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The Roles of Human Interaction and Innovation in Hospitality

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PLC

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About the Author



With more than 30 years of international hospitality and retail experience, Ian Carter serves as Chairman of Watches of Switzerland Group. He was also International CEO of Hilton Worldwide and an integral part of the senior team that took Hilton Worldwide private and then public in 2013. In addition, Burberry Group, Del Frisco's, Black & Decker Corporation, and GE are enterprises that have all benefited from Ian's thought leadership.

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The Roles of Human Interaction and Innovation in Hospitality



How do you define hospitality?

Many think hospitality is about travel and tourism, hotels, and restaurants. But I believe hospitality extends far beyond that. I believe hospitality is based on human interaction; people serving people with goods and services. There's a genuine opportunity in every situation where you are selling a product or providing a service, to create a favorable impression that stays with the customer. We have the chance to provide a hospitable atmosphere. It's one where a potential guest feels relaxed and welcomed. In pure luxury, that interaction, particularly on the store level, or even in a luxury hotel, can be intimidating. This is one area where true hospitality can make all the difference. In our new Watches of Switzerland stores, for example, we have a bar which serves everything from champagne to coffee. We bring food in. We make it a place where people feel comfortable. Customers don't just walk in, take a quick look, and walk out. They linger. They talk with team members. We develop personal relationships that ultimately solidify the strength of our brand. For me, that's a strong demonstration of hospitality.

What is the common thread that runs through hospitality experiences, whether they happen within or outside the luxury market?

I think hospitality is ubiquitous. It may change based on the point of interaction or individual's preferences, but the reality is everyone can identify true hospitality and meaningful personal interaction. It doesn't matter whether you are staying at a Hampton Inn or Waldorf Astoria. The points of interaction may be different because of the level of service you are expecting, but genuine, personal interaction is always there. You see this in great hotels and restaurants. And when I say great, I don't mean expensive. They all exude a personal, welcoming, hospitality approach.

Of course, there are different expectations based upon where you are staying. Often, it's a reflection of what you are paying. Then there's a further expectation based on the reason for your stay. The common thread, however, is the point of personal interaction. No matter what the place or purpose, the quality of human interaction is crucial for creating positive guest perceptions.

When I was CEO of Hilton International, I made it a point to visit 100 properties in my first 100 days. I wanted to get a feel for the brand. Sometimes I experienced average assets – they weren't bad, but they just hadn't been recently renovated. They were good but weren't fabulous in the context of the whole competitive set. But they had fabulous people and personal interaction. And for me, an average asset with fantastic people always wins over a fantastic asset with average people. When you have people who love to do what they do, you feel it. Hospitality always wins.

What does innovation in hospitality mean?

Innovation can come from anywhere. Look at Uber, which is nothing more than a smart app that brought together unused capacity in what was traditionally the taxi industry. Its success reinforces my belief that innovation must be useful. You always need to look at it from the customer's perspective. Is the innovation worthwhile? Does it add value?

We need to understand how innovation can facilitate the guest experience and its potential impact on limiting or maximizing human interaction. For example, as an international traveler, I might fly from Miami to London and arrive at 9:00 am. I want to go straight to my room, and I don't want much personal interaction. I want some rest and time to prepare for a meeting. Technology can enable this. So, I'm one type of customer on that particular day. The following weekend, my family might arrive and we're completely the opposite. We're relaxed. We want to know about the amenities. We crave human interaction, not technology. Businesses need to apply innovation in ways that recognize what the customer wants at any given point in time can change. Technology needs to play a supportive role. It might be behind the scenes increasing efficiency or it might be front and center, empowering guests to experience hospitality on their terms.

It's also important to distinguish between innovation and technology. What technology delivers over time can change. For example, a hundred years ago having a watch with the day and date on it would have been incredible. And now I want it to tell me my heart rate. I think of innovation as something new that delivers some type of value.

Technology is often behind that. A lot of it comes down to purpose. Is it a watch that provides me with data or is it a timepiece that I wear as jewelry? Both tell the time accurately but have very different reasons to be – which is why they can coexist.

It's also important to remember innovation and technology can defeat a purpose. Once when traveling to a luxury hotel in Abu Dhabi, I checked into a beautiful room, but simply could not figure out how to turn off one light. There was an iPad next to my bed. I got the curtains closed. I got everything else squared away, but I could not get this one light off. So, I ended up unscrewing the bulb. The rest of my stay was fabulous. But you've got to look at the goal. It was to make this room innovative and reflective of all the 21st century has to offer. Yet they got the technology wrong.

Innovation is also not dependent on technology. It can be represented by taking a different approach to your thinking. In the hotel and restaurant business, we are accustomed to check-in counters and maître d' podiums. In some ways these can be seen as barriers between the host and guest. We can take a softer and more welcoming approach by either eliminating these obstacles or perhaps setting them off at an angle to foster greater human interaction. This innovation is completely independent of technology.

Another example of bringing innovation to a property is the Ace Hotel in New York City. If you walked into the lobby, you wouldn't realize you are in a hotel. It's got sofas, there's a coffee bar, an actual bar, and at night there's a DJ. But it's a hotel and it's packed. They've got strong Wi-Fi. They serve great coffee. And people hang out there. The Ace Hotel was innovative. They wanted the lobby to be the heart of the hotel and they didn't care whether it was filled with hotel guests or people just coming in to use the space. It was a deliberate decision to make the lobby more activating, more welcoming, more useful, more user friendly – a hub for everyone.

The Delano in Miami embraced innovation another way. They hung artwork on enormous sheets of canvas to create a dramatic effect in their lobby. By simply changing the artwork, the hotel was able to create entirely different feelings and experiences. Most of the FF&E (furniture, fixtures & equipment) was also movable. This purposeful and economical innovation allowed the venue to constantly evolve and remain relevant. Again, innovation without a reliance on technology.

Why does hospitality make sense as a business strategy, regardless of your industry?

Hospitality as a business strategy just makes sense and is the right thing to do. If you think about any situation where people are responsible for connecting with others, if you

get that bit wrong, something is seriously broken. Yes, I might still come buy something or stay someplace because I have to. But you know as soon as I get another choice, I'm out. I'll go and try something else. You cannot underplay the importance of personal interaction and hospitality.

If you want to incorporate hospitality into your business, you've got to start by listening and learning. Listen to as many sources as you can and draw upon those experiences. Don't let your opinions bias you. Don't be dismissive. Just because something might not be natural to you doesn't mean it's not the right thing. It could be an emerging trend. It could be something very interesting. Don't be afraid of challenging conventions. And always consider your customers first.

What role does AI play in hospitality?

I don't want technology for technology's sake. I want it because it's going to make my life easier or better. In boardrooms everywhere, including mine, we're talking about AI and what it can do positively and negatively. There's a lot it can do behind the scenes, but it can't change the personal interaction piece. It's the most important factor. The challenge is knowing what personal interaction should look like all along the customer journey. And that is uniquely a human quality – to truly understand your customers and provide them with an experience they will long value.