



HVS Executive Search & ESSEC Business School Paris present
Waking Up To Social Media: The Hotel Industry Response

HVS Executive Search and ESSEC Business School Paris co-hosted a panel discussion on what the rise of social media means for the hotel industry.

Waking Up to Social Media: The Hotel Industry Response, the discussion forum on social media was organized in February 2011 in Paris. Panellists at the event were unanimous in their opinion that the hotel industry is still too conservative to effectively tap the potential of social media channels.

The panel included (standing from L-R in the photo):



- Geoffray Maugin, *VP Marketing Accor Luxury Brands*
- Chris Mumford, *MD HVS Executive Search London*
- RJ Friedlander, *CEO ReviewPro*
- Jacques Dubois, *COO Rezidor Hotel Group*
- Iain Ainsworth, *Founder & MD White Line Hotels*
- Peter O'Connor, *Professor ESSEC Business School*

The event was held for an audience comprising of students and hoteliers, every single one of whom declared they are active on Facebook, Twitter and/or LinkedIn.

You may view highlights of the discussion on our [YouTube Channel](#). Complete transcripts of the discussion are below.

[HVS Executive Search](#) provides advisory services to leaders of the hotel, restaurant and gaming industries. Practice areas include senior-level executive search, mid-management recruitment, compensation consulting and performance management. HVS Executive Search is a division of HVS, a fully integrated consulting firm focused on the hospitality industry. HVS is the world's leading specialist in hospitality consultancy. With 30 offices globally, HVS offers unparalleled market expertise.

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Waking Up To Social Media: The Hotel Industry Response

Chris Mumford

Ladies and gentlemen, good evening. First of all I must apologise for not speaking in French. Most of our panel speaks English including me so if we did it in French it would be completely incomprehensible! Welcome to this evening's session held by HVS executive search and ESSC Business School. Thank you all for coming. The topic of our panel this evening is *Waking Up to Social Media: The Hotel Industry Response*, and I am very pleased to have such a distinguished panel join me this evening. I'll quickly introduce our panellists:

Iain Ainsworth is the Founder and MD of White Line Hotels, an alternative fresh approach to marketing independent hotels. Iain was previously SVP with Design Hotels and has also been with Concorde and Kempinski.

Jacques Dubois is the COO of Rezidor Hotel Group. Jacques has been in Europe since he came along with Carlson back in the day to do the master franchise with SAS and has since held a variety of senior roles with Rezidor in operations, sales, and revenue management.

RJ Friedlander is CEO of ReviewPRO. RJ has experience of a variety of internet and tech roles worldwide and is currently developing ReviewPRO as a European leader in online reputation and social media management for hotels.

Geoffray Maugin is VP of Marketing at Sofitel. Geoffray joined Accor four years ago after a career with LVMH and his mission has been to reposition Sofitel as a leading luxury hotel brand.

Peter O'Connor is professor of information systems at ESSEC Business School and also Academic Director of the ESSEC hospitality masters programme. Peter is a leading expert in technology distribution, e-commerce, and marketing in the hospitality sector.

Chris Mumford

(Speaking to the audience) Who's on Facebook? OK so pretty much the entire room. Who tweets? Who's on LinkedIn? OK pretty much everybody. Who has their own blog? Who uses TripAdvisor when booking a trip? And who is on no social media at all? *(no show of hands)* I am pleased to say that in the era of social media people still feel it worth with to get together and in person for an event like this. So panel we've seen what our audience is up to let's start with just getting a general sense with what the hotel industry as a whole is up to.

Peter when did hotels wake up to social media and what stage is that relationship at currently?



Peter O'Connor

Well Chris I think the answer is that I don't think hotels really have woken up to social media at this stage. One of the things that I have done recently is a benchmark of social media use by hotel companies and honestly I can say the results are shocking. While a lot of hotel companies are present on social media channels their following in terms of number of fans or followers or subscribers is measured in the thousands rather than the ten thousands or hundred thousand which is where it should be. On top of that, even when they have a good level of people signed up there is no activity on their accounts. They are not using the opportunity to interact with their customers and even when they do interact with their customers, their customers aren't interested because nobody is liking or commenting or retweeting. So I think we are very much in the same situation as we were five years ago with the online travel agents. If we don't get our act in gear somebody else is going to come along and steal the opportunity away from us.

Chris Mumford

Geoffray when did Sofitel get with it on social media?

Geoffray Maugin

I would say two years ago as far as the corporate level was concerned; but very early stage as far as hotels were concerned. The first one being Chicago. We learnt a lot from their experience and now it's a matter of expanding it which is our biggest challenge I think.

Chris Mumford

Jacques can you comment from Rezidor's perspective. You mentioned that you felt you were a bit behind the game?

Jacques Dubois

Absolutely. It's a complex environment and I think that to Peter's point we're perhaps a little more conservative. I couldn't help but notice that today *Lonely Island I Just Had Sex* is up to 52 million views on YouTube. Its very much in its infancy for the hotel world. I think we're struggling with a lot of issues: we're struggling with how consumers want us to use social media, there's the issue for employees and their use of social media, there is the absence I would say of a coherent skill set to support the undertaking which is a challenge; and which I hope for people in the room here are starting to focus on because there is an opportunity we are recruiting for that.

Chris Mumford

Iain, you work with I guess more independent hotels and have set up your business to help them?

Iain Ainsworth

Firstly I'd like to say I don't think the hospitality industry is alone in not embracing social media. I think that many other industries are out there haven't really started. What is sad about our industry is we probably have the most to say. Imagine if you were selling toilets or bathrooms! I mean you're not going to have a lot to say. Hotels are hotspots in the very world of hospitality. It's also a world where you have people coming and going through you. You are a live



theatre set so I think hotels need to embrace that. I don't think it's anything new that we are a little bit behind some of the market leaders and if you think back to yield management and marketing managers, PR managers they didn't exist twenty years ago. And so I think it's the case of hotel structure that needs to change, but I don't think the hotel industry is necessarily the worst on the block. I think it has the best opportunity to embrace this and it shouldn't be afraid.

Chris Mumford

So what's it being used for? Jacques at Rezidor, what are you using social media for? Is it just simply having some Facebook pages up?

Jacques Dubois

I would say that today with the exception perhaps Missoni there isn't really a coherent strategy. Primarily on Facebook there's a blog about each programme we're working towards, a universal search engine optimization so if I was to summarise those and other activities we currently have of footprint for Rezidor. We're using social media as a means to drive consumers back to the brand website.

Chris Mumford

Peter do you see that true of the industry as a whole is that the main focus is of driving traffic to the website?

Peter O'Connor

I think that's very, very true of the major brands and I think really you're talking about maybe the top ten are doing that any degree of success. The big challenge is actually gaining visibility with the social media audience. Yes you can put up a Facebook page people then have to become fans of the page and you have to interact with them. Quite a lot of hotel companies then start blasting them with offers. So you get offers for weekend stays in Albuquerque five times per week and very quickly you de-fan or de-follow that page.

There are very few companies that are going to the level of using any of the social media channels either for real interaction with their customers, in terms of responding to their comments if they have complaints or actually sending something that is of interest to them. And that's a big challenge because we now have to integrate social media with customer relationship management, with distribution with our direct website; with what we are doing with all our other channels it's a massive tasks and personally I don't see very many hotel companies devoting the resources to doing it. Those that do are having a lot of success.

Chris Mumford

RJ perhaps it's time to bring you in. Your focus is currently on this customer satisfaction/relationship side of it. Can you explain a bit about what your product does and all the data you can get from that?



RJ Friedlander

We're a company that is based in Barcelona. We started coding our product three years ago and we launched the product about a year and a half ago and have gone from eighty clients in 2009 to over a thousand clients. So we have in fact a really amazing opportunity to see the engagement and see the use across a wide base of clients. Our client Sol Melia which is the largest hotel group in Spain has eight brands, 270 properties worldwide and when you talk of waking up in, the case of Sol Melia they've woken up all right. What we're seeing is there's a lot of variation. It depends on what segment, what size hotel group you're talking about; in fact what we are seeing is that some of the groups that are having the biggest success tend to be medium sized chains because from a corporate governance or from a political stand point maybe they are a little more agile and they are able to do things.

Basically what we are saying is the hotels that are really succeeding are focusing on one key thing which is content. If you set up a Facebook page you better be committed to responding if people comment otherwise it would be better to not set it up. The brands that are really leveraging social media view this as a conversation that they play a part in and what instigates or starts a conversation and makes it more enriching for everyone, is based on content. That content could be their blog, it could be original content on Twitter, it could be videos and there are a number of success stories. But to me one of the issues is those who are succeeding have a clear focus of developing original valuable content to the people that are using these different platforms.

Chris Mumford

Jacques are you at Rezidor using it for anything other than marketing? I'm thinking recruitment, customer service?

Jacques Dubois

There is a recruitment component for Facebook but not in terms of customer service. We're looking at applications with our partners in the US and how it was applied to Twitter to be a little more real time. I think that's the challenge, when you are in a follow the sun environment you need to suddenly start manning and having the resources to manage that feedback in real time. I think customer want that response, they expect it.

Chris Mumford

I just had a great example of that given to me this afternoon. There was a case on Virgin Trains in the UK – one of the passengers in a coach tweeted coach six is very hot. Virgin Trains obviously picked up the tweet, called the radio of the train driver who then turns down the heat in the carriage and goes over to the passenger and says thank you very much for your tweet. That's a real time customer service issue right there!

Jacques Dubois

Those the things you would want to see happen right there of course but one of the challenges we have in the hotel environment is that we want customers that are experiencing less than they expected to tell us immediately. Not tweet



some call centre 600 miles away. But if that's what they choose to do we are going to have to be there and be able to respond to that.

Peter O'Connor

So Jacques you want them to queue up at the front desk to tell you there's a problem?

Jacques Dubois

I hope they don't queue at the front desk!

Peter O'Connor

Just to jump in on what Iain was saying about the hotel industry not being the worst. I'm sorry to be a pessimist but I think it really is one of the worst. Here in France there's a great example how bad we are. There is a little company called Castorama which is not exactly well known for its customer service and after sale service and things like that. One of my friends was trying to return something to them (it's like a hardware store) and was calling the customer service number but couldn't get anyone. He went to the store and there were big queues. So he went on their Facebook page and complained about it and he got an answer within thirty minutes. And a full refund. This is a company which as I said it's interaction with customers is not great. In the hotel industry we pride ourselves on our customer service and our interaction and building relationships with customers. We don't seem to be able to do this, I think that's a big, big problem.

Chris Mumford

RJ, do you want to jump in?

RJ Friedlander

When we started we envisioned that the main constituents within the organisation would be sales and marketing. Other departments like revenue and distribution, quality and operations we thought would have a second level interest. What we found is that social media is something that's affecting all parts of the organisation. It's not just changing things related to the brand, it's turned the way that the hotel sector or the hotelier interfaces with his client or potential client absolutely upside down.

Chris Mumford

Geoffrey this brings up the issue of resources. So organizationally who's taking charge of social media and how are you making sure they are doing the right thing?

Geoffrey Maugin

Before answering this question and to what Peter said I think it's mind shift and if I compare to my previous industry (luxury goods), the number of fans that Louis Vuitton has are huge – over a million. I think it is the sort of almost a downside of this (hotel) industry where you know instead of selling a product you sell services, and we feel that via these technological means we will lose out on something.



Geoffray Maugin

As far as resources, in my team I've got just one person who is not full time. So you see its tiny tiny, but we already are starting to do things when we unleash the power.

Peter O'Connor

For 80 hotels?

Geoffray Maugin

For 120 hotels.

Chris Mumford

Jacques is this similar at the Rezidor? You mentioned you are recruiting?

Jacques Dubois

Well I am recruiting a dedicated social media person now. We have a team in Copenhagen which deals with all things related to e-commerce and distribution. I know that I'm concerned about social media as an area being swallowed by marketing just like when I was in distribution I was worried about distribution being swallowed by marketing! I don't want the brand site to be a brochure, I wanted it to be usable, we are seeing it as a dialogue with the customer, an opportunity to get feedback from the customer that is valuable and I have to say to your point Geoffray, that the dialogue you have with the customer varies depending on the brand.

We find Twitter is a very active channel for Missoni. I monitor the traffic for the Missoni brand on Twitter, this is just one hotel in Edinburgh, but it's the kind of place where people go and they either want to be a Mayor on Four Square or they tweet "*I am having a mojito at the Missoni*". They are not talking to me, they are talking to everyone on their entourage. So I am not going to manage that, but I want to encourage the environment that attracts the kind of customer who thinks that is an important thing to say about them.

But to the resources point, we are in the same place. We use a lot of consultants in this area. External consultants to advise us and to analyse what we are doing and to help us formulate a strategy for it; but it's an area of undertaking that covers a lot of disciplines. I said to human resources, it's our employees, our customers, its recruitment, its customer feedback it can correlate this with a lot of other sources of data as we were discussing to get a broader picture. So there is a lot of opportunity here in measuring this information and applying it in the business in different ways to achieve different things. So I think we are going to have somebody who is in a role to deal with "social media", but as we discover the environment we are going to expand the expertise and cut it into channels so that the interaction with the discipline is adapted to different needs.



Chris Mumford

What's your view in doing that in-house first without outsourcing or is it a mix?

Jacques Dubois

We will need some leadership in-house and we need to formulate a view in-house, a direction we want to take. That strategy has to be defined in-house and then you need to look at the resources you have both internally and externally so that you can acquire the expertise that is necessary to execute and adapt the strategy as it evolves over time. There's a measure of technology that's involved which I don't think we should own or be building I'd rather buy that from people like you (RJ).

Chris Mumford

Iain, I am assuming your hotels are outsourcing it to you essentially, as an expert that can deliver a lot more out?

Iain Ainsworth

Yes. I feel like outsider here! I think you need to go back to the essence of what social media was. It's to be social with my friends and socialise with my friends. It's been hijacked by corporations and you notice this on your own pages on Facebook, advertisements moving in, telling you about Starbucks coffee. I hate Starbucks! So why are they on my page? Because I mentioned somewhere that I drank a coffee? I am very much against all this but I'm not a revolutionary or anything but I think that you have to be very careful.

I don't think you can use the word broadcasting anymore you know you have to "tailorcast". You have to be careful about what you are saying, to whom. You have already got a social footprint whether you like it or not. You know you can manage what people are saying about you if you wish to, but they are going to write about you anyway. Thousands of people are already writing about you whether you like it or not. I understand from the big brands that you need to manage this and it has to be consistent with the brand. I work with smaller independent hotels, who I think have the core advantage, they have personality. Use your personality to write. Not just what the concierge is doing right now or where you're getting your vegetables from, but real stories. Look around your area. It's so easy with Google Realtime – type it in and see who is writing about your area, link into them, then you have content. It's not just about your own content it's about using people around you already writing, already featuring you as a destination. I think this for the hotels in the future is a key way into new markets. In-house out-house? Yes I think everybody should get advice from external sources whatever industry you're in. You know you're not a specialist on everything, you can't be. So do get specialist help. But I think it's quite a lame effort if you get somebody writing on your behalf as a company. I know that's not real and the younger generation, let's face it half of the world population is under 30, they know as well.



Chris Mumford

So JW Marriott's blog is not really JW?

Iain Ainsworth

Maybe it is, I don't want to be sued, I don't know!

Peter O'Connor

I'd like to really support what Iain just said there. One of the things I have seen with several companies where they have moved from the situation where they have been experimenting with different social media channels, and it's been messy and it's been amateur, but it's been genuine. And then they go off and hire a company, usually a PR company, to come in and start writing the Facebook posts, tweets and posting videos for them. And very, very quickly it becomes just a little bit too professional, too slick, and it loses the contact with the actual brand or the property. One of the questions you asked at the beginning was should this be done at a brand level or at a property level and the answer of course is both. The brand has got an issue but the property really has the opportunity to build up relationships with its customers. To get them coming back again and again and again you can't do that from a corporate office somewhere on the other side of the world and you definitely can't do it from an outsourced centre in India, Lithuania, Ireland or wherever. Even if they are being very well briefed by the hotel. So I think we've stated to experiment, we've started to get a little bit of traction with social media audiences, and now I think even the big companies are starting to lose it again. So you said are we waking up, maybe we are going back to sleep!

RJ Friedlander

The real opportunity today, what's really impacting the business today is what's happening on review sites. So at Review Pro we aggregate reviews from the web of approximately let's say 59-60 online travel agencies. This content from what we are finding is directly impacting perception of guest satisfaction, and more importantly driving revenue up or down as we're talking in the context of social media.

Iain Ainsworth

Or you ask your friends on Facebook.

RJ Friedlander

Yes I agree but the impact if you look at the absolute influence factor of driving hotel decisions, I would argue that that's still very, very low. It's going to change and it is changing.

Chris Mumford

Now I know of one hotel group where the manager is now instead of reviewing the previous night occupancy and rate, the first thing they check is TripAdvisor reviews in the morning. Geoffray is that the case at Sofitel? Is TripAdvisor keeping you awake?



Geoffray Maugin

Yes for sure. It's higher now on our agenda definitely. We know that at the end if we keep sticking to our quality and improving our quality, it will have an impact on TripAdvisor. Also the thing about TripAdvisor is that its instant in terms of message. We say to our GMs this must be high on your agenda because it's an immediate image to your guests, but keep on the good work on the GSS.

Chris Mumford

Jacques do you want to comment? I know we were talking earlier about policy for something like TripAdvisor and social media as a whole. What sort of company policies do you implement, particularly in regards to TripAdvisor? Is there a policy on response time?

Jacques Dubois

You have already elicited my view that policies happen because common sense has failed! But yes, we do have policies. We have a social media tool kit basically. Before I talk about the tool kit let me respond to Peter's comment on individual hotel Facebook pages or individual hotel interaction with customers. Ofcourse our hotels interact individually. All our employees interact differently with the customers in hotels. When it comes to something like a Facebook page I really admire an organisation like yours (Iain) where each hotel has its character and it has its voice and it represents itself within an organisation like yours, which enables it to reach more customers. We're more like Sofitel. We have brands that are defined, they fit in a segment, they are intended to serve a particular group of customers within a market place. We have competitors who do the same thing as we do and it's not so much that we are control freaks but there is a positioning for the brand that has to be represented by how the employees act, what the employees say.

We do that obviously in our organisation through various tools and training with our employees in the 'Yes I Can' programme as an example for all of our brands. It's the idea that we want customers to be enabled and so on but there has to be a continuity, and there has to be a way to manage how our employees are interacting with our customers, and when we measure customer satisfaction we often see the impact of cultural differences. The Russian employee talking to the British customer or the Norwegian employee interacting with the Italian customer. I don't want to say there are stereotypes but culturally there are differences in the way people express themselves. Often you will have two people who will not have English as a first language speaking to each other in English and can easily offend one in that conversation. If that's a real time conversation it's just air being exchanged between people and that is fine. But once you get it into a Facebook page it's there forever. So we try and provide tools and education but there's still 72,000 employees out there, so who speaks for the brand?



We have for instance a policy that the only person who can react to a TripAdvisor comment by any customer is the hotel's General Manager. And the General Manager is not permitted to have another person react to those on their behalf. We say you're in charge of the business, these are you customers, the customer is expressing something that is a concern to your business and you need as an individual to react to it. So they are the voice of the business on TripAdvisor and on other sites for customer feedback.

Chris Mumford

Peter I know you have your views on this. How do you get that GM motivated to actually do what expecting him to do?

Peter O'Connor

Well the question I was going to ask Jacques was, do they actually do it?

Jacques Dubois

Yes they do, they do but do they all do it consistently? Do they all do it equally well? No they don't. They don't because not all general managers are born the same, they are not cloned.

Peter O'Connor

One of the companies I have done some work with we faced exactly this problem. We put in place a policy which we ran for a couple of months which was everybody had to respond to all negative reviews and I think it was 30% positive reviews within 72 hours with the review being posted, which is not something that is very hard to do. Basically nobody did it, they all did it for about a week and then nobody did it so we had to get tough. We tied 10% of the bonus of the general managers to a score generated based on various review sites and all of a sudden all of the excuses about not having head count, not having budget, not having skills, all disappeared and very quickly we started to see the scores for these hotels going up. Of course another question is were the hotels' scores going up in reality or were they cooking the books a little bit? But it certainly prompted some action.

Iain Ainsworth

Can I just say something about TripAdvisor? I personally hate TripAdvisor and I feel sorry for a lot of hoteliers out there because it really depends on who's reviewing what and are they qualified to review it? The sad thing about TripAdvisor is I can't read who this person is. We did a survey at a college about these assessments of hoteliers and basically you come out at 50%. 50% of the people hate the place 50% like it, particularly in my field.

I had one hotel recently who applied for a membership to us and she said before you go any further I'll tell you now that on TripAdvisor we have a really bad complaint as of today. I thought that was very brave of her to tell me this because she thought maybe I would look at it. It was a guy arriving into Marrakesh and he was complaining that his taxi wasn't able to drive up to the *riad*. Well hello, if you stay in *medinas* there are no taxis that will drive to *riad*. He goes on and on and on about this hotel: the room only had one window.



Well it's a medieval *riad* you know, what do you expect? I feel very sorry for hoteliers because they have to defend themselves on this. I think there is some merit in comments but I think it has to be managed as well. But its only one source of which it has been said about you.

Peter O'Connor

Iain did that hotelier respond to the review?

Iain Ainsworth

Yes they did. But I think what you have to learn as a hotelier is to go back to managing expectations. Find out how did that customer book you? Where did they come from? Maybe on a site you're being described in a wrong way? You need to see what's being said about you, you need to measure it like anything else from a marketing/branding point of view. Are we getting serious complaints from these people from a booking source? Who's written the review that had people have different expectations? Could that be the cause? Is our website misleading? Do we have the wrong images? So TripAdvisor has it's good points but it also has it's bad points and it can be used very maliciously and for a small hotel it can cause real damage and I don't think that's fair. Basically it's a lot of blackmail going on. You will be threatened: I will put you on TripAdvisor! I am an employee here what do I do? Lose my job because of you? It's very threatening environment for your staff. If you have a good hotel management you should be aware of your problems immediately because most TripAdvisor comments, unlike Twitter, are in the past. So it's very hard to rectify them.

RJ Friedlander

My background is in technology and internet and I am a neophyte to the hotel sector so in the last three years I have been working on my PhD outside of the classroom, in the battlefield. When I started this, my impression as a consumer was really positive about TripAdvisor because I found useful information. It was one of the things that hit me over the head when I first started calling clients is it's very difficult to find a hotelier that's very excited about TripAdvisor. A few years ago online reviews was almost equal to TripAdvisor but what's happened along the way is all the OTAs around the world realised two things, they realise when they go to book, if there aren't reviews the consumers go somewhere else looking for reviews. So every OTA in the world woke up in the last two years and realised if they don't have reviews their sales in that side are impacted. The second is that for search engine optimisation, the reviews and frequent review updates are gold. So what's happened over the last couple of years is there's been this massive swing about where reviews are coming from. So today we aggregate reviews from nearly sixty online travel agencies, in eight languages and thirty countries and all these numbers are growing week by week, month by month and these are the kind of things that technology or specifically our technology can allow you to do.



The OTA market is getting increasingly fragmented and that fragmentation is creating complexity for the hotelier but it's also creating a huge opportunity so now and again without tools like ours you have to have a village in China working on manually trying to figure out where your presence is? There is a lot going on and it's clearly not all about TripAdvisor. It's an amazing brand and it's one of the biggest brands on the consumer internet but, for example, Bookings.com have significantly more reviews than TripAdvisor.

Chris Mumford

We were hoping to have someone from TripAdvisor here tonight to defend themselves but they chickened out!

How does a hotel company assess the effectiveness of a particular channel or platform? Geoffray I don't know if you have seen Peter's study that he did on social media adoption but it showed someone like Marriott very weak on Facebook but huge on Twitter? At Sofitel how do you make a decision as to which way to go? Are you focused on certain channels more than others or is it a wider approach?

Geoffray Maugin

I think it would depend on the region and also type of hotel. For instance, Twitter in the US is getting the upper hand so we say ok you go and unleash your power there. Ofcourse you keep Facebook. What is important is that you have to manage the links. Social media is very, very complex. Its already more fragmented than OTAs for sure because there are plenty of social media that I don't know and they have just been created two weeks ago. But they might be very popular in China for instance especially for our type of consumer. We give the freedom to our hotels to wake up and personalise the medium. Some of them are not ready yet because of the GM but we know in six months or in a year's time the light will come and they will do it.

Chris Mumford

Jacques is that a similar story at Rezidor?

Jacques Dubois

For us there are two camps in regards to the efforts. One is trying to monetise the solution not by generating content but by being present where we can. So a video channel on YouTube, trying to organise our images on Flickr, AroundMe on Google, blogger outreach programme and that all folds into your search strategy to make sure that the search brings the user a high level and a high variety of content which include those TripAdvisor comments but will also include a lot of stuff so that there's a variety of opportunities for the consumer to form an opinion. The other one is the customer feedback component by which we measure customer experience and try to translate that in two ways to improve the business and improve the experience for the customer.

I have gone to sites and posted comments on their Facebook page to see how they respond to me and it's been stilted. On the other hand there are other



companies, not in the hotel business, but there are others that I am interested in buying and I have gone on to their Facebook pages and I actually feel like I know these guys. They do the things that I hope we would be able to do someday which is where suddenly I have a post on my wall from one of these guys from a product I have bought which says we're planning to do this with our next range of products, Jacques what do you think of these particular products? Because I guess I was one of other people who's opinion they valued or because I interacted in a way that was interesting for perhaps other people on their Facebook page and I would kind of hope that someday we would come to that. But how do we do that at a brand level at a very high level?

Peter O'Connor

Using the wonders of technology can't we actually do this right now? So what's stopping us? In the hotel industry, I am sorry Geoffray one person for 120 hotels? How can we build up a relationship with customers using this channel if we don't devote the resources and the time and the money and the training?

My personal opinion and this is based on nothing but opinion is that we are afraid just like we are afraid of so many other developments we don't know how it's going to work out so we are unwilling to take risk, we are unwilling to experiment and see what happens and yeah it's there forever, well on Facebook it is not there forever, there is an implication but if you don't experiment how are you going to figure out what's worked? You're always going to be a follower rather than a leader.

Chris Mumford

HVS did a survey last year on a Social Media usage and the number one concern from the hoteliers was trying to work out the return on their investment. Peter, you just mentioned the money thing is that what is holding people back? People don't understand what they are getting for their buck?

Jacques Dubois

We look at ROI on our other customer feedback channels. We measure brand awareness which you could ultimately monetize. I think for us it is very much the fight for brand awareness. It is the battle to secure a place in the consumers mind among all the other brands that consumers hold in their heads; and to hopefully develop a group of passionate advocates for the brand. And it's the advocates for the brand who can manage to convince other consumers to share their passion about the brand and it can be about anything. It can be about hotels, restaurant, automobiles, watches, perfume, designer bags or just a great trail on some mountain somewhere but it's the advocates that build awareness of this and I think that's what you want to do. To the TripAdvisor point your only defence for the terrorist on TripAdvisor are the advocates. The people who come back and say *"I disagree with what John123 posted I've stayed at this hotel and this was my experience and it was positive"*.



Geoffray Maugin

Also to answer I think that this tiny thing is quite costly. It's not like sending a few emails; it's very costly especially if you want to do it right and I think that is also what we are going to do. We are working on a concept but I can't tell you more. Something I believe is a real challenge is that a hotel is alive seven days a week twenty four hours a day and it's a pace which is an ongoing pace and I don't want social media to end up being like consumer relationship, that's not the idea of it. So we've worked on a concept which will push something else; which will be the anchor that people can relate to whether they buy it or they don't buy it. More like a product so we can at least get some sort of pace and some sort of coherency in what we do. This is an experiment you will see, it will be interesting.

RJ Friedlander

The element of branding, attracting the brand, improving the brand, clearly is important and a key element but what we are seeing is that there is a huge opportunity. Not only do that but tie this specifically to revenue and things are very measurable. So for example I mentioned before the data or more importantly the analytics in customer intelligence can be used to optimize online distribution strategy in a way that was before absolutely impossible. So by being able to analyze this situation for a given hotel or group of hotels in the different OTAs you understand how many reviews you have, understand the situation with your competitors and number of reviews is creating opportunity. So we're seeing clients that are setting new objectives, defining the results and measuring a clear return. The other area which was interesting that we talked about was there's a real and direct relationship between online reputation which is in fact the guest satisfaction score for a hotel and revenue. So we have a large client that took this global review index that we generate by hotel; they exported that and cross referenced that data with their average daily pricing so you get the curve of your quality score and the relation to the average daily rates per hotel. And they identified at a little less than 10% of their hotels their quality score was surprisingly high relative to the pricing. So the suggestion there was that they were leaving money on the table with those hotels. So they did a test by raising the prices it only had a positive impact. They did another test with a bigger group and that had a positive impact. They rolled this out across a number of properties and then in approximately a month they generated more additional revenue than they had paid us all year for those hotels. So these are really tangible things are really directly tied to revenue and growth.

Iain Ainsworth

I think any conversation that starts with what's the ROI, and ROI is this term that's been flooding into the hotel industry, is a negative starting point because really it should be called ROO which is Return on Objective. You have to first establish what is the objective you want to reach, whether its social media or whatever you want to do, and then you can look at the investment you may need in order to reach this objective. But without setting an objective, a clear



one, about what you want to achieve, whether you are blogging, whether you are on Facebook, whether you are tweeting, whether you are analyzing TripAdvisor. What do I want as a hotel or a brand? What's the purpose of doing this apart from having a good conversation with customers? And I think that enables you then to map out a route of how to do this and then to measure it.

The analytics available to you today which are very simple are amazing. If I want to improve the positioning in Germany because it's a good feeder market for us and you know you have several options open to you which will involve all of the disciplines that you employ, one of them would be social media hopefully, and then I think it is measurable to say within six months or within a year these are the mentions we had in this country. These are the reviews that we are now getting and then at the end of the day this is the source of business coming in from this region. Hoteliers are still rather stupid in the sense that they propagate online travel agents on their own websites. What's that about? Why must a consumer find you and then you tell me to go and book through somebody else? Which industry does this? Does Apple do this? Do they tell you to go down to the electrical shop? No so why do hoteliers do this? This is also a part of your ROI you need to really analyse. At the end of the day what you all want is more business but you also need to look at that channel of business, where it's coming from, and then look at the investment. Then look at the ROI that you need to put into it and I think that's a very important thing which is generally over looked. It's true that a lot of the hotels spend a lot of money on their websites but they don't have a blog. So websites for hoteliers are stagnant which is another industry disease which I think is even bigger than apathy for social media. They do a website and think that's it for five years. It doesn't work like that. It's a continual thing. Your blog is content; if you don't have a blog, your website is dead.

Chris Mumford

So final questions before we invite questions from the audience. It's time for some crystal ball gazing. Peter I will start with you. In the next one to five years, what's the next big thing in hotel social media apart from Geoffray's new thing he can't tell us about?

Peter O'Connor

I think it's impossible to look at five year. I think it's even impossible to look a year out. The thing that interests me the most at the moment... I think there are two things... one is that the whole area of Facebook Places. It really hasn't caught on here in Europe yet but it either really interests people or scares the living daylights out of them. I think that is one thing that we have to figure out how to leverage. There are very few hotel companies doing anything there right now. The other one is when Google decides to get more involved in this area. I think it's coming. What they are going to do we don't know; I think like everything Google does they are going to have a big, big effect.



Geoffray Maugin

Two things. The first thing is definitely mobility because it is going to eat us. It's going to be immediate, it's going to be a seamless – the interaction. The things that are currently happening in bars is going to happen in our core business which is our rooms. We might have good interactions but if we don't translate immediately into bookings then we will miss out big time. The second one is more for the luxury point. It's all about the concierge. There will be a change in a way we deliver the information and in the way we interact with our guests. So definitely I will figure that in five years time all of this will be very, very different from now.

RJ Friedlander

I think one thing that's going to happen is reviews, text based reviews, are going to get shorter and shorter as society and culture is going towards shorter and shorter ways of communicating more frequently. In my opinion the impact is on brand and very low related to transaction so that's another thing that is going to change drastically. I know of a number of projects and products that are in development related to booking engines and Facebook so I think six months to a year from now there's going to be a radical change in the importance of Facebook when it comes to the transaction. Location based products like Four Square I think today are a little more than a game and still very, very little influence in terms of reviews. I anticipate that they are going to evolve and Four Square is going to be much more than just checking in, but giving your opinions. You mentioned Google. Google is going after one of the biggest untapped opportunities on the internet which is the Yellow Pages business, the local business.

Jacques Dubois

Certainly Facebook Places. Let me see, Germany, UK, France and Spain I think are the only markets in Europe that are open yet and I think phenomenon like GroupOn are going to be interesting to watch. It's a little messy right now, it's not exactly the highest quality market place but it's interesting to see what kind of attraction it's going to get and what that means. So essentially, if you have a social environment, how do you aggregate common interest and so groups is kind of interesting in that way. In terms of location services I think they are going to be important. I think that applications like AroundMe and of course we already mentioned Google Places; it's going to be interesting how customers use that to make their business choices.

I still hope someday that all hotels will offer free broadband. I'm sorry we are talking about the future but there are still too many hotels where you have to pay for what in my mind is just air. We're out there right now setting new standards for broadband and increasing the bandwidth. I think bandwidth is massively important; we are moving to an environment of the consumer and people like Apple are driving this. Changes in licensing for content so that it will be possible for you as a consumer to arrive in a hotel room and essentially pull all your media into the room. Because you're in Berlin the only channel you can



watch is TV5 or CNN or BBC World because I don't speak German. So instead, we will be able to basically slim box content from wherever I come from, wherever I like, to come into my hotel room and use it.

Iain Ainsworth

Worse than Wi-Fi is if you stay in a suite and you pay a couple of thousands for a night and then they ask you if you had anything from the mini bar. Which I think is like yeah I had a Mars bar, will charge me? I think that's sadder than Wi-Fi. I think that these things are going to become the involvement of me and my empowerment that I need to filter information. We are all talking here about BTC – business to consumer – what it's about is B to Me. I think I am going to use all of my mind sweeping technology to help me edit my life because we already are in an overload with information. But I think it's a very exciting five years for us and if we look at involvement of email I can remember probably even ten years ago we had one email coming in the office and we had to share it and if you go back to telex and carbon paper when the telex machine wasn't working the GM would be nervous. I think in the future, if your social footprint is not moving they'll be very nervous. So I think that's what the future holds but it's going to be more empowerment to people and that's what people want.



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