Innovation in hospitality and tourism industries

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Introduction

Over the past few decades, services have played a critical role in the economies of most industrialized nations (Song et al., 2009). Innovative technologies and business models have transformed the service environment (Sorescu et al., 2011). Service innovation “introduces something new into the way of life, organization, timing and placement of what can generally be described as the individual and collective processes that relate to consumers” (Barcet, 2010, p. 51). Research in service innovation has evolved from a generic perspective to a demarcation perspective, portraying it as something that should be differentiated from product innovation and, finally, shifting into a synthesis perspective (Carlborg et al., 2014). The synthesis perspective emphasizes the necessity of an integrated approach to innovation that considers both technological and non-technological aspects.

Implementing such an integrated approach requires the consideration of the emerging business models, novel marketing approaches, customer management, talent management, service delivery, distribution channels and discovery tools. Online co-innovation communities are enabling customers to share, discuss and advance their ideas. Such dynamic environments not only provide companies with rich sources of innovation, but also push service providers to continuously innovate and redesign their services. This special issue of the Journal of Hospitality and Tourism Technology provides insights into research in the service innovation field by focusing on the applications of service innovations in hospitality and tourism industries. This guest editorial first presents some of the latest advances, opportunities and
challenges regarding innovations in hospitality and tourism technologies and then introduces the papers published in the special issue.

The evolution and future of hospitality and tourism service innovations

Innovative technologies and business models have revolutionized the hospitality and tourism industries. Examples of such innovations are phone-as-key-cards, mobile self-check-in, mobile booking, self-service check-in kiosks, lobby media panels, electronic luggage tags, bring your own device, bring your own content platforms, smartphone boarding passes, hotel service optimization systems, guest device connectivity tools, voice over internet protocol phones that are interconnected with the hotel’s ecosystem (e.g. phones in the guestrooms that guests can use for ordering room service directly from a touchscreen and housekeeping can use them to put work orders and the system directly communicates with corresponding departments), wearable devices to identify guests, tablet menus and table reservation systems to name a few. These innovations may take place in the frontline of a service where customers observe the innovation or they may operate in the backend and be “invisible to consumer”. In some hospitality services, guests interact with the latest gadgets in the lobby of hotels or use their own mobile devices to make plans for dinner or other services. For example, Link@Sheraton is a touchscreen device that creates a new experience by interacting with guests and providing them with a new way to explore local tourist attractions and enhance their hotel experience. However, some innovations such as customer relationship management (CRM) and customer intelligence tools are not observed by the guests, but hoteliers can customize and enhance their guests’ experiences using order histories and consumption patterns.

Innovations in the hospitality and tourism industries follow a trajectory of service innovation modes, differing from a product innovation (Gremyr et al., 2014). Such innovations have increased operational efficiency as well as created more value for customers (Sorescu et al., 2011). As a result of continuous innovation, service firms have improved the quality of their service and offer a more customized experience. This is accomplished by predicting customer needs and wants, increasing loyalty through various programs, expanding customer base while reducing unused capacities and increasing efficiency and productivity. Service innovations determine ways of creating and delivering more value to customers through technology or processes. It involves continuous improvement and streamlining ideas to empower employees, shareholders and consumers. As a result of innovation, new types of customer experiences have emerged. Examples are luxury suites in A380 aircrafts, augmented reality city tours, smart tourism, altered distribution channels and environment-friendly building facilities. With the significant advances, it is difficult to imagine, nowadays, how hospitality and tourism industries were operated just a few decades ago.

Innovative collaborations between brands that operate in different industries are also shaping the hospitality and tourism industries. For example, the Line Hotel in Los Angeles partnered with Linus Bike by creating a fleet of co-branded bikes for hotel guests. They also created maps of local bike routes for the hotel guests to discover
Marriott partnered with IKEA to create Moxy brand. The three-star Moxy hotels target the millennial travelers who do not want to spend as much for a five-star hotel, yet do not like the style of less expensive hotels. These hotels offer stylish rooms, using a calming neutral tones and local artistic features and buildings that are environment-friendly (http://moxy-hotels.marriott.com/).

An important emerging business model is the sharing or collaborative economy which has further changed the landscape of hospitality and tourism. The idea behind the sharing economy is utilizing the unused personal resources such as spare bedrooms and car seats more efficiently. This new business model has been quite successful. For example, Airbnb has been in business for about seven years. Without owning a single room for rent, it has served over 30 million guests and has been valued at about $24 billion, putting it ahead of Marriott hotels and rivals such as Expedia and Priceline (Winkler and MacMillan, 2015).

New entrants offering innovative hospitality and tourism services have challenged incumbent service providers. The emergence of online booking web sites has enforced many traditional travel agencies to go out of business. Many traditional hotels are getting concerned about the growing popularity of services such as Airbnb. The question is how can these hotels react to the growing pressure from these new entrants? Can they cooperate with these new companies? This is an open question for future research.

A challenge for the hospitality and tourism industry is finding the optimal mix of digital and human interactions to create personalized guest experiences while respecting their privacy. For example, Chinese Spring Airlines has equipped flight attendants with Google Glasses on a flight from Shanghai to Chengdu. Iberia developed smart watch boarding passes to allow passengers to receive flight updates. Some companies, such as car rental agencies, try to use distant customer service representatives to handle the process of doing the paperwork for picking up cars in airports. The use of robots in hospitality services is another potential future trend. A hotel in Japan, Henn-na, uses robots for various positions such as the receptionists, the porter who brings the luggage and delivering room services. This development will have major social, economic and business effects.

Furthermore, researchers and managers must consider that consumers do not adopt or use a new service only for the purpose of the benefits it offers, but they also use it due to the social aspects such as what adopting the innovation would say about them. This leads to different segments of adopters of a new service based on customer motivation and types of benefits they seek in an innovation. For example, some individuals may adopt a new service when it is quite novel to satisfy their need for uniqueness. However, once the majority of consumers start using it, they may terminate using it and move to the next big trend (Nejad et al., 2014). Consumers may also use a certain service because of the attributes that are assigned to users of that service. For example, some consumers may decide to ride bicycles because riding bicycles is considered more green and environment-friendly. Nonetheless, there are always individuals who ride a bicycle due to economic reasons or for the
recreational aspects. These two groups of customers may seek different types of products and may differ significantly with regard to the price they are willing to pay. In hospitality and tourism industries, such motivations will also be intertwined with the objectives of the travel. For example, motivations to visit an expensive destination but stay at a low-budget hotel may be very different from motivations to visit a less costly place but staying in a luxury hotel. Another recent trend which has had major consequences is shifting from a culture of owning and retaining to using and sharing. Customers, nowadays, are more interested in sharing their experience with others (Huang and Benyoucef, 2013). For example, the once popular point-and-shoot cameras lost their markets to cell phone cameras due to the shift in consumers’ interest to sharing their moments with others through social media rather than storing their photos for the future. A better understanding of motivations to adopt and use an innovation in the areas of hospitality and tourism will help us develop more appropriate services and market them.

It is important to acknowledge that innovations also come with barriers including the ownership structure of the hospitality industry and franchise models. Innovation is still a buzzword for many hotels, and the hospitality and tourism industries have been slow in adopting new technologies. The cost of innovation, resistance from owners, resistance to change, training issues, pace of advances in new technology and time and budget constraints are some of the other barriers. Even for a single hospitality firm, the adoption of various technologies has not advanced equally. For example, many family-owned small hotels and bed-and-breakfasts in cities or rural areas (e.g. rural tourism destinations in Europe such as Tuscany), nowadays, offer their services using online booking services such as Hotels.com. They are generally concerned with online reviews about their services on tripadvisor.com and other online forums. However, these hospitality services have been slow in adopting modern hotel management services such as the ones described earlier.

This special issue provides a forum for scholars to contribute to our understanding of innovation in hospitality and tourism industries. Research gaps still persist and innovation research has primarily focused on products and paid relatively less attention to intangibles (Carlborg et al., 2014). Invisible innovation, service innovation in emerging markets and co-innovation are some areas that deserve further investigation. Brand collaborations (competing in different industries) and their co-innovation also require additional investigation.

Research in this special issue

This issue of the Journal of Hospitality and Tourism Technology consists of seven articles. Each article contributes important insights into the understanding of service innovations, and the findings provide a solid base for subsequent research in relevant topics.

The first article, by Joe Choon Yean Chai, Naresh Malhotra and Satyabhusan Dash, investigates the impact of relational bonding on intention and loyalty and the mediating role of commitment foci in the service context. Next, Philippe Duverger
demonstrates how user-generated ideas, despite their potential merit, can be rejected when worded negatively. The third article, by Manuel Rivera, Amy Gregory and Liza Cobos, examines consumer perceptions toward the adoption of mobile technology within the vacation ownership/timeshare segment of the hospitality industry. The fourth article, by Faranak Memarzadeh, Shane Blum and Charlie Adams, investigates the impact of business travelers’ behavioral belief on positive and negative e-comments, which consequently lead to intention to purchase a hotel room. The fifth article of the special issue, by Bahri Ammari Nedra and Khaldoon Nusair, investigates the key factors for a successful implementation of CRM. The following article, by Sreejesh et al., investigates the relationship between perceived service innovativeness, image congruence, satisfaction and behavioral outcomes at the customer level. The final article, by Christina Zhang, Jay Kandampully and Anil Bilgihan, proposes a conceptual model of online co-innovation communities in the hospitality industry.

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We hope readers will find the articles relevant, timely and useful.

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References


Further reading


