Boston Hospitality Review

Using Technology to Foster Hospitality

By Tim McLaughlin,
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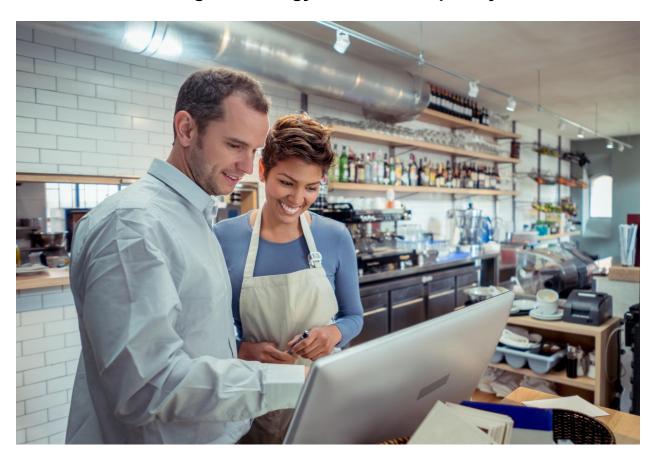Experience Innovation - November 2023

About the Author

Tim McLaughlin is co-founder and CEO of GoTab, Inc., a leading restaurant commerce platform that helps more than 1,000 large- and mid-sized restaurants, breweries, bars, hotels, and other venues. The enterprise processes over $500M in transactions per year with operations in 35 US states and Canada.

Prior to co-founding GoTab, Tim led Siteworx, a digital experience agency with clients including PayPal, Goldman Sachs, VeriSign, Bain & Co., and Thermo Fisher Scientific, to a successful private equity exit in 2013. He also co-founded Caboose Brewing Company, an upscale brewery and farm-to-table concept in Fairfax, VA, and owns Ferment Nation, a craft beer and cider distributorship. In 2022, Insider named Tim to its annual Restaurant Innovators Power Players list and Inc. recognized GoTab as a Power Partner for the company's proven track record supporting entrepreneurs and startups.

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How do you define hospitality, and what role should technology play?

One of our longtime clients with the Mandarin Oriental Hotel Group defined luxury as getting what you want, when you want it, however you want it. I believe his definition has utility beyond the luxury market and addresses hospitality in general. I would add that true hospitality creates an experience that exceeds expectations and provides a surprise and delightful moment.

When it comes to restaurants, for example, I believe there are two very different types – food factories and experiential restaurants. Technology may eventually turn food factories into vending machines. We see this already on the front end with ordering kiosks. But my hypothesis is that experiential restaurants will never go away. They embody true hospitality. Despite what technologists will tell you, humans are not going to be replaced by robots. Humans are incredibly versatile and good at dealing with unusual circumstances. Robots excel at highly predictable routines. In the medical world, we see surgeons performing exacting procedures with robots. But as soon as there's an unpredictable moment, the robot is replaced by direct human intervention. I

believe humans and robots complement each other. Humans handle curve balls, but robots can throw a straight fastball time and time again.

Humans should deal with irregularities. And food is highly irregular. A chef can exercise judgment and preference from selecting ingredients to all the nuances of the art of cooking. What technology can do is take everything that is highly predictable and move it out of the way. In that sense, it can create the space for us to be even more hospitable.

An important component of how technology can be used to foster hospitality involves authenticity. No one is really blown away when Amazon makes a book recommendation based on what you've recently read. It's a bit like throwing darts at a wall. A person, however, is going to be a little more reticent to make that suggestion unless they have the confidence or authentic belief of its relevance to you as a specific individual. That necessitates getting to know you and building a relationship. When you feel another person is truly in synchrony with you, that feels wonderful. That's a key part of hospitality.

How does hospitality factor into business?

The basic tenets of hospitality are useful to all types of business. It doesn't matter whether you're in banking or real estate or any business in which you are interacting with others. There are protocols and decorum associated with the hospitality industry that are universally applicable. In the restaurant world, we would never refer to a person as a customer, they are our guest. In professional services, they are our clients. Some of this is related to etiquette and respect, and that certainly isn't restricted to restaurants or hotels. Businesses that are going to win need to start thinking with a hospitality mindset.

Whole Foods is an interesting example (especially before the Amazon purchase). That brand turned going grocery shopping into an experience. It no longer was about having to go to the grocery store, but instead, getting to go. It transformed grocery shopping from being a chore into a privilege. It's the difference between needs and wants. When they started out, Whole Foods would have live music, and their dining area was packed. They had crossed a line into hospitality – and provided a meaningful experience. People wanted to be there. And that certainly factored into why Whole Foods was so highly valued by its loyalists, the market, and Amazon.

Amazon also offers a completely different kind of shopping experience with their Amazon Go stores. The incorporation of technology allows people to simply grab and go without the burden of checkout. It's a great example of employing technology to streamline what many would consider an annoyance – especially if they are in a rush. It's important to recognize that even in this situation, it doesn't excuse the brand from building hospitality into experience. This automation could mean store team members can spend increased time helping their guests. The goal is the same – to communicate

and fulfill (or exceed) expectations as you build relationships. And that will last long after the novelty of experiencing the technology itself.

Does technology dehumanize connectivity?

I believe that technology should never obstruct humanity, and we have a responsibility to apply it intelligently and intuitively. There's a group that operates restaurants in several airports. In those venues, you cannot order from the bartender. Instead, you have to order on an iPad that's situated right between you and the bartender. I recall a time when I was traveling and walked in. There was almost no one there. I wanted to order and was told I had to use the iPad, instead of simply communicating with the person behind the bar. It was a frustrating and inferior experience, void of hospitality. And it made me angry. There are significant miscarriages of technology – especially in instances where guests crave human interaction. Now let's take the same situation and say the bar was jammed with people all wanting to eat and drink. In that situation, I might want to use the iPad or even order ahead with my phone. Technology should provide optionality that empowers guests and minimizes potential irritations.

When you look at a dining experience, it's comprised of many different types of interaction. One of the most important is an initial greeting. First impressions really do matter. Am I being recognized and treated with warmth and authenticity? There are moments when I might learn about how the ingredients were sourced or how a meal was prepared. These exchanges can add to the experience. There are also more mundane components. Reordering a drink and paying the bill are seldom experiential highlights. And this is where technology can come into play to make a difference.

Technology can also facilitate the guest experience by providing team members and guests with information that contributes to the overall experience. For team members, it might be sharing data in real time that can make operations run more smoothly. It might allow guests to know when a menu item is running slow or unavailable. Or enabling you to reserve a bowling lane, order some burgers and beers and a souvenir t-shirt all with one transaction, and then divide the bill automatically by the number of people in your party. It can help manage expectations and allow team members to exceed them. We must always understand our customers, appreciate they may want different things in different circumstances, and use technology to provide options. It's about empowering meaningful human interaction.

I'm a critic of technology for its own sake. It's got to be purposeful. I've grown up as a technologist and as such can clearly see times when technology is not offering an improvement. An interesting question to ask is, if I use this technology once or a hundred times, would it still improve the experience? We need to be thoughtful of how we incorporate technology into our culture. Technology should never cause more friction or pain.

Used intelligently, technology can increase operational efficiencies. Whether improving communication, providing servers real-time information, cutting food waste and so much more, when operations run smoothly it provides the opportunity to further enhance hospitality (both to our guests and team members). It isn't about what technology can do, but instead, where, and how it can best be used to make for a memorable experience where people feel valued.