



Make Technology Work for You

General Session: Keynote Speaker

Monday, June 4th 2012 3:00pm – 3:30pm

Paepcke Auditorium, Walter Paepcke Memorial Building, The Aspen Institute

Speaker:

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Transcription:

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TED SOUDER: The one thing I'd like to get out of the way was that I was asked to do this six months or so ago, and I really wasn't quite sure what to expect, but I was happy to get out and just be involved. Through this process I've met some incredible people, both yesterday when I arrived and the events and seeing the speakers today. This is truly a phenomenal organization, so it's a real honor for me, and seeing the qualifications of the other speakers, I feel a little bit out of my league. I've never been president; I've never been nominated to be president for anything. One thing that I do have, which I think is special, is I'm actually one of Google's longest employees. I've started there almost 11 years ago, and I've literally been in the front row of what I believe is the greatest business story of all time. To be a company that came in not as the first search engine, and we weren't even necessarily the best, but through the power of innovation, imagination, great technology, some inspiring founders and some really smart workers, we've developed a company that has had a great impact on the world and I'm sure in many of your businesses and personal searching habits. It's been an incredible story, and I feel blessed to continue to be a part of it.

I wanted to be able to come here and talk to you a little bit about, how do we value innovation, what are some of the things we're talking about, what do we think is happening in the technological world, and where do we see things happening in the future? So we'll talk about some of that, and hopefully at the end, we'll have some time for a few questions.

We really have stepped through a door in which we are never going to go back. This Internet thing is going to stick around; it's going to work. I think my mom is just beginning to realize that. It's true; the Internet is for kids, geeks, whoever, the Internet

touches every one of our lives. Technology makes things easier. Technology enables us to communicate more effectively and efficiently, it enables us to gather new customers, enables us to gather feedback on our products [and] at our hotels and spas, it enables us to do literally everything we do all day long. And that's pretty powerful. We're literally in the midst of the acceleration of everything. Everything is happening more quickly than it has happened before, and that's a good thing. You think about the actual speed of computers, it's never been faster; the speed of your cell phone has never been more powerful and faster. Think about Facebook. How many of you are on Facebook? I should probably ask how many of you are not on Facebook. Facebook didn't exist seven years ago, and a couple weeks ago, they went public at a 100-billion-dollar evaluation. Whether you think that IPO is boxed or not, that's a whole other story. But, they banked 16 billion dollars. Facebook is doing great. And they did that in seven years.

Google is only 12 years old. This is amazing if you think about how many of these businesses have been developed, and they've been developed on a technological backbone. Think about what this means to your business. We've been talking a lot today about things around how we have been imperative to fix wellness, fix healthcare, and move our businesses forward. Well, we are in the midst of that, and I think today is going to be a real kick off for everything. The ability to communicate with people, to gather information, to share experiences, has never been easier, and it's getting easier every day. You have Facebook, you have Twitter. I know there are a number of you sitting in the audience right now where you're just writing less than 140 characters. There are thousands, tens of thousands, or even more, people around the world listening. That's pretty cool. That's never existed before.

Think about what's happening in the Middle East with the Arab Spring. Over the course of the year, year and a half, governments have been overthrown, elections have happened, people have risen up. That wasn't capable in that speed several years ago, even 10, 20 years ago. We're going to fax out announcements to everyone, or before you were going to put something in the newspaper and wait for it to be printed and the government sensors come in and takes it out. The Arab Spring would not have been possible 10 years ago, at least at the rate that it has happened today. And these tools, like Google Plus, YouTube and all that, were tools that enabled that to happen. They were able to mobilize people quickly.

How many of you stopped talking to your spouse? We just email each other and text each other, "Honey, come here. I'm in the kitchen." We have all sorts of studies that show this is real. People sit in front of their 52-inch TV with their laptop on their lap, their iPad, and their iPhone and they're communicating, they're searching, they're watching, they're doing all these great things. This is reality, and I'm looking at all of

you as business owners of spas, hotels, products, whatever the case may be, consultants: What are you doing to connect with your customers this way because this is how they're spending their time? It's really important to remember that, and one experience on the computer is not necessarily transformable to all the other experiences, so we've got to spend the time and figure out what works on the iPad, what works on an Android phone, what's working on TV. And I think you're going to see a huge change on television in the next few years. TV has been slow to change, they've got a lot thinner and that's a good thing, the prices have gone down dramatically, and that's a good thing, but the overall functionality of a TV fundamentally hasn't changed in the years. I think that you're going to see that change really quickly, so that they will be more social in nature, and whether that's Apple, Google or Samsung, who knows. You got to prepare for that, so let's watch this.

[Video]

Does that stress you out or what? I watch that, and I think it's kind of funny and true, but it stresses the hell out of me. I need to go to a spa and need to relax a little bit. The point is that this is how people live nowadays, and so we need to embrace change and innovation – because we're not going to go back through that digital door. So I reach out to you guys, how are you embracing change and innovation? How many of you do things like enable or incentivize people to check in at your business? I think the check-in – on Facebook or FourSquare – is sort of a bragging thing. “I'm checking in at Cache Cache,” or “I'm checking in at this great resort,” but I think it's actually one of the most underutilized tools out there, and I think you're going to see a big opportunity with the checking because you want to create a better relationship with your customer. Something like the check-in and incentivizing is really going to come of age, so keep an eye on that.

I think this is always cool. How many of you enable your customers to view everything in your company and have them pick which room they want to rent or stay in? Probably no one, and I think that is going to become normal. We want to carry on conversations with our customers, and we want to have full-blown videos of our entire experience. Not only a video of your spa, resort or hotel, but also think about the products. We have all these great brushes outside, after break, there should be a video on YouTube about the brush. What's the story behind the brush? Somebody took time to think of the brush, to fund the brush, and now promote the brush; there's a story in there. We should be able to know what the story is. The brush is fun to take home, but there are a lot of people who really like the brush and they should be able to learn more; that's a great thing. It doesn't need to be videos about resorts and things, but videos about everything. I'm willing to bet that the majority of the

people in the room have a video camera in their pocket, except for maybe some of the BlackBerry crowd. And I've seen a lot of BlackBerries here.

[Video]

Is this your video experience? Look how flexible this guy is. I'm sorry, I had to include that. I was doing research for this a couple months ago and came across this – that was from the Global Spa & Wellness Summit two years ago in Turkey. I love that. There's a video of that and that's cool.

The great thing is that all of this is at heart. There's some technology involved, some funding involved, and all that. Fundamentally this isn't hard; the hardest thing is taking that first step and committing to it. I'm talking about really committing to it. Where are ideas coming from today? How many of you at your place of business are empowering employees to bring forth ideas that can have a fundamental impact on the business? Perhaps all of you? How many of you think the groundskeepers have a business idea that could have a huge impact, or the bellhop, or that person in marketing, or manager, or is it a situation where management knows everything, and everyone else just lurks and keeps their heads down. Everyone has great ideas; everyone should be empowered to put those ideas forward, and some ideas are going to work, and some ideas aren't, and that's okay. But you've got a workforce, couple people, couple dozen, 100s, 1,000s of people; leverage every single person that you have to figure out how do we innovate and develop our products, services, resorts, etc. It is free insight. You don't need to hire an innovation agency, you don't need to hire a strategic planning agency, you've got everybody already hired. Use them.

At Google we have a thing called 20 percent time, and the 20 percent time is real, and the idea is we want people to put forth ideas that could have an impact on our business. Products like Google mail or Gmail, Google news, maps, etc., really are a product of 20 percent time. Now it's not every week, but you get the idea and run with that and see if it works. If it doesn't work, I'm going to fail quickly. I tell my team at work, “no one's ever going to tell you no” because they shouldn't. You should be telling your employees “Yes, come to me with ideas and come to me with them often.”

How many of you know what a hackathon is? So a hackathon is, in the tech industry, generally an event where they get a bunch of computer programmers together, and it's fueled by Red Bull, or in the movie, *Social Network*, it was fueled by shots of beer, but generally it's a way to get computer programmers together to solve a problem, or to come up with an idea, or to develop a new idea. In the most basic form, it's a computerized brainstorm. So let's watch this.

[Video]

The idea is the New York City government is having a hackathon to solve problems, to come up with new general ideas, people volunteer or they do it with existing employees. Folks, if the New York City government can have a hackathon, you can have a hackathon. It doesn't necessarily need to be all about computer science majors. It can be just a bunch of people in a room wanting to get together to solve a problem. Some people might want to call it a brainstorm, but how often are we having a brainstorm to take our business to the next level? Because when we do, we want to remember three things. I really want you guys to take this to heart.

The first thing is winning the moments that matter. And winning the moments that matter is how we connect with our customers every step of the way, from when they are trying to look for you in the beginning, making sure you are there, say from an advertising campaign, or that they're looking for videos online and you're there, but also they're looking at how you use technology to make them a better customer. Second of all, how do we make better decisions? The data out there enables us to understand what's happening on the web, what's happening all around the place, so that we can target our consumers in a more effective manner, we can create a more economic value. The third, how do we use all of this to grow our business bigger, faster? How many of you came to Aspen with the intent to making your business smaller and less efficient? No one; I knew it.

So let's talk about winning the moments that matter, and in a nod to the wonder Surgeon General from earlier (I thought that was a great talk), I want to talk about the stressed-out CEO's daughter, Mary, who is stressed out as well; it may be a family thing. Mary's at work. She's behind on quota, her boss is yelling at her, she's stressed out, and her phone in her pocket knows this because her phone in her pocket has an app on it that senses her blood pressure, senses her body heat index, senses when she is stressed out. Her phone wants to help, her phone is just like another person, a little friend that goes with you everywhere. I love my friend. The phone starts to look around to find how to de-stress her friend. Let's look for spa vacation, the phone says, let me look at the calendar and find out when Mary is free because the calendar is part of the phone, and the phone knows that Mary is free in three weeks. So let's set that aside for a minute. We want to send Mary on a spa vacation. Phone starts doing searches and finds there is a Groupon for a spa in Phoenix with 50 percent off spa treatments. Grab that; put that aside for a minute. Mary flies United, so the phone takes her mileage-plus number and starts doing searches to find out flights that are within her price range down to Phoenix. Everything is set.

Then the phone sends the text to Mary and says, “Mary, we know you are stressed out, would you like to go to a spa? Here’s the Groupon. Here’s the flight and all the information.” Mary says, “Yes,” and then she presses bye and once she presses bye, the whole thing is in motion. All of the sudden, the hotel is alerted that Mary is on her way. They want to develop a relationship with Mary because they don’t want to meet your customer when they walk into the building for the first time, right? You want to develop that relationship, and say, “I’m so glad you’re coming, I hope you enjoy our spa and your treatments. Here are some breathing exercises, here are some yoga poses. We also want you to watch this video, so you can decide on what room you’d like to stay in.”

Mary goes online and finds that she really likes room 237, so she books that room. The next couple weeks the spa continues to develop a relationship with Mary in the online environment because she’s feeling trustworthy and starts to interact, and that’s a great thing. She sets off for the airport and gets on the plane, and obviously she picks her seat, after looking at Seat Guru, and she sits down and the video screen pops up and says, “Welcome Mary, here are your entertainment options for the flight. By the way would you like to finish the Reese Witherspoon movie that you didn’t get to finish last time because you fell asleep?” Mary’s like, “Nice! I forgot about that.” She watches the rest of this really bad *CLA* movie... don’t tweet that!

Mary arrives at the airport, and she’s picked up by a driverless car, and it’s a hybrid. She gets in the driverless car and gets to the door and is greeted by a representative by the spa, and he hands her an iced tea. Not the spa’s house drink – an iced tea because they learned through developing a relationship with Mary that is her favorite drink. What a great way to kick off a desert vacation with a beautiful iced tea. Now she goes to room 237 because she knows she is going to be in that room, takes out her phone and swipes it on the door handle. The door handle also acts as a point-of-sale mechanism and through her near field communication chip in her phone, she is able to transfer all of her financial information, checks in, goes into her room, everything is up and running. She is able to use her phone to find a map around the spa. She is able to order things, etc., she might even call someone... that’d be crazy. So then when it’s time to leave, Mary swipes her phone and walks out to the hybrid car and goes home.

When she’s back home, she starts to share online, rate, star, and do all of these things. Because of the relationship with the spa ahead of time, they are able to watch this, they are able to carry on the conversation, send her more breathing exercises, yoga poses and music. They have a relationship with Core Power Yoga in Chicago, sends her coupons for free yoga sessions, etc. Now the spa has a 365 relationship with Mary, not just that short weekend. A lot of that technology already exists and is already happening today; a lot of it has not come around yet, but it will.

Think about: How do we will those moments? How do we use technology to make for a better experience with your customers? For those of you who actually develop things like skincare, etc., you can do the same thing. Technology is cheap, technology is easy; use it to connect with your customers.

The second part is around making better decisions and the data that's out there. That is not a good decision, but it looks like fun. The data is out there to enable you to understand everything that is happening for the entire cycle of your customer's web experience. How they find you, where they are coming from, when they're coming to find you, what device they're using to find you, what they're doing on your site, what pages work, what pages don't work, how much time they spend on your site, and when they leave how much they buy, etc.; all this information exists today and is available to you, and I'm sure many of you use very little analytical packages to understand.

In the past we had it all about visits and page views, and now we are all about likes. I really want you to like me, then I want you to follow me, I don't know where we are going, but I want you to follow me. I think that's great, but no one knows what that means. As an industry, we are trying to figure out what does it mean to be liked, where's the economic value there, how do we monetize that? You as businesses should be trying to figure that out as well. It's not necessarily about collecting likes, not necessarily collecting followers; it's about economic value. Are your customers able to finish what they started on this site, are they able to find you easily, can they navigate on your site purchase or do whatever it is you need them to do easily? Or like many businesses, do you put them through 15 different hoops to get them to the check page? The data enables you to better understand that so you can provide a more robust experience for your customers. So think about every aspect of your business, think about every aspect of your website, all of that has some sort of economic value and we got to figure out what the value is and do more of that. If there's parts of your site that result in a lot of sales being made, or information being requested, and that's valuable to you, then do more of that. But you won't know that until you analyze that data.

The third part is about making your business faster. Since no one raised their hand saying they want to shrink their business and make it less efficient, I can believe that we are all going to be able to take this information that we will have learned in the next few days and figure out how we grow our businesses. The cost of starting a business has never been lower, the ease at which we can start a business has never been easier, and the ability we have to get across to customers at a cost-effective metric has never been easier. This is a fabulous time, and yes, we have challenging

economic conditions all over the globe. What a perfect time to have a cost-effective way to get more business. So I think we all should be really happy about that.

I'm not talking about dabbling in the web; I'm not talking about just sampling technology, or let's get the 21-year-old intern to handle all of our social media. I'm talking full on you-need-to-jump-in-100-percent and go all out, all digital, all right now. It doesn't matter what business you are in: Technology will fundamentally change your business. You can't dip your toe out, you need to jump right into the middle of it.

[Video]

Has anybody seen that before? So what are we doing to set up for that future customer? That's actually real. Kids like that will never know not being able to pinch and move, interact, and do all that sort of stuff. My 16-year-old-nephew – I was talking to him the other day – he and his friends don't use email. Everything happens on Facebook or text. Couple weeks ago on my front doorstep were these two huge yellow books. I don't know what that is. No one uses that. Going all in digital technology is an absolute strategic imperative for all of you. As you can see by the video, this is really real, so we've got to embrace it. For some people it's going to take a little bit longer to figure it out, do the analyses, and understand what make the most sense, what's most cost effective, but you have to start today.

Thank you for the opportunity to speak, and do we want to do some questions?

AUDIENCE MEMBER: I feel like something philosophically about the spa and wellness is about turning off that information and noise. So how do you reconcile the two?

TED SOUDER: You turn it off once you get there, or turn it off once your bookings are full, but until you are at capacity, you have to turn it up 211 until those customers come through your door. I totally agree, but basically this comes down [to], it's just marketing and advertising: How do we get people to understand more about our product, or our service, or philosophy, or about wellness in general? Yes, I believe that sitting in front of a screen, not talking to your family, and staying inside all day, that's not healthy; I think we all agree with that. What I think is super healthy is having a really robust business where you are bringing in revenue, where you are hiring more employees, where you are bringing more value, and you're giving back to the community, and doing all of these things that an economy does, this will get us there.

AUDIENCE MEMBER: I was wondering if you had any thoughts on where you thought the Pinterest was going, and how it was going to be used in the next few years, or even if it was going to survive.

TED SOUDER: Does everybody know what Pinterest is? It's where you can go around the web; basically it's like a giant bulletin board. You find pictures of things that you like. I was really embraced by the interior design community actually. I think Pinterest is fantastic. I think Pinterest is going to make a lot of money. I'm not talking about getting bought after two years like Instagram did for a billion dollars. Good for them, talk about the velocity of everything. I think Pinterest is fantastic because I think that everything should be able to be for sale. Everything should be discoverable. There might be a product that I would just love, but unless I know about it, I'm not going to buy, so I think Pinterest could really help with discovery, not only from a commercial standpoint, but I think from a special interest standpoint. Why isn't there a yoga Pinterest, or why isn't there a stretching Pinterest? I think you can start to burrow down into subcategories. I think it's endless, I think it's phenomenal, and I think the guys who started Pinterest really came across something special. I think they're going to be huge. Let's go to this side this time.

AUDIENCE MEMBER: I like your three points in terms of winning the moment and making better decisions, but it's the third that I'm concerned about, growing faster. Core to spa is nature; nature grows at a certain ration in proportion to harmony, the golden ration. That concerns me. I think we need to reimagine growth, and can you talk to me about that because sometimes the faster the rise, the quicker the fall – and so, how can we have growth in the spa in a natural way that will be sustainable? That's a question that's kind of out there.

TED SOUDER: I think that's a great way to put it; there are a couple different things there. One is that when we are trying to grow our business, there are tools today that enable us to do things more efficiently and in a more cost-effective manner, such as Amazon cloud hosting or marketing via Facebook or Twitter, or some of those types of tools. When I talk about growing our business bigger and faster, some of those tools enable us to do that. Another service is – and this isn't because I'm from Google – but I think one of the greatest innovations out there is Google's enterprise suite that has products like Word on documents, spreadsheets, etc., that we're able to work on collaboratively. Instead of sending on version 3.2 to everyone, and they get all mixed up on that, it's a document that we are able to work on collectively, so that we are able to see all these things changing in real time. What that does is speed up the process of whatever we're doing, so we're saving time, and, ultimately, we're saving money because we're saving time. I think we've got to figure out also: How do you come up with an idea, how do you test it, figure out if it works, and if it doesn't, move on

quickly? So we want to grow our businesses in a deliberate manner, we want to do it in a profitable manner, but if something's not working, let's move on. So we talk a lot about failing quickly, learning from it, and keep moving on. We don't have the luxury of being able to sit back and overthink results, we don't have the time to sit back and think about how we're the greatest thing in the world and how we're rated number one because all around the world there are really smart kids in dorm room, garages, incubators, coming up with business ideas that will beat yours. Think about what's happening in the hotel industry with things like Air B&B, flip key or home away. These businesses didn't exist years ago, and they have really put the pressure on the hotel industry to up their game, whether it is doing things more efficiently or whatever the case may be. So we don't have the luxury of sitting around, if that helps.

AUDIENCE MEMBER: We have the social media table today and the big question is, "As spa owners and as a tech expert, would you recommend to be everywhere, or just to be where you think you can handle it? I mean social media.

TED SOUDER: That's what the data tells us, and I can't answer that question. I think it's important to understand: If you have videos up on YouTube, the YouTube analytics package will show you where they're from, whether they're watching your videos. So what you can do is throw it out in the beginning, start to figure out what makes the most sense, and then start to narrow your exposure down. When we're talking about actual paid advertising, I think you need to be very strategic about where you are running your ads. If you are a small spa in Branson, Missouri, does it make sense for you to run an ad on Google, or Bing, or Yahoo, on the search result "spa globally"? No, it's too expensive, it's probably not going to work for you, and eventually your ad is going to fall off the chart because of the algorithms. It's not going to work, so it depends on what you're doing, but the data will enable you to figure that out. I will say, one of the nice things about social media as a whole, whether it is Facebook, YouTube, etc., is most of this is free. So just get it out there, if there's not a video out there on every different aspect of this business, your resort, your spa, whatever, then there's a "to-do list" to be created next week.

Thank you.