

# HOTEL Yearbook 2014

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# Anticipating a social media rebirth

by **Keith Kefgen**  and **Dr. James Houran** 

**Is the social media phenomenon really a paradigm shift, or are these technologies merely new tools for doing things people have been doing for thousands of years? Keith Kefgen and Jim Houran of AETHOS Consulting Group look at the likely evolution of social media, and remind us that – especially in the world of hospitality – human interaction will still trump contact through technology.**

Like most others, hospitality people increasingly live in a “social media society.” According to Internet World Stats, currently there are an estimated 2.4 billion Internet users worldwide, more than a third of the world’s population, which is an increase by a factor of 6.6 since the year 2000, i.e. the height of the dot.com boom. Forrester Research further predicts that the Internet population will grow to 3.5 billion by 2017. The prevalence of the Internet, texting, smart phones, tablets, mobile applications and a host of electronic devices that facilitate electronic communication – for work or pleasure – means that human interaction is becoming as much “online” as it is “offline.”

It’s tempting therefore to believe that the social media phenomenon will continue to define business strategy, but academic research combined with what we see and hear from hospitality organizations lead us to believe that a “social media rebirth” is in the works. We suggest that the biggest ROI will result less from social networking and technologies per se, and more from an information effect it will all have on workers and consumers alike. Consider three examples:

## 1) Diminishing generational gap

Traditionalists vs. Baby Boomers vs. Gen Xers vs. Millennials... soon categories like these will all converge into a single segment that we call “Gen E” – the electronic or information generation. Research is increasingly revealing “age” as an indirect measure of “familiarity and comfort with technology.” Younger workers currently have a competitive edge, since they are likely to be more technologically savvy than other generations, but this advantage is waning. In the years to come, workers and consumers in all age brackets will leverage technology on a near par basis.

## 2) Communication “homeostasis”

Social media technologies allow greater opportunity to collaborate; to bring together diverse places, people, and ideas; and to create power in the collective. Of course, so did telephones, videoconferencing and personal computers. Social media technologies appear not to be that much of a paradigm shift after all. Some social scientists argue that its impact is smaller than is often assumed and that social media and similar communication approaches simply provide new ways of doing things that ultimately change little in the way we live our lives. Think about it... online dating has not replaced meeting romantic prospects in the real world, and LinkedIn has not killed recruitment firms or the interviewing process. We speculate that the enormous attention, energy and value presently ascribed to social media applications will lead to the simple realization that technology itself cannot effectively substitute, much less compete with, human interaction. This is especially germane to service industries and the hospitality sector where “people are the product.” We are already seeing glimpses of this prospective “backlash” in organizations that have become too automated and process-driven. What does any consumer feel about a company when they get caught in a never-ending automated phone selection loop? Competitive advantages will come to those organizations that can properly use technologies to augment the human experience; not replace it.

## 3) Transforming qualitative data into quantitative insights

The strength of social media is that it permits rapid dissemination of information to the masses. Yet, its strength is also its weakness. That understanding is how hospitality organizations will use or abuse Social Media. Social media data – like any type of open-ended information – varies tremendously in quality. Plus, the vast amount of data prevents easy or efficient understanding of what it all means.



**Keith Kefgen (L)** is Managing Director & CEO at AETHOS Consulting Group. With nearly 30 years of experience in the hospitality industry, Keith is a career hospitality executive. Having graduated from the Cornell University Hotel School, he went on to work at Waldorf-Astoria Hotel before embarking upon a career in hospitality executive search. He was the CEO & founder of HVS Executive Search before joining AETHOS Consulting Group. He is currently writing his first book, *The Loneliness of Leadership*.

**James Houran (R)**, Ph. D. is the company's Managing Director. A 20-year veteran in applied psychological research and a published expert on peak performance, online testing and interpersonal and organizational compatibility, "Dr. Jim" has authored over 100 articles, and his award-winning work has been profiled by a myriad of media outlets and programs.

New analytical techniques such as Latent Semantic Analysis (LSA) are being developed that allow organizations to make sense of written text (from market surveys, comment cards or online review sites) on a scale that would be impractical or infeasible for human interpreters. For example, imagine understanding which guest reviews to take seriously and which ones are not credible or meaningful. That understanding would allow human beings to follow up on the reviews that are meaningful and important. The more an organization can foresee coming challenges and respond to them confidently and creatively, the greater the competitive advantage will be. But technology is only a tool; the goal is for hospitality businesses not to become focused on being "technology oriented" but rather to strategically use new technologies to become more "people oriented."

Social media is here to stay. We don't foresee a massive migration back to the jungles any time soon. That said, we predict a greater emphasis on meaningful human interaction. As Maslow's hierarchy of needs demonstrates, computers cannot substitute for human morality, spontaneity or self-esteem.

Humans will always be looking for more efficient ways to communicate, dominate and prosper. The social media rebirth we anticipate is ultimately about the evolution of consumers and workers into a "knowledge society." Social media and its underlying technologies are merely the instruments of this evolution.

