

# Understanding the Security Technology Needs of the Hotel Sector

Study Commissioned by:



[www.oncamgrandeye.com](http://www.oncamgrandeye.com)

Research carried out by  
Professor Alexandros  
Paraskevas - Chair in  
Hospitality Management



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## PURPOSE OF RESEARCH

The purpose of the overall project into the hotel sector as a vertical market is for Oncam to gain a deeper understanding than any of the other companies in its competitive space. With such knowledge, they can better collaborate with the hotel groups they are currently targeting with their products and services but also keep their needs and wants in mind as they continue to innovate.

## METHOD

A face-to-face semi structured interview was designed as this provides flexibility by using a list of questions that interviewers can modify during the conversation (Altinay, Paraskevas and Jang, 2016). The order of questioning could be changed depending on the interviewer's perception of what appears to be the most appropriate line of enquiry and the question wording could be modified if needed (Robson and McCartan, 2016).

A study conducted by the International Centre for Hotel and Resort Management at the University of West London under the supervision of Professor Alexandros Paraskevas (Chair in Hospitality Management)

## EXECUTIVE SUMMARY

Safety and security is one of the top criteria for customer (guest) selection of hotel accommodation and, with the evolving role of the security function in the hospitality industry, security technology plays a key role in a hotel's success. Security technology convergence has allowed the security function to come under a single management point, which could be the Chief Security Officer (CSO), the Vice President of Corporate Security or the Enterprise Risk Committee exerting unified risk oversight. Yet, hoteliers see security as an unnecessary expense or find it awkward to maintain high security standards and at the same time preserve a hotel's hospitable and welcoming image. In financially challenging times, the security function in hotels is normally the first to be outsourced and the expenditure reduced, alongside laundry operations.

The purpose of the overall project was for ONCAM to gain a deeper understanding of the hotel sector as a vertical market than any of the other companies in its competitive space. This first study aims at

gauging the views and perceptions of hotel security professionals at corporate (executive) level on the current status and adoption/usage of security technology, the decision-making process for investment in such technology and anticipated future developments in this area.

Methodologically, it was agreed that hotel groups' security executives would be approached to offer face-to-face semi structured interviews as this method provides flexibility by using a list of questions that interviewers can modify during the conversation as well probe the interviewees for more in-depth analysis of their insights and perspectives. The interview protocol was agreed with ONCAM. Thirty-two executives were invited for the interviews in the period between June and October 2016. All of them accepted the invitation, however, for various reasons only twenty-one of them participated in the study. The typical interview lasted a little bit over one hour with three interviews lasting just over 30 minutes.

The views cannot be considered as reflecting the entire hotel sector as branded hotel account only for



“ [Loss Prevention Officers] You don't prevent anything because everything you do is in reaction to something happening. And it's that mindset that we have to change across the whole industry.”

Director - Global Security  
EMEA & Asia

53% of total rooms supply which is approximately 16 million rooms, broadly segmented into branded (multiple hotels under the same brand) and independent (non-branded) hotels.

The majority of the big hotel brands operate an 'asset-light' business model by which they do not own the hotel but either manage it under their flag on behalf of the owner for a management fee or they franchise brand standards and marketing to the owners who may operate the hotel themselves or through a third-party operator. Indicatively, the big hotel brands own less than 5% of the hotels in their portfolios, manage 10-15% of them and franchise the remaining 80%+. This means that brands are not the key influencers in the security technology investment decision which is particularly complex.

The study found that the participants consider as security technology four distinct types of technology: video surveillance, access control, detectors (metal, x-ray, explosives) and 'other' electronic and IT security devices such as room safes, various alarms and sensors, bollards, barriers and doors. With almost 70% of the capital invested in security changes in the aftermath of 9/11 on video surveillance systems, most executives consider video surveillance as the leading security technology. However, it is mainly used as a deterrent security measure or as an investigative means rather than as a proactive or predictive tool. With regards to access control the main materials typically used are electronic door locks and key cards, radio frequency identification (RFID) key cards, and biometric access control systems. According to participants, 70% of the hotels are using magnetic stripe and 20% RFID

proximity cards, however, following a scandal with a popular hotel lock, hotel companies are now moving towards RFID. Smartphone access is still considered a high security risk. There is some resistance to biometric access control (for employees) but it is mostly due to lack of understanding of the underpinning technologies. Metal detectors and x-ray machines are not popular and used mostly where the law requires.

When it comes to security technology investment, for branded hotels, the decision will largely be influenced by the stage of the hotel's lifecycle, the type of contract between the brand and the owner and the location of the hotel. Key players in this decision are the developers and the owner, the brand, the chief engineer, the general manager and the security manager of the hotel. There is a distinction between brand 'safety' standards and brand 'security' standards. Whereas some brand safety standards are non-negotiable, brand security standards may be just recommendations to the owner and may cover the absolute 'basics'.

The key driver in decision making is cost. In most cases technology is seen as a cost reducing element, i.e., more technology – less security personnel. Security expenditure is a reluctant expenditure and done only when it is an absolute 'must'. The participants explain this mindset as a result of the operational background of the key decision makers. However, since these people's mindset is focused on costs, the antidote of security professionals is to stress the gains of a full proof security function through the reduction of insurance premiums, economies of scale, reduction in claims (trips, slips and falls) and increase in business, particularly from 'key corporate



“ One thing that we’re seeing more and more is that for hotel groups that want to court big, large key accounts, security is top on the agenda for key accounts. So we’re starting to see that the guest experience... It’s not necessarily guest experience, it’s guest expectation.”

Principal Security Consultant  
Global

accounts’ who want their staff to stay in safer hotels. The use of camera analytics was mentioned several times although there is still some confusion about what these analytics really are.

With regards to the barriers to adoption of security technology, the participants consider the owners’ and managers’ perception of technology as a means to reduce costs rather than to enhance their product. The investment is often of a patchwork of adding new technology on the top of almost obsolete one with ‘legacy systems’ becoming the main technological vulnerability in the sector. One reason for this not rationalised approach is that many companies jump on the bandwagon and adopt whatever is trendy and new rather than what they really need. Resistance to new technologies is mainly attributed to a lack of understanding of how these technology work and of the added value it can offer. However, there is a trend of ‘loyalty’ to tried and tested brands, especially those with good after sales service.

The participants foresee that security technology will become more ‘mainstream’ and what today is considered a ‘premium’ tomorrow will become a ‘standard’. They want more integration in the security function from surveillance to access control and notification systems, if possible, everything operated with ‘one button’. They can see security professionals working more closely with IT professionals in multiskilled teams where each member will bring their own expertise. However, they also expect simple intelligent systems as they almost all agree that the hotel industry will never be able to have officers of the right calibre and the systems will always be beyond the ability of their operators.

## FIND OUT MORE

We hope that you found this executive summary of the Security Technology Needs of the Hotel Sector study informative and instructive. If you would like to discuss this study further, as well as the technology solutions available for your sector, please get in touch with the Oncam team and we would be happy to assist you. Feel free to drop us [an email](#) or call directly on the number below.

## ABOUT ONCAM

Oncam is an independent, specialised IP video and technology company with a reputation for being one of the most innovative firms in today’s market. Oncam’s sole focus is on 360-degree smart IP video - working with partners to deliver high-value business solutions for customers that leverage Oncam’s award-winning technology. Find out more about our company and products by [visiting our website](#).

## ONCAM MAIN OFFICE

Building 4, Chiswick Park  
566 Chiswick High Road  
London W4 5YE  
United Kingdom  
Tel. +44 0207 371 6640  
[digital@oncamgrandeye.com](mailto:digital@oncamgrandeye.com)



[www.oncamgrandeye.com](http://www.oncamgrandeye.com)