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A BHR Interview with Michael Goldrich, Founder and Chief Advisor, Vivander Advisors

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About the Author

Michael J. Goldrich, founder and chief advisor of Vivander Advisors, excels in digital and AI strategies, driving transformative growth. He is the author of "Too Many Hats, Too Little Time" about leveraging generative AI to create your own on-demand 24/7 virtual board of advisors. His expertise in generative AI establishes him as a prominent figure in this fast-growing field. He developed a five-step process to guide companies in AI transformation. Goldrich further extends his influence by serving as Chief Experience Officer at The Hotels Network, an organization driven by AI and data. His expertise in "predictive personalization" has established him as a sought-after consultant and a pivotal figure in shaping the future of customer engagement within the hospitality sector.

During Michael's tenure as Head of Global Marketing at Club Quarters Hotels, he successfully pivoted to the post-pandemic target business segment to attract younger, local leisure travelers, boosting brand contribution. His wide-ranging experience includes transforming marketing organizations by implementing and optimizing e-commerce and digital capabilities for global businesses such as Starwood, Accenture, Monster Worldwide, and Wyndham.

Michael's innovative contributions have earned him various accolades, including the Platinum Adrian Award for an exceptional social media campaign, Gold Adrian Award for an inventive website, and "40 under 40" from the Westchester Business Council. In 2020, HSMAI selected him as one of the Top 25 Extraordinary Minds in Sales, Marketing, and Revenue Optimization.

Holding a BA in Literature from the University of Michigan and an MA in Business Communications from Northwestern University, Michael Goldrich is a dedicated leader committed to delivering value to organizations seeking to advance their projects and elevate their performance.

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Michael, can you share a bit of your perspective about the evolution and growth that you have seen throughout your career in hospitality marketing?

When I started in hospitality, hotel websites were the online equivalent of the Yellow Pages: simple, straightforward digital brochures offering basic information with little interactivity. This minimalist approach was due to a lack of understanding about the Internet's potential. At that time, the digital space was uncharted territory for many leaders, leading to websites being overlooked in favor of traditional marketing methods, which were more familiar to decision-makers. The department was called Interactive Services.

This underestimation of digital platforms reflected a broader reluctance within the industry to embrace the internet's capabilities fully. While print and broadcast media remained dominant in marketing strategies, an online presence was often seen as a secondary concern—an extension of the physical brochure rather than an opportunity for dynamic and interactive guest engagement. The department was renamed to Global Web Services.

However, as digital evolved and smartphones became ubiquitous, the perception of hotel websites and digital marketing began to change. It became apparent that these digital brochures could offer much more than static pages. They had the potential to provide immersive experiences, detailed information, and interactive services, transforming the way hotels connect with their guests. The department supporting this was renamed Digital Marketing.

This realization marked a turning point in the hospitality industry's digital marketing approach. Websites started receiving the investment and innovation needed to become comprehensive platforms supporting information sharing, booking, customer service, and engagement. This evolution from digital brochures to fully-fledged marketing and service platforms demonstrates a significant shift in the hospitality industry's perception and use of the digital space. Now the department name in charge of all things digital is just Marketing.

Reflecting on this journey highlights the importance of adaptability and vision when encountering new technologies. What began as an underappreciated and misunderstood tool has become a central element of hospitality marketing strategy, showcasing the Internet's transformative power in redefining guest interactions and experiences.

You've been speaking quite a bit of late about AI in hospitality, or lack thereof. Can you share with us why this is such a hot-bed topic for you at this time?

Recently, I've been focusing on the role of AI in hospitality, particularly its emerging significance. Here's why this topic is so important right now.

Artificial Intelligence is not just altering the hospitality industry in minor ways; it's transforming our entire operational approach, from service delivery to enhancing guest satisfaction. Let's explore what this entails.

AI is crucial in addressing staffing shortages. Beyond automating routine tasks, AI-driven HR tools are revolutionizing our recruitment process. They enable us to efficiently identify top candidates and tailor training to meet evolving guest needs.

AI's impact on productivity is significant. It's not merely improving tasks but revolutionizing our operational processes. Imagine AI predicting inventory needs and automating procurement, balancing supply and costs while supporting sustainability through smart adjustments in heating, cooling, and lighting.

Regarding revenue management, AI is reshaping strategies. Beyond dynamic pricing, it helps predict market trends, allowing us to adjust pricing and promotions proactively based on anticipated demand periods.

AI's role in personalizing guest experiences is remarkable. It involves customizing every aspect of a stay, from room ambiance to entertainment options. Smart rooms that adjust to guests' moods and activities, augmented reality concierge services, and virtual menus that suggest dishes based on dietary preferences are just a few examples.

In marketing, AI is transforming how we predict booking trends and design targeted promotions. It also enables real-time monitoring of social media and reviews, providing insights into brand sentiment and allowing for timely strategy adjustments.

AI is enhancing guest communication. AI-powered tools offer more than basic responses; they conduct detailed, context-sensitive conversations, detect guests' emotions, and escalate issues when needed. They also help overcome language barriers, ensuring a smooth experience for international guests.

I believe AI in hospitality is more than a current trend; it's a transformative force reshaping our industry.

What messages are you trying to share with hospitality marketers about the use of AI?

I'm eager to share some key insights regarding AI use with hospitality marketers. AI's potential in our industry is ever-growing. As these technologies evolve, they transform from mere solutions to challenges into gateways for innovation, improved guest satisfaction, and business expansion. Combining the human touch with AI's analytical capabilities is reshaping hospitality, making each stay a uniquely personalized experience.

Here are the main points hospitality marketers should consider when integrating AI:

It's essential to embrace AI proactively, viewing it not just as an add-on but as a strategic partner. We should use AI to derive insights from complex data and actively shape future AI solutions by providing industry-specific feedback to tech developers.

Innovation is crucial. We must create a culture where experimenting with AI, such as AI-driven chatbots for customer service or predictive analytics for marketing, is standard practice. These initial projects can be expanded upon through learning and refinement. Exploring unique applications like virtual reality tours or voice-activated devices can further enhance guest convenience.

Education is also vital. Our teams should understand not only the technical aspects of AI but also its ethical, privacy, and human judgment implications. Regular training, workshops, and AI hackathons can develop this knowledge.

We need to reshape the narrative around AI, viewing it as a collaborator that enhances human capabilities, not a job threat. Sharing stories where AI has empowered staff to focus on more creative and higher-value tasks can promote a positive AI culture.

A forward-thinking approach is necessary. A leader needs to be abreast of tech developments and evolving customer needs, and adjusting strategies to market changes is crucial.

Envisioning new AI-driven roles is important. Beyond the "RevGenAI Ops" position (the tactical glue of all things AI in Sales, Marketing, and Revenue Management), roles such as AI Customer Experience Designers, AI Operations Analysts, and AI Integration Specialists could emerge. These roles focus on thoughtfully integrating AI into hospitality, aligning with business goals.

Prioritizing automation and personalization are key. Our goal should be to personalize the entire guest experience, from booking to post-stay interactions, using AI to create unique, memorable experiences that turn guests into brand advocates.

Staying informed and agile in the dynamic AI sector is critical. This includes understanding the latest technologies and the regulatory, ethical, and societal aspects of AI. Agility ensures our AI strategies align with brand and customer expectations.

Promoting cross-functional collaboration is also essential. Since AI affects various departments, it's vital to ensure AI initiatives are comprehensive, align with broader business objectives, and are utilized across the organization.

Measuring and iterating our AI strategies is crucial. We need clear metrics to assess AI's impact, considering both quantitative factors like revenue growth and qualitative aspects like customer satisfaction. These insights will guide us in refining and expanding our AI strategies, ensuring continuous improvement and alignment with our business goals.

By adopting these strategies, I believe we can position hospitality as AI pioneers, setting new standards for innovation, efficiency, and guest satisfaction in the sector.

What would you consider an innovation in marketing?

In marketing innovation, especially with AI's expanding role, several key areas mark a significant shift from traditional practices. AI enhances our ability to connect deeply with customers, anticipate their needs, and streamline complex processes. Let's examine these cutting-edge marketing approaches:

Search Generative Experience (SGE) is a fascinating development. Google is experimenting with generative AI to improve search results. Instead of the typical list format, SGE presents a compilation of suggestions from multiple sources at the top of the search results page. It aims to retain users on the page by offering a quick summary of essential information. While not universally applied, it showcases an innovative update to Google's search functionality.

Predictive personalization takes marketing a step further. AI here doesn't just display content based on past behavior; it forecasts future needs and preferences. This involves analyzing extensive data, such as browsing habits, purchase history, and even factors like weather or economic trends. The aim is to anticipate customer needs before they do, providing highly targeted recommendations and services.

Intelligent agents are a significant advancement. These AI-powered tools provide personalized, context-aware interactions with customers. They go beyond basic chatbots by understanding a customer's history, preferences, and current mood. This enables them to handle complex inquiries, offer tailored advice, and predict needs based on conversation context, significantly boosting customer engagement and satisfaction.

AI-driven automation in marketing is not just about efficiency; it's about smarter operations. It can oversee and fine-tune campaigns across various channels, assess content effectiveness, and adjust strategies instantly for optimal impact. This includes customer segmentation, content creation, and timing and channel optimization for communications, enhancing the consistency and efficiency of marketing efforts.

Lastly, voice and visual search optimization are becoming crucial. As more people use voice-assisted devices and visual search technologies, optimizing content for these methods is essential. AI assists marketers in understanding and adapting to these behaviors, ensuring that content is easily found and contextually relevant, whether accessed through a voice or visual search.

These advancements are just a part of how AI is reshaping the marketing landscape, ushering in a new era of efficiency, personalization, and in-depth customer engagement.

What innovations are needed for hospitality marketing in particular?

In the field of hospitality marketing, particularly with AI integration, a comprehensive approach is essential. This approach should combine current technology with innovative thinking. It's not only about keeping up to date but also about pushing the envelope to improve guest experiences and achieve remarkable business outcomes.

Now, let's explore some practical and impactful innovations:

AI and advanced data analytics enable us to develop marketing strategies tailored to each guest. By understanding their preferences and behaviors, we can provide personalized recommendations and experiences. This approach not only enhances guest satisfaction but also increases the efficiency of our marketing efforts.

With the rise of voice-activated devices, optimizing our digital content for voice search is vital. This involves refining SEO strategies for conversational queries and ensuring easy accessibility of information about our services and amenities through voice search platforms.

Sophisticated Customer Relationship Management (CRM) systems are key. They allow us to profile guests and personalize their experiences. By collecting and analyzing data, we gain insights into guest preferences and behaviors, enabling us to tailor services, anticipate needs, and create targeted marketing campaigns.

Integrating AI-powered chatbots and virtual assistants on our platforms can significantly improve customer service. They provide instant responses to inquiries, streamline booking processes, and offer personalized recommendations, functioning like a 24/7 virtual concierge and reducing the workload for our staff.

Implementing Internet of Things (IoT) technology in hotel operations is ambitious but rewarding. Envision smart rooms that adjust to guest preferences in lighting and temperature, controllable via smartphones or voice commands. This creates a seamless and customizable guest experience.

For long-term strategies:

AR and VR have the potential to revolutionize the guest experience. From virtual property tours to immersive in-room entertainment, these technologies, despite their significant initial investment, offer a unique way to stand out in the market.

Adopting eco-friendly practices is crucial. Implementing energy-efficient systems, sustainable sourcing, and waste reduction not only attracts eco-conscious guests but also contributes to long-term cost savings.

Utilizing blockchain technology can enhance the security and transparency of transactions. It involves creating secure, decentralized systems for bookings and payments, ensuring data privacy and reducing fraud risk. Despite its technical and regulatory challenges, blockchain is pivotal for building digital trust.

Effectively utilizing big data means going beyond mere collection to in-depth analysis. It involves using varied data sources to make predictive decisions, understand market trends, and refine marketing strategies. This requires an investment in technology and expertise but provides a competitive advantage in market understanding and foresight.

These innovations are not just standalone options; they form a cohesive strategy. Each requires a unique level of investment and commitment, but together, they can significantly transform our engagement with guests and revolutionize our marketing efforts.

Is there anything else you'd like to share about your passion for this subject?

I strongly support the need for prompt action and experimentation in the hospitality industry, particularly in adopting new technologies. Prioritizing guest experience is crucial. Let me share some thoughts in a relaxed tone:

When it comes to new technologies like AI, it's wise to start with small pilot projects. This approach allows for real-world testing and adjustment based on actual feedback, which is more effective than taking large risks initially.

However, it's important to remember the value of human touch. Personal interactions, empathy, and personalized service are invaluable. Technology should enhance, not replace, these human elements.

Keeping up with the ever-changing tech landscape is essential. This might involve regular training for staff to stay abreast of the latest systems and tools.

All technological implementations should focus on improving the guest experience. The goal is to make their stay smoother, more convenient, or uniquely enjoyable.

Data security and privacy are critical in the digital realm. Guests must trust that their information is safe and well-handled.

Collaboration is vital. Working with tech providers, colleagues in the hospitality industry, and professionals from other sectors can lead to innovative breakthroughs.

Seeking guest feedback is crucial. Understanding their perspective on tech changes is invaluable for continuous improvement.

Technology can be transformative in hospitality, but it must be approached correctly. Focus on enhancing the guest experience, maintaining the human connection, and staying updated with technological advancements. This approach is key to success in this dynamic industry.