past two years. According to the survey, concerns like the lack of available HDMI or USB ports on guestroom TVs has gone down to 78% compared to 86% in 2020, the lack of support for casting technology is a concern for 78% of guests compared to 84% in 2020, and a lengthy or confusing log-in process in order to access personal content was a concern for 76% of guests compared to 85% in 2020<sup>2</sup>.

In addition to casting, the guestroom TV also delivers value as a hub for contactless experiences. More than 70% of business traveler respondents said contactless technology played a factor in improving their hotel stay experience, compared to 60 percent of leisure travelers and just 43% of travelers over the age of 50<sup>2</sup>. Nine in 10 respondents shared the sentiment that in-room TV is suited for at least one contactless service. This presents an opportunity for hotels to certify the guestroom TV as an entertainment hub as well as an access point to the rest of the property through contactless services<sup>2</sup>. The greatest challenge facing new hotels at this moment is the need for a strong mobile network and consistent support for users.

## **Conclusion: The next step**

Hotel TVs must first and foremost provide a high-quality viewing experience, especially for live TV and streaming. Hotels should take advantage of guests' continued preference to access the largest screen in the room and have a limited time to ensure travelers' attention on new technology can still be directed at the guestroom TV. If they fail to take advantage of this trend, the industry risks voluntarily surrendering yet another key hospitality touchpoint—allowing guests' focus to recede further into their personal devices with each innovation.

Today, just 47% of guests viewed the seven services featured in this survey as technology they would be willing to pay additional upcharges to access—down from 57% just two years ago. It's clear that the commoditization of hotel technology is continuing to advance at a rapid pace, and hotels have a limited window to instill the value of these capabilities in guests. Hotels can either allow TV technology to go the way of WiFi, or they can embrace new ways of thinking and reassert the TV's place within hospitality.

To learn more about DIRECTV HOSPITALITY for your hotel, please call 1.855.443.4484 or visit [directv.com/hotels](https://directv.com/hotels).

<sup>1</sup><https://www.phocuswire.com/PwC-opinion-IoT-for-hospitality>

<sup>2</sup> HUB ENTERTAINMENT Research Survey conducted April 2022 with 1,200 U.S. consumers who stay three or more nights per year in a hotel.