



CORPORATE HOUSING
PROVIDERS ASSOCIATION

**NAVIGATING THE NOISE
PODCAST
EPISODE 7:
CUSTOMERS OF TOMORROW**
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BDJ: Hello everybody, and welcome to Navigating the Noise, a podcast series brought to you by CHPA, the Corporate Housing Providers Association, with support from ASAP, the Association of Serviced Apartment Providers. I'm Brian David Johnson, your futurist and host for the podcast, and with me I have ...

Mary Ann: And I'm Mary Ann Passi, CEO of the Corporate Housing Providers Association, or CHPA.

BDJ: Before we get started, I wanted to welcome everybody to Season 2 of the podcast. We've made some changes this season, probably most noticeable is that we're in a studio. Mary Ann and I can actually see each other.

Mary Ann: We can.

BDJ: Hi, Mary Ann.

Mary Ann: Hi, BDJ.

BDJ: You're also noticing that we've made some other changes, probably the most noticeable of those is that we're going to do video of the podcast so you can watch us as well. And you'll also be able to see many of our guests because they're going to be calling in via video chat, while we'll still have some people on the phone like we did in the previous season. Additionally, we're going to be releasing each segment as a stand alone video.

Mary Ann: And just like Season 1, you can find Infographics and resources, including white papers, on the CHPA website.

BDJ: So let's get started. This is episode seven of Navigating the Noise, where we're going to look at customers of tomorrow; shaping the future of demand, desires, and decisions. The idea here was that we had done this before. We had looked at the workers of tomorrow, the workforce of tomorrow, but in this we wanted to go a little bit deeper. Let's start to look at when it comes to the desires and the demand of customers and people who might be clients, what will drive them; what will it actually be like; what will shape their decisions as they move into the future.

Mary Ann: Everything that I'm hearing from member companies is saying that convenience for the customer is going to drive the business, and it needs to drive decision making. So from everything from the booking process throughout the entire guest experience, it needs to be convenient, it needs to be simple, and it needs to be driven by tech.

BDJ: As we do in all of our episodes, we'll examine this subject from multiple angles, we'll get different perspectives and ideas about the subject in general, but then also how it might apply specifically to the future of corporate housing and longer-term rentals. The podcast is broken into three segments. The first is called The Road Ahead, where we'll explore the big futures research looking outside the industry at the larger picture. And to do this, we'll bring on a guest that's doing some interesting work that might be working in this sector so that they have an idea and give us some new visions for this area.

Mary Ann: Then in the section of What Matters, James Foice from the Association of Serviced Apartment Providers, or ASAP, and I have gone out to find corporate housing providers, serviced apartment providers, and partners, actual global thought leaders in our industry to bring you the realities of what's important to you and your companies. These are people like you who are taking this information, using it, and putting it into action.

BDJ: And then our third and final section is called Three Things To Do, and here we discuss pragmatic actions that you can take today to prepare for the future. And with that, let's get started.

BDJ: This is section one of the podcast, The Road Ahead, where we look at larger futures. And so as we think about the consumers of tomorrow, Mary Ann and I are going to look at the road ahead and think about their impact on shaping the future of demand, desires and decisions. We've explored this in other areas. Last season, we looked at Millennials and Gen Z, and what they might mean for the workforce, but we wanted to look at it more from a customer's perspective, and how they will be tech savvy, and what will they want. And we also want to look at how are they working; what's the way that they're working. Are they more collaborative? Are they more participatory? Are they more ... What are those desires? What are those things that they're going to want?

BDJ: Also, will they want convenience? Will they want a press button? Will they want food with the press of a button or service at the press of a button? And also, what are their cultural values? What drives them to make their decisions? What are the things that are going on underneath that they might not even be aware of that are leading them to make these decisions?

BDJ: We also want to explore where are they working. What do those spaces look like? Are they more like home spaces or more like work spaces? But then also, we want to remain pragmatic. That's what we do here on Navigating the Noise, and we need to also understand that a lot of the consumers of tomorrow are actually the consumers of today, and we need to not make too many changes.

BDJ: So to help us drill down and get a little bit more clarity on this, Mary Ann and I have brought on a guest. We want to welcome to the show Julie Jenson Bennett. She's the CEO of Precipice, a strategic consultancy based in London. She and her team are experts in how people's bodies, emotions, and relationships are changing, and how to use this strategic foresight to transform emerging science and technology into product pipelines for the future. So we want to welcome Julie Jenson Bennett back to the show. Thank you so much for coming back on Navigating the Noise. It's so wonderful to have you.

Julie J-B: It's so great to talk to you again, and to see you this time.

Mary Ann: Hi, Julie.

BDJ: Yes, very good to see you. Very good to see you, and you are in the UK, where it is a little later in the day and it's a little rainy, but we really appreciate your calling in from the UK.

Julie J-B: Not a problem.

BDJ: So as you know, Julie, on this episode we're looking at the consumers of the future and what are their demands, what are their desires, what will drive them, and thinking about that. And that specifically is work that you do; that you and your team do, is looking into that notion of desire, and looking at what drives consumers, and what will drive people. Mary Ann and I wanted to start off the conversation to say for you and your team, how do you think about this decision making process? How do people desire something? How to create that demand for it? And then, how do they go about making that purchase happen? And it could be anything; anything from pleasure goods to buying pencils. How does your team think about that?

Julie J-B: I am so glad you brought up the word desire because it's not a word we talk about in business very often. But if you think about it, desire is probably the most important human function after breathing because, sure, we can survive without food or water for a few days, but if you don't desire anything, if you don't have a drive, if you don't have any longing, you're existing but you don't feel alive. It's very deep, it's very personal, these desires, but not all desires are the same.

Julie J-B: We also have all of these desires that we're told that we should be having that are imposed on us from outside, and from products, from services, from advertising, from other people, the things that we see around us, so we're constantly navigating a situation where we have these very deep, personal desires, which probably if you think back to when you were a child, and the dreams and the aspirations that you had for yourself and your future, if you think about those and can visualize those, those probably start to remind you and give you a hint of what some of those very personal desires that you have are. And then all these other desires competing for our attention. So the situation that we find ourselves in is really one of overload, of overwhelm, and that's what drives the decision making process that we face as consumers today in this world of desire.

BDJ: So you say that one way that we can think about this is that we are overwhelmed; we have a plethora of desires. There's so many things that we could desire out there, and that really the editing function is that decision making process; that we desire far more than we could ever purchase or far more than we could ever do anything about. And that decision making process is a way of us to navigate through all of those desires and then actually turn that into a purchase or decision.

Julie J-B: Yes, but I think to be even more specific, I would say that we not only have to navigate all those desires, but we have to differentiate between the desires that we truly have from within ourselves and the desires that we're told to have. It's more complicated than even just making a choice, but we also have to make distinctions in those desires over time.

BDJ: And what is the mechanism for doing that, Julie? I know that your team does a lot of research in that, of those priorities, and also not just everything from personal, but then it also moves into business, it moves into lots of different areas. How do people navigate and prioritize that?

Julie J-B: I think the decision making model that's easiest to visualize here is like a compass; that we're navigating through life and there's a needle, and we can see how far away we are or how close we are to our true north, and you feel it in different ways. So when you encounter a product or a brand or an experience that aligns with those deep and true desires, pretty much the only thing you feel in that situation is joy and gratitude, maybe relief. But it has so much meaning and value to it that it's almost difficult to put a price on it.

Julie J-B: Where when you're buying into the desires that maybe aren't as close to your true north, you start to feel more fear and more guilt, more anxiety, and the pressure starts to build up. You know when you sense that something is going wrong, and so it's those vibrations; it's that degree to which the things that we're buying or consuming are resonating with our truer desires that helps us decide over time where to go and what to focus on.

BDJ: I'm wondering, and chime in on this, Mary Ann, it's interesting ... That could be a helpful way for our listeners to think about it, is to actually just ask that question what is your true north, whether it be an employee, whether it be a customer, and understanding that being a shorthand for understanding what are those desires, and there's understanding that those desires and that decision is multilayered, but you need to find what drives them; what is that true north. Because ultimately, they're always going to go back to that.

Julie J-B: Absolutely.

Mary Ann: And I think that's how member companies are trying to hone in on the decision makers, so not only what is the true north of their brand, and then how they connect that with the wants and the desires of the decision makers. So Julie, back to what we were talking about being overwhelmed by the choices. That's what they're seeing, clients being overwhelmed by the choices of housing. And so what fits with if not their desire, at least their preferences and their goals with what they want to experience. A lot of the words and the terminology you're using I think are resonating in what members are trying to recreate, and something that's very important to people, and where they live and where they sleep, and where they're going to be if they're not in their true home, where they're going to be temporarily, and how they can mirror that to make the most and the best of their experience.

BDJ: That's a great point, and I like Julie, what you brought into this conversation because it goes deep. I think most people would say what drives a customer or what drives somebody ...

Mary Ann: It's the mattress or it's the location, but it's more than that, and that's what Julie's talking to; it's more basic than that.

BDJ: It's much deeper at a very human level because we are talking about desire, and it could go out to affordability, and it could go out to a lot of other things ...

Mary Ann: Sure, that's a factor.

BDJ: ... that we think of. But I think if we start saying let's think about where things might go, how are you making sure that you're customer oriented, or you're making sure you're meeting their needs, that if you can understand their true north in a really deep way, it's not only a conscious thing, and I think, Julie, I think that's what you're saying. And please, I'd like to hear what you'd say. It's not just conscious that if you find that true north, the vibrations that they're feeling are actually going to move them in that way, almost in a way that they can't even help.

Julie J-B: Exactly. It happens both at a level of awareness, but also unconsciously. One of my favorite ways of describing emotions is as human relevance detectors. It's when you start feeling stuff, when you start feeling the guilt or the anxiety, or the fear or the joy, or the gratitude, that's telling you to pay attention to this because it's important. We sometimes talk about emotions being secondary, but if you pay attention to those emotions and so to what they're paying attention to, that is going to give you enormous insight into where you're going to deliver value to your customers.

BDJ: I have to write that down, human relevance factor. Julie, you always seem ... You never disappoint when you come on the podcast. Let's take this out forward. Let's wind this out. In the work that you do, you have this deep understanding. You and your team has this deep, human level understanding of people's wants and desires. As you see things moving out into the future, and this is one of the times we talk about all the time on Navigating the Noise, is where do you see things going? If we start thinking about customers and humans, and that true north, where do you see things moving in the future when it comes to those demands, those desires? And then also people actualizing that; turning that into actions or purchases, or those types of decisions? Where do you see things going?

Julie J-B: As is normally the case when you start to think about the future, it's useful to think about the past first. If you think back over the past 200 years, one of the huge themes of that time has been this massive increase in these externally communicated desires. The Industrial Revolution started this whole ball rolling by massively increasing the number of goods that we had access to, and the places that those goods came from. And then fast forward through the internet and social media, and we can see, we can lust after, we can feel that we own products that we've never physically interacted with. It's gone from a relatively limited number of things that we could desire to this vast array of things that we can desire, which is what we're talking about in terms of this overwhelm of choices.

Julie J-B: Now freedom and choice, those are good things. The degree of individual liberty and self-determination that we experience, I don't think anybody wants to go backwards. But we also recognize that sometimes all of this choice isn't good for us; that the fear, the anxiety, the pressures that make us less functional aren't always in our best interest. What is so amazing about human beings, though, is that we are a learning, resilient, homeostatic system. We are designed to keep balancing and rebalancing ourselves to stay functional. So what is happening, what we're seeing very clearly across people, across countries, and particularly in younger generations is that people are getting much

better at recognizing their more personal inner desires versus the external desires. They're able to see that difference much more clearly, and they are able to understand and articulate the role that brands and products and services are playing in that way. So basically as the number of choices that we're making, expanding our ability to discern amongst those choices is improving.

BDJ: Do you think it's been mediated by technology? Do you think that sort of deeper understanding of self and that deeper understanding of what is possible, is it that expanded choice? Again, is it a counterbalance between those two? Do you think that technology is the driver of that?

Julie J-B: I think that technology is certainly a player in everything that's happening, but I think here it's not about technology for technology's sake. I think what technology helps us do is realign the economy around different value drivers. Because now, your inner desires, your true north, it's not going to be entirely unique but it's very personal and it's very individual, and it means that the value of a product or service is completely incomparable between two people. What you are willing to pay for something has nothing to do with what I'm willing to pay for it.

Julie J-B: As we get more in tune with those personal desires, where the economy was previously aligned around delivering mass desire, mass scale at commoditized prices, now it both can, is, and must realign around delivering much more personalized value to these individual desires. Technology, yes, has helped driven the choice, but technology also helps companies deal with this change in value so that they can deliver much more personal value to people in a more precise way.

BDJ: And that idea of saying that personalization and understanding are speaking in some way to that single person's true north, that if you can do that, if you can have that ability, that that is something that's going to draw people to you. And it's going to draw people to you, as you said, Julie, it's going to draw them to you in a very deep way where they may not even be able to know why they're engaging with your brand. And especially if it has to do with their body; if it has to do with physically where they are, if it has to do with food, it has to do with that connection. I know your team has done a lot of work with the body and how the body exists in this modern world. I think that's a really great way to think about it.

Julie J-B: I think the other point that comes to mind with that is that as people become much more explicit about their understanding of their desires, they master their own desire and they refuse to be told by other people what those desires are. Peoples' tolerance for having brands tell them 'this is who you are and this is what you want' is rapidly diminishing. I think we all see those trends happening, but it's very, very true. People are going to say I decide what I want and I decide what your brand means to me. You don't tell me that. And really shift the power relationship and take back control in that relationship.

BDJ: So really is it, Julie, about participation? It's about participation and enablement, participation in the process, making sure that the consumer or the customer or the employer, whoever you're working with, is ...

Julie J-B: The person.

BDJ: The person is actually empowered to be a part of the process, to be a part of doing it; that again, because of, as you say, technology, but also awareness is that's becoming not only a nice to have, but it's something that is going to be required as we move into the future.

Mary Ann: And not only participatory, but they're actually actively engaged. Yes, it's the same thing, but they're just a part of the process, but they're actively making choices that are influencing the process.

Julie J-B: Exactly. It sounds like a really subtle distinction, but the one you just made there is ... Yeah, empowering you; so just like, yeah, I'm giving you something. I'm granting you a little bit of power in this. And really, consumers, people, human beings are demanding the power. They're taking the control back. They're going to tell you what to do for them, and really rethinking that power relationship. It's challenging, but the brands who do it, the services that engage in it that way and give up power, actually you gain a lot of power by giving up the power.

BDJ: Well, Julie Jenson Bennett, we always love having you on the podcast. You never, never disappoint. Emotions as a human relevance factor, and making sure that in all of your customers and everybody, and all the people you're dealing with, if you can find their true north that they'll actually come to you and may not even know why. We always love having you on the podcast, Julie. Thank you so much for coming on.

Julie J-B: Great to chat.

Mary Ann: Thank you, Julie.

BDJ: Hello everyone, and welcome to the What Matters section of the podcast, where we take the broad futures that Mary Ann and I have just explored and figure out what matters to CHPA and ASAP members, as well as corporate housing and the longer-term rental industry.

Mary Ann: James Foice from the Association of Serviced Apartment Providers, or ASAP, and I have gone out to find corporate housing providers, serviced apartment providers and their partners, global thought leaders in our industry to bring you the realities of what's important to you and your companies. These are people like you who are taking this information, using it, and putting it into action.

BDJ: Mary Ann, you and James always go out and get us really, really interesting guests that really help us illuminate and talk to the audience about, again, what matters around these futures. Who did you find for us today?

Mary Ann: We have a great guest for us today. Vladimir Dziak is currently leading delivery of global mobility programs within the U.S. and globally in Fortune 100 finance industry sectors, and he's based in Boston. He's worked in six countries and speaks five languages, and in

his role he's responsible for supervising the mobility delivery team, and delivering exceptional mobility and immigration services to employees and business stakeholders.

BDJ: Wow.

Mary Ann: He's got a lot of experience to share with us. So Vladimir, welcome to Navigating the Noise. Welcome to the show.

Vladimir: Thank you, Brian.

Mary Ann: Vladimir, in this episode we have been exploring things around decision making, and consumers and customers of the future, and demand, and digging down into that, but we wanted to ask you in your current role, how do you think about the decision making process? How do people desire something, create a demand for it, and then make that happen? What are you seeing?

Vladimir: In my opinion, I think the current decision making process is really contingent upon two basic factors: one being demographics and all factors regarding the demographic both of the decision maker and the customer, as well as the environment where the decision needs to be made.

Vladimir: From the business perspective, I feel that the leadership style, and hence the decision making process, really depends on the actual experience but also on the generational aspect itself. My corporate HR experience shows that there is a certain tension between traditional and rather conservative approach in the industry I'm in- finance, insurance, represented mostly by senior executives versus clients, internal clients, employees, and their actual participation on the decision is rather different.

Vladimir: Our clients, internal or external, do expect very quick turnaround, prompt response, not as definite rather than response, which is often subject to change, meeting their immediate needs and constantly changing needs of the customer. So I feel that traditional multistage approach of a decision making process, problem statement, information gathering, identifying what are alternatives is rather fluid combining all these different multi-stages into probably one or two stages and become more of a judgment call. So really desire becomes immediately an accomplishment.

BDJ: Very interesting. So, you're seeing a bit of a tension between different folks who are involved in the process or not involved in the process, which is interesting instead of the actual process of decision making itself. Mary Ann, what have you seen in that area?

Mary Ann: I've heard other members talk about the tension as well, and so struggling a little bit in trying to meet the ... I think Vladimir referred to it as fluidity. So meeting the immediacy of the needs and how they can meet those needs, yet their processes are still a bit on the traditional side. So they're challenged with marrying those two a little bit better, and so they're solving it in a variety of ways.

- BDJ: So Vladimir, I would want to ask a followup on that. When it comes to those processes and not changing them, the processes might be processes that are more set up for the past and not really the future, why do you think it's difficult, Vladimir, for people to change those processes?
- Vladimir: I truly believe that traditional approach of decision making processes are really multistage. So especially if we talk even about different generations, it was really truly define the problem statement and trying to get as much information and gather as much information as possible, and then evaluate a lot of alternatives. Then, of course, probably putting a list of pros and cons for each of the alternatives. That's a really traditional approach.
- Vladimir: However, I see even with my internal customers, often, of course there is a time pressure, time constraint; also expectation of flexibility and really a quick turnaround. I think that's the main factor of these decisions being more a judgment call. We as a HR professionals, we probably don't even have sufficient time to evaluate all of the alternatives if we want to support our internal customers. So I see that there might be certain intentional adjustments on how we define the decision making process best, specifically in the human resource area.
- BDJ: Those external pressures, that really being what's driving that. So let me ask you then this, as a carryon from that, what do you see changing in the future? How do you see that these demands or these desires, or as you say those decisions and those decision making process, as you look to the future, how do you think that's going to change?
- Vladimir: As I mentioned before, I think the traditional decision making process, which was truly a multistage; people took much more time to evaluate alternatives, gather the information, is now becoming rather a quick judgment call where simply require a quick reaction. There is simply no time to go through the traditional evaluation to probably do a socialization of the policies within different stakeholders rather than rely more on the judgment call to meet the expected quick turnaround. Hence, I believe there is issue to be resolved, and often a solution which might need to be flexible and changeable as well, which might be taken even up front before taking into consideration all the different aspects or alternatives within the policy or within the HR programs as well.
- BDJ: So really you see things being, again, a little bit more rapid; much more inclusive certainly, getting more and more ... And again, we've talked about that quite a bit as we start to think about is that diversity of input can be really, really helpful for organizations when you're doing that decision making.
- Mary Ann: Are you seeing, Vladimir, that the employees just want more ... a greater role, I should say, in the decision making process? Not only do they want a quicker turnaround, but they want more say in what the process is or what their options are?
- Vladimir: That's a very good question, Mary Ann. Yes, they definitely want to be owners of the decision making process. They don't want to only rely on the company employer or other separate function to give them the alternatives, but they want to actually ... and

they often come actually proposing their own solutions, their own alternatives. And they want to make a decision which, of course, complies and is in line with the program, but they want to own their own decision which, of course in the global mobility areas we see as well that people want to own their own program. That's why we are moving towards a lump sum approach, or a traditional core and flex always sees a benefit because people want to be owner of their own decision because then, as I mentioned, because of the time constraint. But also they want to what the company is giving them and they want to be responsible for their own decision in a greater manner.

BDJ: You can begin to see that that openness, that flexibility, even that ability to own the process and make changes in the process, especially in this global future where things are moving so much faster, that that really would be a way that things could go that could be really, really helpful.

BDJ: Vladimir, listen, we want to thank you so much for joining us on the podcast today. I think your perspectives and really getting into those details is really, really important and very helpful. So thank you so much for being on the show.

Vladimir: Thank you very much for an invitation. I appreciate it.

BDJ: In this episode, we are looking at the customers of tomorrow, and to do that, Mary Ann, who's our next guest? Who did you find for us today?

Mary Ann: Well, BDJ, we have Stephen Hanton on the line with us, and he serves as the Chief Executive Officer of SACO, the Serviced Apartment Company Limited. Steven joined SACO in 2013, and previously he served as Managing Director of Europe, the Middle East, and Africa at Bridgestreet Worldwide, Inc., and also as their Chief Operating Officer at Bridgestreet.

BDJ: That's great. Stephen, welcome to the show. Thanks for coming on Navigating the Noise.

Stephen: Hi, how are you doing?

BDJ: Doing great, thanks. Well listen, as we mentioned we are looking at the customers of tomorrow in this episode of Navigating the Noise. Stephen, in your current role, how do you think about the decision making process? How do people desire something, create a demand for it, and then make that happen? What do you currently seeing?

Stephen: I think the decision making process is very similar. People are remarkably the same. I think the environment is changing rapidly around it, rapidly. Technology is making decision making, it's providing a lot of great choice. What we're seeing is a huge demand for serviced apartments with full service facilities, so hotel-style facilities. We are then creating a product which is meeting that demand, filling in the gap between hotels and traditional corporate housing.

- BDJ: And so with that, are you seeing the change on the customer side, or are you seeing changes ... Mary Ann, what are you seeing out there? Are there different shifts in demand or how people are making decisions?
- Mary Ann: I will say that personally I've gotten very spoiled by staying in corporate housing or serviced apartments globally, so a hotel just does not cut it anymore for me, Stephen. But yes, I'm seeing that people want ... I don't know if it's the full service amenities, but they want to live like they live at home when they're traveling. And so I think that's what you're meaning, Stephen, when you were talking about full service amenities. They're coming to the apartment but they want to be able to access everything else and live the way they live when they're traveling, as if they were at home. They want those comforts, and I think we're hearing that as a trend that's coming through all of our interviews today.
- Stephen: I think it's not the worst thing. Airbnb for instance radically changed the viewpoint of the mass market for apart-hotels or for apartments, and they're not saying any differently than we were saying 20 years ago; stay in a hotel or live in an apartment, et cetera. I just think that the consumer's much more aware of the option, and the technology is now providing those options in a way that it wasn't existing 20 years ago, 10 years ago.
- BDJ: That's interesting, Stephen. So you're saying that people, you've been saying this and seeing this for awhile, but now the awareness has been raised up, whether it be through folks like Airbnb or just technology in general or advertising in general. People have this idea that that capability or that desire or that want is there.
- Stephen: We've always seen it. We've seen it for 20 years. We open a property and it fills almost immediately; a block of serviced apartments or apart-hotels, they fill almost immediately. So the demand has always been there, but yet the issue traditionally has been there wasn't the supply and there wasn't the awareness across the mass consumer market. And I think now the mass consumer market is becoming more and more aware because of the lead of Airbnb. Technology then floats in to supply, to deliver that product to those people.
- Stephen: What created that change? What was the tipping point in it all probably was Airbnb that we're seeing over here, and the ability to move out to mass market our products. But I think there's been a desire all the way along and it's technology which is enabling buyers, our buyers, to buy our products more easily.
- BDJ: I see, and that mass market I think is interesting, and really interesting as we then move into the future. Stephen, what do you see changing? If this has always been around but now it's moving into the mass market and we're seeing more, what do you see changing in the future? How are those demands and desires and that decision making as it goes mass market and as things continue to change and we have more technology, what do you think will change in the future?

- Stephen: I think the serviced apartment business will cater to wider segments first and foremost. Traditionally, it's been a finance consultancy project relocation sort of business. I think it'll start to appeal to more leisure, more business transient, more leisure transient guests. I think it will satisfy the needs ... Groups, for instance, and they've particularly been a large focus area, they will become more predominant to staying in those apartments being designed.
- Stephen: The other factor that's changing is I think the product will change. A number of companies, us being one, are putting in place a modern traveler's apart-hotel, trying to put in the ... not the Millennial generation and not the hipster set, but a cooler place to stay, as it were. And you're seeing them. I think the product is moving forward and I think there's going to be greater brand identification with serviced apartments and apart-hotels. What will really, really drive us into a mature business phase will be consolidation around brands, I think.
- BDJ: I think that would make sense. As the desire goes up, the demand goes up as you move out of the, as you said, corporate or finance into the more mass mainstream, what Airbnb and other folks like that are hitting, that that brand becomes really, really important. I would be interested, Stephen, to ask how do you think those brands need to evolve? Because as you say, in the past it comes from more of a corporate approach, and as you move into the mass market, that brand would have to evolve. How do you think those brands, and even those experiences, would need to evolve in the future?
- Stephen: I think first of all, in order to have brand recognition I think you've got to have product in the marketplace. We're very much pushing in the UK and across Europe the concept of apart-hotels; a block of 100 or 200 units with a front desk and probably an outsourced food and beverage, and co-working areas, et cetera, et cetera. I think the more of those products we get in mainstream cities across Europe, then the greater brand recognition will be. We're pioneering a lifestyle apart-hotel brand called Lark, but I think behind that will come in other brands; an economy brand, a more urban retreat style brand, and people's perception will start consolidating around those brands.
- BDJ: The physical property, the experience that you're crafting for the people who are staying in it, that helps to evolve that brand. And as you say, as you start to mature you get different levels, as we do with most the maturation of brands. You have brands that appeal to different people in different areas. This is very interesting as you think about what consumers will desire and how they will make that decision. Mary Ann, what are you seeing in that area?
- Mary Ann: I think the important point of what Stephen just said across brands, regardless of brands, the sharing economy and all that that brought, whatever brand that might be that you're talking about, it has brought alternative accommodations outside of hotels to the awareness of people. Whether it be consumer or business travelers, they're just now realizing that they can stay somewhere else other than a traditional hotel regardless of the service level of whatever's being offered, or the brand level. It's really helped the serviced apartment, apart-hotel, corporate housing sector. So yes, I'm seeing that many companies are creating these varying types of products and services that they're offering to try and hit all areas of demand.

BDJ: So as the market grows and as the demand grows, and as to what the consumer desire grows and gets more nuanced, can't you see that just getting bigger and bigger and bigger, and more opportunity? Certainly that's an interesting thing. Do you have a comment there, Stephen?

Stephen: Yeah. I think what's interesting is if you project it then four or five or 10 years, we currently have hotel conferences, serviced apartment conferences, apart-hotel conferences. I think what we'll be seeing in five, 10 years' time is accommodation conferences, where you join up all elements of accommodation. The consumer will be able to buy a hotel room, he'll be able to buy a serviced apartment, he'll be able to buy 20 people in a project, et cetera, et cetera. And all from one consolidated place. And certainly what a buyer wants to be able to do is they want to know who they're dealing with, and they want to be able to have transparency, and they want to be able to buy and have options on price wherever they want, whether it's a one bedroom apartment in Lisbon, or whether it's apart-hotel in London. I think the consumer is really going to push us to fast track our brand presence and our alternative accommodation presence.

BDJ: You can definitely see again that widening market, and you have the consumers' desires being able to push that, again making it bigger and broader, and having different products to meet their needs. But definitely an engaging, and actually very optimistic, vision for the future certainly. Steven, thank you so much for joining us on Navigating the Noise. We appreciate you calling in and giving us that vision for the future. Thank you so much.

BDJ: Well Mary Ann, we've had a lot of interesting perspectives from guests as we're looking at the future customers of tomorrow. Who do you have, who's our final guest?

Mary Ann: Our final guest is Shree Khare, and he serves as the Vice-President of Information Technology for Oakwood Worldwide, responsible for the applications, infrastructure, and operations for the company. Before Oakwood, he also led the digital transformation of Classic Party Rentals and has led global teams in the U.S. and Asia.

BDJ: Excellent. Shree, welcome to Navigating the Noise. Thanks for joining us today.

Shree: Thank you. It's good to be here.

BDJ: On this episode, we are exploring the customers of tomorrow. We're looking at demand, desire, and how people make these decisions and how they make them happen. In your current role, how do you think about the decision making process, and how do people desire something, create a demand for it, and then make that happen? What are you seeing in your role?

Shree: The corporate traveler of today really is quite a bit different in their decision making process than the traveler even just a few years ago. As the technology's evolved, this notion of immediacy in decision making is really becoming quite a bit more significant.

- Shree: As an example, we're seeing our number of days booked in advance drop pretty significantly, from 15 days down to less than seven. And this, combined with average length of stay reductions, really has required us to rethink the entire booking approach all the way through the entire tenancy. This is one reason we're investing pretty heavily in our online booking capabilities; establishing more and more of our properties through the online channels available for real instant booking.
- Shree: This need for gratification extends all the way from the booking out to the tenancy, and one of the things that we've been doing is figuring out how best to digitize this entire journey. One solution has been through our mobile app, which makes the entire tenancy a lot easier to manage. It gives them real time access to their apartment information, the wifi codes; they can share the reservation information and even communicate directly with the property managers. These are really just no longer nice to have services. They're essential to compete in today's corporate travel industry.
- BDJ: As you're seeing the length of stay go down, you're also seeing the immediacy go up. And what you're doing in your own organization is using technology as a way to meet that, not only from a booking standpoint, but then also all throughout the process to help streamline it and help make it more meet that desire for immediacy, but also that shorter term desire as well.
- Shree: That's right, and you're seeing this in everything that you do as a consumer. Whether it's ordering through Amazon and having next day delivery, or checking out movies on Netflix, all of that stuff is driven by the whole notion of immediacy.
- BDJ: And it seems like, Mary Ann ... let's see if I'm right, is that this is a trend. This is a trend that we're seeing more and more and more, driven by technology but also by consumer demand.
- Mary Ann: Absolutely. That's what I'm hearing members saying over and over,; that customers want more than ever, and they want it consistently and constantly and immediately. I think immediacy as you outlined it is the most relevant point. When I reached out to members and asked them what else, what are the other trends they're seeing, I think you spoke to it, Shree, customer convenience has to drive the business. You spoke to the ability for residents, clients to be able to touch base with an operations staff, or a sales team, or a property manager throughout the entire experience, and that's really how the industry is evolving. Everyone expects that immediacy, so using that technology to deliver that immediacy is critical to be able to compete with the global travel.
- BDJ: Yeah, that immediacy, consistency, and things going faster and faster and faster. So what do you think that means for the future, Shree, as you look out. What do you see changing? Certainly, as you said, things have been changing and they will continue to change. How are demands, desires, and decisions changing in the future, and what are you doing to prepare for it?
- Shree: The notion of changing demographics in corporate travel really is going to affect our industry pretty significantly. No surprises here, right? Millennials and now the whole

Gen Z are a big catalyst for disruption within our industry, and this new breed of travelers is much more comfortable with technology. The side effect that I'm seeing around the new normal of convenience and immediacy is timeliness. Our guests expect immediate response, whether it's through online booking or through mobile apps, and we talked about earlier, all the way through their customer service interactions.

Shree: One of the things that I'm starting to see, and there's a Gartner study recently, that 85 percent of all customer service interactions will be powered by chat bots as soon as 2020, and that's just a couple of years away, and certainly something we're prepared for now. Most of our customer service calls, and we've done some analysis on that, can be broken down into the 80-20 rule.

BDJ: That being that ... So you're thinking 80 percent will be either chat bot or mediated by technology, and 20 percent will be that human-to-human interaction?

Shree: Yep. The 80 percent of the questions are asked over and over and over again, and we can essentially train a chat bot to answer those. And this is really the best use of technology right now, is automating easy questions: how do I access my wifi? Do you allow pets in your properties? Those sorts of questions that are fairly easy to answer without having a live agent. And then when a bot can't answer a question, then we can basically transfer the conversation directly to a live agent.

Shree: We think that there's really a great opportunity here to increase customer satisfaction, increase engagement with our brand and loyalty, and then lower costs internally through automation. The whole Millennial and Gen Z age groups are becoming much more self-reliant, and there's no doubt that they prefer solving problems on their own rather than having to talk to somebody and call for help. You see this in whether it's the frequently asked questions sections on different websites, or automated chat bots, you're seeing a big emergence of that. This is the next step for hoteliers, and you're starting to see this in a number of large hotel brands. The need to integrate self-service options to meet these expectations is going to be very key.

BDJ: That Millennial and Gen Z, so the consumer's expectations are not only about immediacy, but also technology. And you're meeting that by bringing in more technology, the use of chat bots and artificial intelligence. Mary Ann, do you think that the industry is comfortable with this? Do you think as they go out, are you hearing people being okay with that? I think from a traditional people industry that we're seeing maybe a big shift coming.

Mary Ann: I've not heard specifically about the chat bot versus human interaction, but I have heard a lot, to go to your other point, Shree. With the shift of individuals making their own arrangements or companies wanting to work more efficiently, members are reporting their go-to model is changing more B2C, than B2B as it's been traditionally. If that is the incorporation of chat bots to answer frequently asked questions and freeing up their customer service reps to handle the more sensitive issues or complicated issues, that might be something they're seeing. But if people are seeing it in their everyday life, consumer life, that is going to bleed over into the industry.

- BDJ: And that's something we have said time and time again on the podcast, is let humans be human. Use technology to do the easy stuff, and just let humans be human, which is quite a lovely image of the future as people go into the future; meeting that demand to again have that immediacy, but then also at the same time, empowering them to make their own decisions and be a part of the process, and then ultimately to bring in a human when you actually need a human.
- BDJ: Shree, listen, thank you so much for being on Navigating the Noise. It was really, really helpful seeing what you and your organization was doing and getting your perspective on the future. We really appreciate it.
- Shree: Great. I appreciate the time. It's a great time to be in this industry because of all the change. We're really happy with the progress that we're making here at Oakwood at reinventing this industry.
- BDJ: That's wonderful. Thank you so much for being on the show.
- BDJ: Welcome everyone to section three, Three Things To Do. This is the final section of the podcast where we analyze all of the conversations and the things that we've heard throughout the entire show, and give you three things to do; three pragmatic steps you can take today to prepare for tomorrow. And it was, I think, a really interesting show, I think looking at the customers of tomorrow. Lots of interesting perspectives certainly.
- Mary Ann: Very different.
- BDJ: Everything from our expert from Julie Jenson Bennett, all the way down to all the different areas. I think it was just amazing. So as we're thinking about the customer of tomorrow, our three things to do. I think from Julie, I think we found our best one, which is find your customer's true north. I think that concept is really powerful that if you can understand your customer and find that thing that drives them; not just their desire, not just what moves them, but in the layers of their humanity what they desire, how they make decisions. If you can find that true north, your customers will not only come to you, but they'll come to you and they won't even know it.
- Mary Ann: And she also mentioned the human relevance factor. I thought that was really interesting, and that ties back to some comments that members have made, that they're smaller companies, they don't necessarily have the same resources at their disposal. So it forces them to think creatively to stay relevant to their customer and their client base, and to stay ahead of the curve, and to go ahead and innovate wherever they can.
- BDJ: That was point number one. The second thing to do is analyze. Analyze your process of how you're engaging and how you're communicating with people. This could be customers, it could be employees, it doesn't really matter. Understand that process and find out how you can enable those people to become participants in that process. That people are really going to expect that; that they're really going to want to be a part of the process and be able to give to it.

- Mary Ann: And additionally, they want to know why providers are doing things a certain way. They want to know why they're doing it, why are they not doing it, and what are the challenges that they need to overcome in order to deliver the guest experience that they're expecting.
- BDJ: And number three, our third thing to do is rethink. Rethink how you interact and communicate with guests. This could be broad. This is a big area, and we always try to be very pragmatic here on this show, so that could be everything from understanding that you're moving from a B2B model to a B2C model, so how do you communicate with consumers. It could be something big and techie like chat bots; do you use chat bots to answer 80 percent of consumer or people's questions and then have humans do 20 percent?
- BDJ: But you may be a company, an organization that's smaller. You're not going to have chat bots, so it could be as simple as go back and rethink your frequently asked questions, your FAQ, so that you're communicating with people in new and interesting ways.
- Mary Ann: And I know that that's something ... I like that you brought out that they can just go back and rethink some of the things they're already doing, like their FAQs. Because sometimes, even though the end user is expecting some kind of direct relationship with a corporate housing company and their provider, providers don't always get those direct connections to their guests, so sometimes it's the challenge.
- BDJ: Yeah, definitely. So that's it. Those are your Three Things To Do: find, analyze, and rethink. You know, Mary Ann, this was a good show; good first show for Season 2. I think we're getting our sea legs back. It's really good. So thanks everybody for joining us. Mary Ann, do you want to take us to the exit?
- Mary Ann: I'd love to. Thank you everyone for listening to Navigating the Noise podcast, brought to you by CHPA and supported by ASAP. Reach out to us and let us know what else you'd like to hear, what else you'd like to ask BDJ, or if you could help me stump the futurist and email me some questions that we'll pose to him and see if we can stump him, at map@chpaonline.org. Please follow us on twitter at [@CHPAonline](https://twitter.com/CHPAonline), or visit our website at chpaonline.org.
- BDJ: Thanks everybody for joining us here on Navigating the Noise, brought to you by CHPA and ASAP. We'll talk to you again soon.