

IMPACT2020

Theme: Crisis Management and Recovery Strategies

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Summary Note

Organized by:

**Hospitality and Tourism Research Center
School of Hotel and Tourism Management
The Hong Kong Polytechnic University**

&

STR Share Center

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SUMMARY NOTE

09:00-09:15 Opening Remarks

Prof. Jin-Guang Teng, President, The Hong Kong Polytechnic University (PolyU)

Welcome everyone! The School of Hotel and Tourism Management (SHTM) has been advancing world-class hospitality and tourism education over the past four decades. In education, SHTM has been developing socially-responsible professional talents, and in research we have been developing unique insights into the sustainable development of the global hospitality and tourism industry. In recent years, there have been many challenges to the tourism industry. Researchers in the SHTM have conducted extensive investigations to generate innovative solutions. For COVID-19, SHTM has been conducting various studies to explore effective recovery approaches and measures to cope with the global crisis. The objective of IMPACT2020 is to bring together industry leaders, policy makers, tourism professors, and scholars to discuss and develop the best recovery strategies for the hospitality and tourism industry during the current pandemic crisis. Thanks to all distinguished speakers, delegates, and sponsors for their dedication and support. Also my appreciation goes to the SHTM undergraduate students who formed the organizing committee and arranged a rich program with special arrangements for international participants on a large scale. Best wishes for a successful conference.

Ms. Elizabeth Randall Winkle, Chief Strategy Officer, STR

Welcome everyone. I want to thank Dean Kaye Chon, the faculty and students of the SHTM, PolyU, and my STR colleague Steve Hood for hosting today's conference. The hospitality and tourism industry has been devastated by a global pandemic and geopolitical and socio-economic uncertainty. But I am hopeful; the tourism industry is resilient. In years past, it has overcome many challenges, and it will again. The tourism industry is important. It drives economic growth, creates jobs, improves social development, and promotes understanding. Perhaps the greatest benefit is it brings people together and promotes learning and solutions. When one leaves a destination, whether for business or leisure, one leaves with learning. That very opportunity exists for all of us today, as we come together to have a meaningful dialogue, debate for a better outcome, and deliver consequential solutions. STR has long been committed to bridging the gap between academia and industry by facilitating research that is impactful to industry. Today the most timely issue is crisis management. I hope everyone will participate today to achieve IMPACT2020's goal to discuss and debate crisis management from different perspectives to develop the best recovery strategies for the hospitality and tourism industry. Thank you, and I wish you a great conference.

09:15-10:30 Opening General Session

Chair: Prof. Kaye Chon, Dean and Chair Professor, Walter & Wendy Kwok Family Foundation Professor in International Hospitality Management, SHTM, PolyU

Welcome to our sponsors and delegates from many countries. This conference was perceived between SHTM and STR. Just 30 few years ago, there were only a handful of academic journals devoted to tourism. Now there are over 300. Some of the leading journals are edited by professors from the SHTM, and SHTM is often ranked number one for research output in the world among all the hospitality and tourism schools. The dilemma is that most journals are read only by academics, not tourism industry professionals, who either do not have access to the journal articles or do not fully comprehend their content which is written in academic language. So SHTM came up with the idea to select some articles published by SHTM faculty members and their international collaborators that would have a significant impact on the industry and re-write them in industry-friendly-language for a book which we just published online. Some of these research articles will be presented in the afternoon session. Each of you should have received this book, or we will provide you with the link. We plan to publish such a book every year. We plan to do this conference every year also with a different theme for IMPACT2021. This morning we will discuss crisis management from various perspectives and sectors of the industry, and in the afternoon researchers from our school will present a series of papers on research they have conducted and explain their implications for the industry. We are very happy STR has joined us as our partner this year and in the future. IMPACT2020 was organized by 32 undergraduate students in the Special Event course. They also organized the APacCHRIE Conference and APacCHRIE Youth Conference with delegates from 20 countries, and both conferences were a fantastic success. These are our first hybrid conferences, and they have fully demonstrated what we can do in providing cutting edge efforts in organizing conferences and events. A round of applause please for our students and their two instructors. I wish everyone a successful conference.

Featured Speakers:

Dr. Jennifer Cronin, President, Wharf Hotels Management Limited
"Crisis Management: Lessons We Have Learned"

This is the perfect time to review what has happened and where we are going, and the IMPACT recovery strategies will be so important to rebuilding our industry for the future. This morning I would like to cover Crisis Communication, Collaboration, and Living Manual. So what lessons are being learned? The three Time magazine covers this year show the ups and downs of the pandemic in the USA. Are they collaborating? Are they communicating with clear messaging? The Time magazine cover of May 2003 that featured SARS that we were going through in this part of the world. We learned from this. Countries that have success in crisis have leaders who deliver a clear message. Those leaders are proactive, transparent, and communicating constantly and effectively. Leaders need to be realistic about the situation and what needs to be done, and have a plan. Hong Kong is doing well. The two characters in the Chinese word for crisis represent danger and opportunity. So the pandemic has become an opportunity for all of us to learn to do things better. I'm excited about what we are learning, about how we are applying our digital spaces.

Through collaboration you need one voice. In Hong Kong, we formed the Heritage Tourism Brand Group, seven hotel brands that went global now have one voice when dealing with the Hong Kong Tourism Board and other boards and influencing them. One result was HKTB's "Holiday at Home" (staycations) that was a success for all of the hotels. Another successful effort of the Hong Kong Heritage Tourism Brand Group was the video "Hong Kong Our Home". Tourism in China is coming back strong. Golden Week 2020 was a phenomenal success, with some hotels beating their budgets. So we will come back. The Living Manual, means your manual needs to be a set of living guidelines and procedures that are constantly evolving and includes retention of institutional memory, new learning updates, adopts changes in technology, consumer behavior priorities, new best practices, and tangible examples of an organization's concern for associate and guest welfare, safety, and security. We are resetting for the future. There will be major structural changes, but it is an exciting future, and we will travel again.

**Mr. Steve Hood, Senior Vice President, Research and Founding Director, SHARE Center STR
"Hotel Industry Outlook for Asia Pacific"**

Today I will provide an industry update on Asia-Pacific and provide some good news. A look at the occupancy rates for the week ending October 25 shows China, Asia, and Australia and Oceania doing better than rest of the world. China decreased first to almost a 10% occupancy rate and has gradually recovered, including a spike during Golden Week, and is leading the way at about 70%. Asia-Pacific is a diverse area and so is its recovery. China's occupancy rate is almost back to the 2019 level. REVPAR is almost the same as in 2019, and ADR is catching up and sometimes surpassing 2019 levels. Golden Week in China, October 5-7, was at 83%, better than in 2019. The great news in Hong Kong is the tourism bubble agreement with Singapore. Elsewhere, Japan and South Korea are improving but still looking for stability. South Korea had a very good August and then a dip again. Japan had a very good Silver Week in September. The Indian Ocean countries (India, Maldives, and Sri Lanka) are definitely still impacted. In the ASEAN countries, Singapore is on top at about 75%, but much of it is quarantine business from the government with high occupancies but low ADRs. Then Indonesia, Malaysia, and Philippines are in the area of 30-40%, followed by the other countries at 15-20%. Australia and New Zealand are on the way up with an emphasis on regional areas rather than big cities. It's a time of opportunity. Hotels are having to reinvent themselves and stretch and learn.

There are many bright spots. Here are some of them: 1) Smaller versus Larger Cities; 2) Suburbs (regional) versus Central Business Districts/Downtowns; 3) Lower Class Hotels versus Upper Class Hotels; 4) Interstate, Small Town, and Suburban versus Urban and Resorts; 5) Resorts (smaller destinations versus larger); 6) Extended Stay versus non ES, higher versus lower Extended Stay; 7) Transient versus Group; 8) Weekends versus Weekdays (Leisure versus Business); 9) Domestic versus International destinations; 10) Drive to versus Fly to destinations (local, closer to home); 11) Short Haul versus Long Haul (small versus large airports); 12) Parks and Beaches, wide open spaces, outdoor tourism; 13) Holidays make a difference; 14) Ramifications of virtual work and school (families, colleges after Thanksgiving); 15) Meetings and Events reinvented (virtual & hybrid versus traditional, in-person, networking); and 16) Consumer sentiment, intent to travel, pent-up demand. A few resources are available at STR.com, including COVID webinars both past and upcoming, and the Share center if you're an academic.

Prof. Andreas Papatheodorou, Professor, University of the Aegean
"The Future of Aviation Industry"

Demand for air transportation is mainly derived from tourism, and both are highly cyclical and sensitive to change. Since the end of World War II in 1945, air travel has continued to increase over the years, even after crises. However, the COVID-19 crisis is unprecedented. In 2020, ICAO estimates a 59-62% decline in world passenger traffic, a 51-52% reduction in seats offered by airlines, a reduction of 2.894-2.981 billion passengers, and a loss of USD 388-400 billion of gross operating revenues of airlines. Severe losses will continue into Q1 2020. Load factors worldwide are at all-time lows, except for domestic flights in China. This has impacted air passengers, airports, airlines, tourism, trade, and the global economy. The aviation industry was hoping for a V-shaped recovery, but it will be slow and painful, taking until at least 2024 to get back to the 2019 level. The future in aviation is managing uncertainties: how long the pandemic lasts, how deep the global recession will be, how long lockdowns and travel restrictions will last, how fast will consumer confidence be restored, and how long can airlines withstand financial adversity. Normality should return to air transport by 2022 with extra safety and hygiene measures in place and the global streamlining of testing and travel restrictions. Success with vaccines and medicines will lead to a complete revival of the airline industry, but airlines need to reengineer their business model to be sustainable by increasing revenue and reducing cost. Revenue management also needs to be applied at the destination level.

Dr. Mario Hardy, CEO, Pacific Asia Travel Association
"Tourism Recovery Strategies: PATA's Perspectives"

Never in the history of tourism have we ever faced a challenge as big as what we are facing today. A survey of 500 small and medium sized business in April 2020 in Asia-Pacific found 15% of the businesses had already permanently closed and 42% only had money for another 2-4 months, so they are now closed. Most surprising, 65% said they had no crisis preparedness plan. Our industry needs to prepare itself for crisis in a much better way. There are four phases in our recovery. First, lockdowns, travel stops. Second, is emergence when we start coming out of lockdown with local travel. Third, is domestic travel around our country. Fourth, is international travel. Bubbles and corridors, including marine corridors, are bilateral agreements between two countries, two destinations. Reopening is complex. It requires a great level of trust between countries about healthcare and COVID procedures. Travelers will need a digital health passport to know who is immune and who has been vaccinated. What the tourism industry really needs is to reopen globally and internationally. The earliest world travel can reach pre-COVID levels will be 2024 or longer. It will be a slow recovery. To work towards recovery, we need common protocols across regions and across the world. Travelers and the tourism industry need to know what is required before you travel, during your travels, and when you return home. Quarantines do not work for the tourism industry. Travelers who test negative before they depart, upon arrival, and during their travels depending on the duration, should be free to travel. Contact tracing is also important. The private sector, public sector, and educators all need to work together to ensure we have a safe industry. It is also important to reassess tourism and the tourism needs for the future. To make a better tourism industry, we need to review overtourism and mismanagement of capacity. Let's restart the tourism industry in a more sustainable and more responsible manner.

**Prof. Haiyan Song, Associate Dean and Chair Professor, Mr. and Mrs. Chan Chak Fu Professor
in International Tourism, SHTM, PolyU
"Tourism Arrival Forecasting for Asia Pacific"**

The Asia Pacific Visitors Forecast 2020-2023 is a joint project between PATA and SHTM. The purpose of the forecast is to generate tourist arrivals to destinations in Asia-Pacific from different source markets. This year the forecast is for 39 destinations with each having 30-40 source markets. This year due to COVID-19, we have developed three scenarios: mild, medium, and severe. The forecasting methodology uses econometrics and time series, adjustments to the pre-COVID baselines data with data from Q1 and Q2 2020, and then judgmental adjustments by experts. So what I present today is very preliminary. The scenario building incorporated past academic research of pandemics' impact on tourism demand, recent assessments of COVID-19's impact on travel by Oxford Economics, and forecasts by Euromonitor International and UNWTO; plus we considered information on travel restrictions, vaccine development, and predictions on future outbreaks of COVID-19. Most regions will recover in 3-4 years, as Dr. Mario Hardy, CEO of PATA, suggested. Experts adjustments will be made to these preliminary forecasts in consideration of specific destination-source market restrictions and other constraints in the second stage of the forecast. Results show that some Asia-Pacific regions will lead world tourism recovery where the pandemic is under control. China will not fully recover its international market until 2024.

Q&A for All Panelists

To Dr. Jennifer Cronin: What can we do better?

Hong Kong has done a magnificent job until now, but I would like to have seen a government leader speaking to the community on a regular basis who is recognized locally and internationally. We also need to share more about structural changes to come, such as with Cathay Pacific and Dragon Air.

To Dr. Jennifer Cronin: Do you think there is a new paradigm of tourism such as with staycations?

Hong Kong is a bit small for that. I think new protocols like after 9/11 will be put in place around the world so we can travel safely and with confidence.

To Mr. Steve Hood: What should new hotel developments do? What is your view about new developments?

There is a big increase in deferrals and some abandonments. Rooms under construction are down, but hotels are still opening. Some that cater to meetings and events have to reinvent themselves as specific segments and markets begin to travel again. It will take a little time.

To Prof. Haiyan Song: Can you give us hope for earlier recovery?

Forecasters try to be optimistic. If there is some magic that can speed up travel it would be the vaccine. Dr. Jennifer Cronin added that her company is identifying office buildings in China as new projects that can be repurposed as hotels.

To Prof. Haiyan Song: Which source markets should the industry target?

This is destination specific. For Hong Kong, the immediate rebound will be from Mainland China and other countries with a possible travel bubble like Singapore, Korea, Japan, New Zealand, and Australia.

To Prof. Haiyan Song: What about visa restrictions?

We did consider the visa restrictions in our scenario developments. Once visa restrictions are lifted international tourism will be closely related to economic growth in source markets.

To Dr. Jennifer Cronin: Will staycations continue?

Yes.

To Mr. Steve Hood: How can we use data for better practice?

COVID makes it crystal clear that there are many ways to use the data to improve the industry. It shows the value of industry and academia working together.

10:30-10:50 Session Break

Prof. Dimitrios Buhalis, Director of eTourism Research Lab, International Center for Tourism and Hospitality Research, Bournemouth University

"The Future of Hospitality and Tourism Technology after COVID-19"

COVID-19 is a crisis like no other. It has lasted a long time, and unlike a natural disaster, we don't know when it will end or even when the next stage begins. But it does not affect our assets; no infrastructure is destroyed. Smartness is important because we have to be connected and engage with all stakeholders. It also requires multiple technical resources and technologies. Among other important topics are Socomo enabled cocreation, smart tourism destinations, sharing economy, ambient intelligence, and human to human interaction in tourism.

10:50-12:30 Panel Discussion

***Chair:* Prof. Haiyan Song, Associate Dean and Chair Professor, Mr. and Mrs. Chan Chak Fu Professor in International Tourism, SHTM, PolyU**

Panelists:

Mr. Richard Hatter, General Manager, Hotel ICON and Adjunct Associate Professor of SHTM, PolyU

"Managing in Turbulent Times"

This presentation will be very contextual in regards to Hong Kong, which is unique in many ways, but, hopefully, it will give you some ideas on how to strategize your own situation. The ICON Hotel is a teaching-research hotel with 260 rooms, three food and beverage outlets, and one large dividable ballroom; plus some school space which will soon be launched as The Academy. It is very labor-intensive. Our Chinese restaurant with 80 seats has 30 people in the kitchen. Our total hotel staff is 360; plus 30-50 students, who we also pay. We are a self-sufficient hotel. Any surplus goes back to the university. There is no owner with deep pockets. There is no corporate support; we have to rely on our own reputation. Guests are currently favoring large brand-name hotels

because they trust them more; they have more credibility as far as hygiene is concerned. We lean on the fact that we are a model hotel that tries to do everything perfectly. Our small internal sales and marketing staff of four people has no external support, so we have to be smart, scrappy, and focused, with very clear goals. So I would like to share some things that have worked for the Hotel ICON. For the last eight years our occupancy rates have been 85-90% with a very decent rate. The STR data set shows that we performed above our competitive set. But in July 2019, a raid took place at the LegCo Building that caused our occupancy rate to drop.

Then there was the airport closing, and most of our business is from overseas. In November there was a siege where the university was surrounded by police and protestors. We had to move a lot of staff into the hotel. Occupancy dropped further, even below the competitive set. Our response was initiatives such as staycation and long stay packages. This was for survival and preservation of cash flow. Then COVID-19 hit, and things went from bad to worse. So we got our team together and discussed what we were going to do in five key areas: 1) Being transparent – to align the team; 2) Reading the market – set clear direction; 3) Flat structure - effective internal communications, work as a connected team; 4) Lead by example – work with the team, hands on; and 5) Be agile and think creatively. The first thing was to make sure we tell the truth. Be transparent, let them know the challenges and the financial situation. We asked people to step up and follow my lead because I have been through other turbulent times. We had regular town hall type meetings to discuss all this, as well as digital meetings. Our business and geo mixes shifted, such as no more group or corporate business, and going from 50-60% overseas guests to a 100% local market. Pricing changed, revenue management became stricter, lead times for reservations shortened. We marketed safety and the fact that all our rooms have negative air pressure, which is the same as an ICU, giving us the reputation as the safest hotel in Hong Kong, and guest rooms are sealed after cleaning. We told people this on social media and other platforms. Other things we did were to tailor the experiences by using pop-up advertising, social media, and creating new products like our online shop, afternoon tea sets, and special wedding packages, spa packages, and Room for Romance. These were sold at reduced prices directly to guests. Staff was retrained and deployed where needed and everyone worked as a team. The hotel was able to keep its ranking on Travel Advisor and earn an average RGI Index of 257, which was the number one local ranking.

Dr. Zinan Liu, Chairman of Caribbean Cruises, Asia, Royal Caribbean International
"The Future of Cruise Line Industry"

Cruise lines share commonalities with hotels. We have fixed capacity, we apply revenue management to our occupancy, and we are in the hospitality industry. But we are not just a floating hotel. We are also a theme and a shopping mall, and we provide comprehensive entertainment with Broadway shows and musicals. RCI has seven brands and owns the largest cruise ships in the world. RCI is also innovative, so size and innovation are the essential features of our brand. Our target market is families: grandparents, parents, and kids. Unlike hotels which charge by the room, we charge by the person according to the type and location of the room with both high and low season prices. Onboard guest spending amounts to 25-30% of our total revenue. Cruises rely more on consumer distribution channels than trade distribution channels. COVID-19 hit the cruise lines harder than any sector of the tourism industry. We don't just have low occupancy, we have zero occupancy. RCI suspended its entire world fleet. There are 400 cruise ships in the world, 200-300 major ones. All were suspended on March 14, 2020, when the

CDC in the USA “No Sail” order was issued. Experts recommendation for protocols was submitted on September 30 which could the resumption of cruises by the end of the year. When we restart, it will not be full-scale. We will do trial cruises, short cruises, cruises to nowhere. In Asia, China was the first country to stop cruises. China has done a good job in controlling COVID-19 and is basically COVID-free. It is now a low-risk country. But China may be the last country to allow cruising again. The perception is that cruising is very risky, and the Chinese government is very cautious. So RCI is trying to rebuild confidence among the traveling public. A cruise ship is risky because it is an enclosed space with a high density of people. But if we take the appropriate safety measures, the most aggressive measures in the hospitality industry, especially testing techniques, we can make cruise ships the safest places on the planet. We must also have proper emergency response plans in place.

Dr. James Mabey, Chief International Business Officer, Managing Director Asia and Middle East at Standard International, LLC
"Hotel Development after COVID-19"

I will speak from an economic focus, but first and foremost with the recognition that this is a humanitarian crisis that we are facing with a devastating loss of life and livelihoods. What are we doing in hotel operations to try to mitigate COVID-19 and plan around it? Here are a few key points. First, there have been many comparisons with this and other dramatic events that have had a large impact on hospitality like the 9/11 terrorist attacks, earthquakes, tsunamis, and other natural disasters. For hospitality planning, people are talking hotels and physical products, about how social distancing will be built into restaurants, how check-in and check-out will change. My view is controversial. I think the structure will be largely unchanged. The changes we will see will be much more process and system oriented. Back-of-the-house will improve cleanliness and sanitation. It's obvious that airlines cannot stay in business with passengers sitting in every other seat, and restaurants already operating on razor-thin margins cannot have half of their covers taken out due to spacing. It's not going to work. While terrorism events did create structural changes in places like airports, they are unpredictable with the motive to hurt other people and to do it in secret. Pandemics are unlike that. We know where they are likely to occur, we can see them start and grow, so they are not a surprise. COVID starts from somewhere and moves somewhere. The industry will be much more responsive the next time it occurs. So I caution again looking for creative solutions about better built hotels with social distancing built into them.

What will the recovery look like? Forecasting is very difficult because historic data is lacking. Forecasting accuracy is falling to very low levels. A better idea is to come up with more contingency plans. My company is looking for trigger events. China has had a V-shaped recovery because of containment but also because of the health of the hospitality infrastructure, the businesses, and the supply chain of guest experiences. The longer the pandemic lasts, the companies that make up this infrastructure will go out of business. We have already seen this with airlines and hotels. When this infrastructure deteriorates, there is no chance for a V-shaped recovery. Time to get the economics turned around is the key thing. The forecast that concerns me the most is the rate at which airlines and hotels are going out of business. Domestic travel is key because they avoid devastating international travel restrictions. Big countries like China can survive on domestic tourism, while others cannot. The 14-day quarantine is a problem. Some major studies have shown symptoms appear in 4-5 days. The quarantine is killing the motivation to travel and the industry. So the real question is what degree of risk are we willing to take? If

we try for 100%, we will kill the industry. We also increase the risk of social unrest with results as bad as COVID itself. In some countries we will soon see more damage done by the shutdown than by the pandemic, and this will be presented as a measurable quantitative assessment.

Mr. Martin Donovan, Publisher, Mix Meetings
"The Future of MICE Business"

China has rebounded quickly. The Hunan Auto Show in Hunan in May 2020 was a success, as was the subsequent Quanzho International Automobile Exhibition which drew 24,000 visitors and sold 4,000 vehicles. The International Gifts, Watches, and Houseware Fair in Shenzhen in July 2020, drew 3,500 exhibitors using 160,000 sqm of showfloor space. This was up 50% in scale from 2019. Getting "phys-gital" is a way of creating hybrid events that face the challenge of integrating physical formats of an event with digital solutions. Big name companies, including Ali Baba, were holding virtual exhibitions at the Canton Fair. Rapid antigen result COVID tests are an imperative for events, especially in Hong Kong where event organizers are pressing local authorities to introduce these tests. MICE industry leaders insists that tests must replace quarantines. The Singapore International Energy Week opened with pre-event rapid antigen testing of 250 people, under an initiative of the Singapore Promotion Board. Results took 30 minutes. Anyone testing positive could enter. Anyone testing negative took a more sophisticated test. Event organizers are also getting more creative and more digital, such as using holograms. Incentive travel is difficult now and may comeback in 2022 or 2023. Where can we meet again? Shenzhen World, now the world's largest event venue, is one answer.

Dr. Sangwon Park, Associate Professor, SHTM, PolyU
"Digital Transformation of Services Due to COVID-19"

My presentation will be about how to understand the digital transformation and how to benefit from it. For businesses, one consequence of COVID-19 is it is encouraging us to adopt new technologies. Digital transformation means the strategic adoption of technology that represents solutions, processes, and tools. My three main points are discovery-driven transformation, data-driven approach, and digital strategy. Discovery-driven transformation is a long-term process with gradually changes and planning for the future. Technology allows you to collect massive amounts of data which reflect consumer behavior and employee behavior, as well as real-time performance. These insights can be used to develop digital strategies. This long process can be described as the digital transformation. The real keys to digital transformation are the people and the process, not necessarily the technology. So the integration of technology-enabled insights with human judgment and reasoning will achieve the intelligent enterprise, making your company more successful and smarter. The impact of digital transformation on tourism and hospitality businesses in responding to COVID-19 is based upon the four different aspects of employee empowerment, customer engagement, operational optimization, and product transformation or personalization. Some ways to empower your employees are to provide the option to work from home, cross-training of skills, and a continuous learning environment. We expect that after COVID-19, travelers will exhibit individual travel behaviors, as opposed to group travel. We also expect their travel wants and needs to become more complex in addition to concerns about social distancing, hygiene, and safety. Digital transformation is based on big data that will help you understand your customers better for micro-segmentation and more personalized service. Post-COVID travelers will prefer contactless services. Service robots can answer questions and deliver food.

Q&A for All Panelists

To Mr. Richard Hatter: Any changes in short-term, in business paradigms, or business models?

It's about rescaling the entire hotel operation. It's about survival, keeping everybody employed by going to a 4-day workweek, mobile check-in and fast check-out that reduces guest contact. Testing and digital health passports will become important, and when vaccines are available, everything will fall back into place.

To Dr. Zinan Liu: Any changes in the short-term, in business paradigms, or business models?

Human nature is people want to gather, so when the risk has passed, the demand will come back. Cruise booking for Europe and North American for next year are very good. In Asia, it will take some time. On the operational side, short-term change will be testing before boarding, ICU capabilities onboard, and a decontamination zone onboard. There also needs to be a coordinated emergency protocol among all stakeholders for testing, evacuation, and quarantine rather than just keeping all passengers onboard.

To Dr. Zinan Liu: What will RCI do to attract new markets and further develop the existing markets?

Psychologically, Chinese are no different from Westerners. There are still many people who have never taken a cruise and who have misconceptions about cruises. We think if you have a good product and people try it, word-of-mouth will spread, and we maintain a high degree of customer satisfaction. Marketing also helped us expand exponentially. The most important barrier for us is the Chinese government which is overly-cautious and risk-averse. When we start we will offer "cruises to nowhere", just ocean viewing, so there really is no risk at all.

To Dr. James Mabey: Before COVID-19 your company had an aggressive expansion plan. What adjustments have you made to that plan?

We currently have 12 hotels under construction in Singapore, Thailand, and Australia. The physical planning of those hotels have not changed at all. We have not seen a decrease in development activity although it is more difficult to make deals and close deals because we cannot travel. Pessimists say it will be 2023 or 2024 before the market can recover, but for hotels its one year of planning and two years of development. So a lot of hotel companies, including ours, are still being aggressive and hoping to catch that recovery rebound.

To Dr. Sangwon Park: How can hotel companies convince owners to spend money for a digital transformation?

I am working with several small and medium sized hotels which have a limited budget. My answer is a discovery-driven approach. This means we are not sure what you want to achieve in the end, so we have to gradually change your infrastructure. The main goal is to obtain insights from the data. There are many data companies and software companies that offer that service at a reasonable price. Large companies, like Hyatt, have enough resources to make their own infrastructure. Small hotels can rely on third parties, like Google Analytics.

To Mr. Richard Hatter: You mentioned your company experienced a 53% reduction in labor costs. To what extent was this due to employee layoffs, furloughs, and salary cuts. Also will more service robots be used to cut labor costs?

Our labor cost drop was due to a stop in hiring contract labor, such as for events and for cleaning. We redeployed existing employees to do those things. We also put everyone on a 4-day unpaid leave per month, including myself. We know the new business pattern now, so we can easily adjust as needed.

To Mr. James Mabey: During times like this, should we still do revenue management or put it aside until normal times again?

I think revenue management is more important than ever. Forecasting may be more difficult, but the inventory control aspects and distribution channel management becomes critical. The booking windows have changed too, but even if the forecasts are tough, you have a clear idea of how the booking windows are changing. Revenue management as part of the broader analytics is more important than ever because it gives flexibility to the decision making.

12:30-14:00 Lunch

14:00-14:30 Special Presentation

**Mr. Dane Cheng, Executive Director, Hong Kong Tourism Board (HKTB)
"HKTB's Tourism Promotion Plans after COVID-19"**

I am currently taking a staycation with my family at a wonderful hotel with wonderful service. I realize we can learn a lot of new things from the COVID-19 situation. We can showcase the high quality and standards of the hotels in Hong Kong to our residents who are very savvy world travelers. I am also aware that the hotels have done a lot to accommodate this new business with new ideas, activities, and ways of service. And we can learn from this too. In 2018, 65 million visitors came to Hong Kong. It was a record year. But the first half of 2019 was also a record year. So, looking at the 12 months from July 2018 through June 2019, Hong Kong welcomed 70 million visitors, which is a very high number in world rankings. Then with the social unrest in the second half of 2019, the negative growth rate was more than 50%. That stabilized until the border with Mainland China closed due to the pandemic, and the negative growth rate reached 99%. Today we have just a few visitors, but they are here for purposes other than tourism. Arrivals for the 2020 National Day Golden Week (October 1-7) in Hong Kong were only 2% of 2019, and in Macau, it was only 14%, even though Macau was gradually opening to more Mainland Chinese markets. But in Mainland China, it jumped to 79%, thanks to strong domestic travel. Safety was never an issue for Hong Kong until the summer of 2019, then it calmed down until COVID-19 became an issue, and it spiked again only to fall when the pandemic was worldwide. So safety is no longer an issue. Hotel occupancy dropped in Hong Kong when COVID hit and has steadily risen since then to over 50% now, although the majority of guests are now locals, and many have been staying in the medium tariff hotels for staycations and quarantine. Retail sales have also gone up and down with the incidents of social unrest and the pandemic and are currently down about 33% from the best time.

The three-stage strategy for recovery of tourism in Hong Kong consists of trying to drive local tourism, establishing travel bubbles, and resuming full international travel. Domestic tourism is a new concept in Hong Kong because we are a small city. But when foreign tourists cannot visit Hong Kong, and local people cannot visit another country, what can we do to help ourselves? Back in 2003 when I was with Cathay Pacific, we spearheaded a campaign called, "We Love Hong Kong". Some industry people remembered that campaign and asked if we could do something like it

again. That is how we came up with the Tourism at Home program, and that term came from one of our industry friends. HKTB also developed a Recovery Framework from April 2020 to Q1 2021 that addressed the emotional needs of consumers, but different markets have different needs and are at different stages of readiness for travel. So at HKTB we need to plan and plan, and rollout, and pause, and rollout, and adjust. So we have a lot of different plans and scenarios. What you have seen is one-third or one-fourth of our plans. Internationally we need to focus on people who are friends and fans of Hong Kong and people who have connections to Hong Kong so they can help us spread the good news about Hong Kong. Domestically, its “Miss You Too” and “Holiday at Home”. We want to remind people what they miss about Hong Kong, which could be people, food, and many other things. It was presented in the form of a video with many people holding signs and saying “Miss You Too”. HKTB also made trade updates and looked to see what other destinations were doing. The “Holiday at Home” provided a digital platform for its industry friends to post their offers of tours, restaurants, and so on. Also we wanted locals to get out and spend, discover the hidden gems of Hong Kong, be our own tourists, and fall in love with Hong Kong again. Spending on retail and dining enabled locals to earn a coupon for a free tour. Other viable campaigns have been cut due to problems with social distancing. The new television series “Expedition Asia with Ryan Pyle: Hong Kong” showcases Hong Kong’s nature, including hiking trails and rock climbing. The campaign “100 Reasons to Miss Hong Kong” was rolled out in July for the Southeast Asia market. Now we are rolling out a video called “360 Moments” for the overseas market which looks at Hong Kong from many different angles. A “Wine & Dine Festival” will be held online and offline from mid-November to mid-December. The “Open House Hong Kong” campaign was prepared for relaunching Hong Kong for international markets, but the timing for it is still uncertain. It will include a more than a half million free air tickets to Hong Kong. The Singapore air travel bubble will happen in November. It is an opportunity for both cities to show we can make a tourism bubble work. HKTB has worked with the industry to create a standardized hygiene protocol, and this will be important for building trust. Rebranding is needed to revitalize the city’s image. Tourism promotion strategies will also be reviewed.

14:30-16:00 Impact Presentations I

Chair: Prof. Basak Denizci Guillet, Professor, SHTM, PolyU

SHTM Presenters:

Dr. Faye Hao, Postdoctoral Fellow

"COVID-19 and Mainland China's Hospitality Industry: Disaster Management and Post-Epidemic Business Model" (Dr. Fei Hao, Dr. Qu Xiao, & Prof. Kaye Chon)

China was the first country affected by COVID-19 and its effect on the hotel industry was severe. Since the virus there was slowed in mid-March, the hotel industry started improving, with occupancy rates reaching 70% in some regions by September. So it is important for us to understand what China’s hotel industry went through and what it can do in the future. After examining several prominent disaster management frameworks, we decided that Faulkner’s was the most suitable to use for the analysis of different phases of disasters. Then we looked at the SARS epidemic in 2003 and the studies on it concerning hospitality and tourism. Its research area covers Hong Kong, Singapore, Korea, Japan, and Canada. We identified the strategies used during different phases of evolution. The framework we developed has three parts with six different phases that explain how pandemic management evolved over time and along with their four

guiding principles. Many regions and countries still suffer from the pandemic, so it is important for us to learn how to live better for today. Therefore, in our presentation, I will talk about the anti-pandemic strategies taken by the Chinese hotel industry. There are six strategies: 1) Leadership and Communication Strategies (create an effective crisis management team and using appropriate technologies and mobile apps to command, communicate, deploy employees, and conduct meetings); 2) Human Resources Strategies (ensure safety and well-being of hotel employees, reduce non-essential labor costs, cross-train employees, and provide online training); 3) Service Provision Strategies (contactless front desk, elevator, temperature measurement, room entrance, and payment; plus robotic service and smart mirrors and room devices); 4) Corporate Social Responsibility Strategies (hotels voluntarily providing meals and accommodation to medical staff, construction workers, patients, and stranded travelers, and serving as quarantine stations); 5) Finance Strategies (being sensitive to government subsidies, loans, taxes, and other benefits, strategic closures, reducing costs, postponing capital expenditures, and monitoring cash flows, and working with franchisors, management companies, and parent firms on fees, insurance, and loans); and 6) Disaster Management Standard Operating Procedure (use lessons learned to establish an SOP for use in future disaster management).

Another important topic is how to plan well for tomorrow. We have four main points: 1) Multi-Business and Multi-Channel Platforms (online shopping, food retail and delivery, staycations, hotel offices, and long-term stays; plus the use of private domain such as Tiktok and WeChat for more diversified distribution channels); 2) Product Design and Investment Preference (personalized, innovative, and non-standard hotel brands, products that enable guests to maintain a healthy lifestyle and work effectively, and increased focus of hotel projects on value and ROI with more “small and exquisite” properties); 3) Digital and Intelligent Transformation (linking front stage of hotel to its back stage to create a more coherent system); and 4) Market Reshuffle (80% of pre-pandemic hotels in China were independent and more vulnerable to the pandemic, so shift from metropolis to tier 3 and 4 cities, from new properties to existing ones, from international markets to local ones, and from high-end brands to mid-scale ones). Basically, we deconstructed all the modules, functions, and services in the hotel industry and reorganized them into a more coherent, effective, and flexible model. The implications of this study are for hotel practitioners to live better today and plan well for tomorrow. It will help hotel firms understand disaster evolution scenarios, adopt effective strategies, and strive for industry activation and revitalization. This framework can also be adopted to other health-related disasters beyond COVID-19, and the experience of China’s hotel industry can be applied to other hotels still suffering from the crisis. Topics of future research can be the new normal, new travel patterns and consumption behavior, contactless service, post-pandemic performance of hotels serving as quarantine stations, hospital extensions, and medical crew dormitories, new marketing and distribution channels, and post-pandemic hotel franchising, merging, and acquisition strategies.

Dr. Jinah Park, Research Assistant Professor

"Assessing the Social Costs of Tourism during a Public Health Pandemic" (Prof. Richard T. R. Qiu, Dr. Jinah Park, Prof. ShiNa Li, & Prof. Haiyan Song)

In addition to massive infections and loss of life, COVID-19 has caused severe damage to the global economy. The tourism industry has been hit by global travel bans in 76 countries and non-global restrictions in 41 more countries and regions. In Hong Kong, COVID-19 has caused a year-on-year (April 2019 to April 2020) decline in tourist arrivals of 99.1%, equating to a loss of USD 3.26 billion.

But what about tourism's impact on the pandemic? We conducted a survey that shows Hong Kong's residents perceive that tourism has contributed to the pandemic by risk of infection, problems with infection control, threats to public health, shortage of medical supplies, and social panic and instability. This brings up the question of how much local residents would pay out of their own pocket to maintain the public health and reduce the infection rate from tourism activity. So we wanted to quantify the social cost of tourism to the local community amid the COVID-19 pandemic. But measuring social cost is difficult due to its indirectness, long-run, and subjectivity. Assessing social costs during a crisis is also complicated because it may be mitigated or amplified which is why most previous efforts only evaluate the economic costs and benefits. But recently the social impacts of tourism on destination communities, environments, real estate prices, crime, and disruption to residents' well-being have come into focus. Risk perception has also been focused on tourists' perception, rather than other stakeholders, including residents. This means there is a lack of understanding on how tourism may amplify a crisis and generate additional negative effects on residents. Quantifying the social costs of pandemics in tourist destinations has never been done. So this study will identify how residents perceive the negative impact of tourism during a pandemic, are they willing to pay to reduce the risk of infection, and if so, how much, and does this vary among destinations and demographics, and what are the social costs of tourism due to the pandemic in the three destinations under study?

To estimate the residents' willingness to pay, we used the Dichotomous Choice Contingent Valuation Method, and, based on that result, we can plot the Demand Curve and calculate the social cost during the pandemic. Data were collected in Wuhan (epicenter of the pandemic), Guangzhou (capital of the second most infected province), and Hong Kong (which shares a border with Mainland China). The survey was conducted in February and March of 2020, and obtained 1,627 valid responses. Findings revealed that the average resident was willing to pay 300 local currencies with no significant difference among the three cities. Younger people who use social media to share information on the pandemic, people with higher incomes, and tourism practitioners in Guangzhou and Wuhan were willing to pay more than the average. But tourism practitioners in Hong Kong, who had already gone through a long period of social unrest, were willing to pay less. In terms of the Demand Curve of residents' willingness to pay, the three cities were very similar. Finally, in assessing the social cost of tourism, the total for Hong Kong was HK\$ 917 million, Wuhan's was 1, 215 million Chinese yuan, and Guangzhou's was 1,417 million Chinese yuan. There are four takeaways from our study. First, younger residents are willing to pay more, meaning they are more willingly involved in risk reduction and crisis recovery activities. Second, responses of tourism destinations should be made in a much broader scope at the regional or global level. Third, a holistic and innovative mindset to satisfy people's need for safety and their desire to travel. Fourth, financial and emotional support is required for Hong Kong's tourism practitioners.

Dr. Catherine Cheung, Associate Dean and Associate Professor

"The Psychological Needs of Travelers Affected by COVID-19 Outbreak from the Perspective of the Existence, Relatedness and Growth (ERG) Theory" (Dr. Catherine Cheung, Ms. Miki Takashima, Dr. Hyun-Jung (Helen) Choi, Dr. Yang Huijun & Dr. Vincent Tung)

The World Economic Forum stated that the COVID-19 pandemic is one of the most challenging tasks faced by humanity in modern history. It is affecting human behavior in many basic ways, and it has alarming implications on the well-being of individuals, society, and the economy. Key

consideration for the hospitality and tourism business during the pandemic are: how long will it take for consumers to resume traveling, how will travel behavior change, and how can we reconnect with consumers and regain their confidence. Two important research questions from our study are: 1) To what extent are the basic psychological needs of travelers from three countries in East Asia (China, Korea, and Japan) be different or similar before, during, and in perceived aftermath of COVID-19; and 2) What are their most important and satisfying psychological needs. For the framework our study, we chose Alderfer's ERG Theory which is an extension of Maslow's Hierarchy of Needs but affirms the existence of different needs can exist at the same time and eliminates a specified order. So what are the three components of ERG? Existence is the desire for safety and psychological and material needs. Relatedness is the desire to establish and maintain a positive relationship, belonging, and respect. Growth is the desire for creativity and self-development. The ERG framework used for this study has seven propositions, and during our research we discovered another proposition which we also used. We used qualitative research due to time constraints imposed by the pandemic. During three weeks of May and June 2020, a total of 21 in-depth, semi-structured interviews were conducted in each language in each country. The data was analyzed by interpretive research data analysis, peer reviews, and debriefings. The three cultures of China, Korea, and Japan are different, but are there any differences in the psychological needs of travelers from these three countries during the COVID-19 situation?

Our findings indicated they actually have very similar psychological needs. Pre-pandemic, their Existence needs were to escape from daily routine, relax, and recharge; their Relatedness needs were obligations as a family member, making other family members happy, and traveling to visit family; and their Growth needs were knowledge seeking, self-esteem, learning new things, exploring different foods, and experiencing different cultures. All three needs were satisfied. During the pandemic, their Existence needs were overwhelmed by a series of negative emotions characterized by being unhappy, worried, depressed, upset, helpless, fearful, and panicky, and their Relatedness needs were a strong desire for belongingness, empathy and psychological support from their employers, support from their family, virtual support from their friends, and during quarantine, a loss of freedom and loneliness. Existence and Relatedness needs were predominant during the pandemic due to isolation, social distancing, travel restrictions, and quarantines. During the perceived aftermath, Existence needs and Growth needs were perceived to be the most important due to the intense effect of safety needs. Relatedness needs did not emerge strongly from the data. Managerial implications reveal there is a strong desire for personal well-being, fitness, and healthy foods. Brands that portray energy and dynamism may benefit from market needs, as will companies that foster relatedness by encouraging self-expression among customers to create stronger bonds with them. Growth needs are travel updates for cautious travelers and the use of cutting-edge technology.

Prof. Basak Denizci Guillet, Professor

"Managing Hotel Revenue amid the COVID-19 Crisis" (Prof. Basak Denizci Guillet & Ms. Angela Chu)

By definition, revenue management is demand-based pricing. As demand increases, we increase the price, and as demand decreases, we decrease the price based on the initial pricing structure. But what happens to hotel revenue management when there is lack of demand? COVID-19

became the perfect time to study this question as hotel room demand dropped worldwide by getting input from industry professionals. Our study question was: “How and to what extent can revenue management be implemented in the hotel industry during low-demand, particularly during the COVID-19 crisis?” Revenue management starts with business analysis. You have to know what is going on in your business. This includes many things such as prior pricing, segmentation, and what has worked or not worked in the past. Then you can put together your initial pricing strategy for your transient travelers, group travelers, contract travelers, and so on. Demand forecasting is at the heart of revenue management because we decide the price based on the demand forecast. For demand forecasting we look at historical data and patterns and other available information, such as future bookings, and we combine these to create an occupancy or arrival forecast. At this moment, none of those works. Normally, based on demand forecasts, we do inventory and price optimization, and we set booking controls (terms and conditions attached to the prices). Then we place these prices in different distribution channels, and we do a performance analysis and evaluation. In our interviews with industry professionals, we followed the Core Revenue Management Processes one by one to understand which processes are more critical and relevant and which ones were not during times of crisis. We conducted semi-structured interviews online or via telephone during January to March of 2020 with 19 hotel revenue managers, five revenue management consultants, and two revenue management system providers. Half of the interviewees were based in Hong Kong, and the rest were in China, Macau, Maldives, Singapore, Thailand, Turkey, Qatar, and the United States. Government influence was an overriding factor on revenue management for many interviewees. Frequent topics were business analysis, demand-based pricing, discounting, manual forecasts (using various scenarios), inventory control, segmentation, marketing, distribution channel management, and focus on bottom-line profit over topline revenue. Our findings revealed that revenue management can be implemented during low-demand periods - but differently than during normal times.

We have several takeaways. First, perform ongoing business analysis so you can respond to changes in your customers. Second, shift in revenue management pricing strategies from demand-based pricing to value-based pricing and competitive price positioning, and do not use price as a means to drive customers because this is not the reason they are not staying at your hotel. Third, historical data and budgets are no longer relevant. Instead use manual forecasts and scenarios analysis based on evaluation of feasible outcomes of the crisis and possible events in the near future. Fourth, inventory management is not relevant because you have so much availability. Fifth, segmentation will become relevant during recovery stage when demand is sufficient to do yielding through inventory control. Sixth, focus on digital marketing to targeted customers and build consumer confidence by focusing on cancellation policy, hygiene procedures, wellness, and corporate social responsibility measures. Seventh, driving business through OTAs and renegotiating commissions is at the center of distribution management. Eighth, hotels are increasingly focusing on bottom-line profit over topline revenue for total profit optimization. Ninth, revenue managers work on short-term strategies and recover plans to prepare for when demand begins increasing to capture market share. Tenth, the role of the revenue leader is becoming more strategic and cross-departmental collaboration with the sales and marketing and finance departments is more essential than ever. Eleventh, as the hotel industry moves into the recovery stage, revenue management executives should make data-driven decisions depending on the time and rate of demand recovery by market, distribution channel, and segment. Last

thought is what got us here, will not get us there. The core revenue management process should be examined during the recovery period and when the crisis is over.

16:00-16:20 Break

16:20-17:50 Impact Presentations II

Chair: Prof. Cathy Hsu, Chair Professor, SHTM, PolyU

SHTM Presenters:

Dr. Daniel Leung, Assistant Professor

"Crisis Communication Strategies by Leading Tourism Firms" (Dr. Daniel Leung, Dr. Norman Au, Ms. Qiulin Wang & Mr. Fahad Mohammed Alhuqbani)

Some companies in the hospitality and tourism industry devise the wrong strategy or communicate the wrong message to their customers. That is why some companies bring more crisis upon themselves. Airbnb, for example, did things the right way by making changes to its cancellation policy when COVID-19 disrupted many travel plans. After a crisis occurs, what companies say to the public truly matters because it shapes the public's perception of that company. Conversely, if you send the wrong message, you will develop a very poor image in the minds of customers. You must be very careful to design the right crisis management strategy. Your choice of crisis communication strategy will also influence the customers' behavior because it influences the attribution of crisis responsibility, and they will think it is your responsibility. That will reduce their satisfaction with your company and their trust in your company. When our research team conducted a literature search, we found two gaps. First, most studies focus on self-induced crises, such as oil company spills, but few studies focus on acts of nature. Second, most studies focus on testing the impact induced by different crisis communication strategies, such as apology, denial, attribution to another party, but few studies focus on what kind of information we should present and how we should communicate it to the public. For example, if we know we should apologize, how do we do that and with what message is most appropriate. Our study has two research objectives. First, is to analyze the types of information communicated by leading tourism firms. Second, is to analyze the communication strategy employed by leading tourism firms. Our project includes the world's top 50 hotel brands and top 100 airlines. We manually collected all of the COVID-19 related news releases issued by these 150 companies between November 17, 2019 and May 12, 2020. Therefore, we analyzed about 1,200 news releases. For today's conference I will discuss only our findings concerning the news releases issued by the 50 hotels.

Our methodology was simple content analysis, and we also applied genre analysis to understand the mood of the content. For content analysis, we identified the key categories of information and to reduce any researcher bias, we cross-verified the classification results. To analyze the content, we used the Coombs Crisis Communication Taxonomy as our framework. However, we found that it was not comprehensive enough because its taxonomy is designed for self-induced crises. Therefore, one of the contributions of our study was to expand Coombs' framework by identifying more categories of information. We also tracked the movement of each message to determine which message came first, and so on, to see if the companies showed any subsequent justifications for defending their strategies or show an empathy after issuing an apology. Among the 50 hotels, we collected 103 news releases. The most prolific company was Marriott with 11

news releases, followed by Hyatt with nine, and Holiday Inn with eight. We found that most hotel companies were quite responsive. When the virus cases increased, the companies launched new practices and communicated them to the public. The Coombs framework we used only has two types of information communicated: instructing and adjusting. But from our analysis, we found most of the content of the information was reporting-related information. Most were updates on their business operations, changes in their business results, and their support to society (communities and workforce). Their instructing information was mainly updates on cancellations and refunds, reservations, and loyalty program, and how to properly rebook directly with them. Their adjusting information stressed guest safety and well-being as their highest priority, ease of booking, and their commitment to hygiene, safety, and health. Their bolstering information was positive messages meant to reduce guests' stress and concerns. Some companies provided factual information about their changes in business operations and performance. This is known as effective communication. Other companies provided the same information but in a more empathetic manner. This is known as empathetic communication. Prior to this message, they had also provided adjusting information in the form of empathetic expressions. Then they sent bolstering information to remind customers of their concern about their health and well-being. Then then provided acknowledging information that expressed their appreciation for the guests' understanding of the situation. When sharing instructing information, some companies used external attribution strategy by using current situation as an excuse. Others internalize the situation and express their care for customers by changing their policies and keeping them informed. They also use acknowledging information to express their appreciation for the guests' trust and support.

Dr. Maxime Wang, Assistant Professor

"The Strategy of Leader Communication in the Time of Coronavirus Crisis: The Impacts on Employees' Emotions, Job Attitudes, and Behavioral Intentions" (Dr. Maxime Wong, Ms. Wen Xueqi, Dr. Lisa Gao, Prof. Modera M. Juan & Ms. Liu Zihan)

The President and CEO of Marriott International stated that "COVID-19 is having a more severe and sudden financial impact on our business than 9/11 and the 2009 financial crisis – combined." Starting in March, our research team began watching videos delivered by CEOs of large hotel groups. Their basic messages were the situation in our hotels is really bad, so we have to make tough decisions, including massive layoffs, furloughs, and salary cuts. But at the same time, they wanted to relay a message of consolation and support which they did in different ways. For example, the CEO of Marriott, said both Mr. Marriott and I will not take any salaries for 2020 and senior management will take 50% salary cuts. The CEO of Gulf Hotel Group suggested employees do something else, learn something new, think outside the box, and make good use of free time. Those videos make us wonder what is the role leaders can play in the time of COVID-19. Leaders need to make hard decisions and tell us unpleasant news, but this is a perfect window of opportunity because during a crisis all eyes look to the top and every action is scrutinized. Whatever the leaders say and do is analyzed, perceived, and evaluated by the employees. Nelson Mandela, Mahatma Gandhi, and Mother Theresa all used a time of crisis to establish their practice and reputation, and they did it through one leadership style: self-sacrifice. They sacrificed their personal interest for the collective interest. For example, Nelson Mandela sacrificed decades of his own personal freedom to end racial segregation in South Africa. This brings us to our two research questions. First, in the context of employees' massive layoff due to the COVID-19, how might hospitality employees react to self-sacrificial leadership? Second, how might hospitality

employees emotion suppression play a role? Self-sacrificial leadership is an abandonment or postponement of personal interests and privileges for the collective welfare. Research has shown that self-sacrificial leadership can have an impact on employees. They will attribute charisma characteristics to their leaders, think their leaders deserve to be a leader, and, most importantly, demonstrate the reciprocity of their leaders to repay them by making extra efforts or even making their own self-sacrifices. We chose self-sacrificial leadership because it is an unconventional style and matches perfectly with COVID-19 which is an unconventional situation. It is a time of crisis when leadership authority is quite high. We identified two variables which we expect to be influenced by self-sacrificial leadership. One is leadership effectiveness: to what extent do we think this leader is trustworthy and deserves to be a leader. The other is negative word-of-mouth toward the organization. With the rise of social media it is easy for employees to make comments about their work experience.

Living in society we know we cannot always express what we feel as emotions. So it is important to know when and how to express our emotions. There are different ways we can manage our emotions. We can change the situation, change our attentional focus, or make a cognitive effort to change the way we interpret the event. But in this study we focus on emotion suppression which occurs when the emotion has already been generated. Emotion suppression is prevalent in the hospitality industry because employees are not allowed to express negative emotions. But it comes with a price. Psychologists have found that emotion suppression can interfere with cognitive functions. It can create a sense of incongruence when we feel we are not being honest with ourselves; we are just pretending. This can lead to negative feelings about oneself, social avoidance, and different feelings about sacrificial leadership. Our research consisted of two studies. One was cross-sectional with 270 U.S. hotel employees, and one was experimental with 182 U.S. hotel employees. Our findings revealed that self-sacrificial leadership during time of crisis results in more effective leadership, especially with employees who possess low emotion suppression. Leaders who exhibit proactive coping are also more effective. It is important for hospitality companies to develop some method to try to reduce the negative impacts of emotion suppression. Mindfulness training can be a powerful tool for promoting the psychological well-being of employees. Supervisors and managers should also provide support to employees who are under emotional duress. Women and employees of higher status may also have lower emotional suppression. In conclusion, leaders in time of crisis should be future-oriented, goal-focused problem solvers rather than just avoiding the problem and asking employees to avoid emotional reactions.

Prof. Rob Law, Professor

"Research on Human-Robot Interactions in Tourism and Hospitality Experience" (Dr. Vincent Tung & Prof. Rob Law)

Service robots have been gradually introduced to the hotel industry to perform useful tasks for humans or equipment. The role of hotel robots has become more important than ever to improve service standards, improve stay experience, reduce labor costs, and improve overall operation efficiency. This study adopted an experimental design to investigate the impact of robot hotel service on the purchase intention. A total of 214 participants were recruited online and divided into two groups, the experimental group and the control group. The experimental group watched videos about robot hotel service, while the control group watched videos about traditional hotel service. Then both groups completed a common questionnaire with questions about attitude,

purchase intention, and purchase behavior. Our analysis was based on these questionnaires. The findings were clear. Participants with a high level of technology acceptance liked the hotel robot service. Management implications were overall the participants who watched robot hotel service showed a higher intention to purchase robot hotel service than those who watched traditional hotel service. This finding provides practitioners with an effective way to cope with challenges and crises. Due to the severe setback in the tourism industry caused by COVID-19, hospitality practitioners can consider introducing robot hotel service to hotels to enhance the purchase intention of consumers. Consider targeting consumers with a high technology acceptance level (Generations Y and Z) to increase their purchase intention, and provide a free trial of robot hotel service within a certain period of time to enhance the purchase intention of consumers with a low level of technology acceptance. During COVID-19 robot hotel service can replace frontline employees, protect both employees and customers, and increase customer satisfaction, and, thus, boost sales. COVID-19 has introduced new opportunities to the tourism industry, especially the trends of artificial intelligence and contactless service, with more coming in the near future.

Prof. Cathy Hsu, Chair Professor

"Insights into Sentiment of Hong Kong Residents towards Mainland Chinese Tourists" (Dr. Nan Chen, Prof. Cathy Hsu & Prof. Xiang (Robert) Li)

Residents in the host community did not receive much attention in the tourism literature until the 1970s when tourism impacts began to attract research interest. Why do we need to understand residents? Because if we have happy residents, we can have happy tourists. In the beginning research focused on residents' attitudes towards tourism development and towards tourists. The purpose is to have a hospitable environment for visitors. But attitude may not be a broad enough concept to predict their willingness to be good hosts. Therefore, we introduced the concept of resident sentiment which includes attitude, but is shaped over time through social interactions. Our research studied Mainland Chinese since this is the dominant source market for Hong Kong and many other destinations. We also wanted to enhance the understanding of host-tourist interactions and facilitate the social sustainability of tourism development. Since 2003, the growth of tourism in Hong Kong has been driven mainly by the arrivals of tourists from Mainland China, and from the period of social unrest in 2019 through the current pandemic, Hong Kong has seen a corresponding drop in Mainland Chinese visitors and total visitors. Our research began with a qualitative study of 39 Hong Kong residents to find out their thoughts about Mainland Chinese tourists. We found two intertwined mentalities of the Hong Kong residents. One was a sense of superiority; we are better than the tourists. And the other was a feeling of deprivation. So we feel good about ourselves, but at the same time we feel bad because we are deprived. Social identity was found to be driving the psychological mechanism underlying the formation and change of resident sentiment. Based on these initial findings we conducted a survey of 1,000 residents. We also analyzed 72,755 articles from 19 Chinese language newspapers covering 2003 to 2015 under the premise that newspapers are a proxy for public sentiment. We found that as Mainland Chinese arrivals increased, public sentiment went down in 2003, then we see a significant increase and then we see a significant drop again.

So what happened? Policy was a big factor. After SARS, the economy in Hong Kong was not very good. The Individual Visit Scheme (IVS) was introduced and now we had tourists and the public was happy. Locals were very welcoming, seeing tourists as economic saviors. The IVS expanded to many more cities, and arrivals also increased until the sentiment was we have too many

tourists. The 10th anniversary of the handover of Hong Kong brought positive sentiment, which then dropped and was then revived again during the economic crisis of 2008 because residents needed the tourist spending. The relationship was more tourists, less happy resident, then bad economy, we want more tourists. Then another dramatic increase in arrivals began after the Multiple Entry Permit was granted for Mainland Chinese visitors which was followed by a plunge in visitor sentiment. The lowest point was when the parallel traders caused the baby formula shortage in Hong Kong and all the negative sentiment was reported in the newspapers. Then the one trip per week policy was enacted and sentiment started to rise again. Today, the sentiment is probably positive because Hong Kong needs tourists. Over the years another finding is that as tourist density increased, sentiment decreased. This study shows the importance of monitoring resident sentiment in Hong Kong and for other destinations around the world. Before the pandemic, a hot topic in tourism was overtourism globally. Yes, we want tourists, but now we have the opportunity to step back and think. We don't want tourist to increase at a rapid pace and then have sentiment decrease also. That would be repeating history. Going forward, destination managers must monitor tourism and make appropriate policies.

Q&A for All Panelists

To Prof. Cathy Hsu: What policies can Hong Kong's government make to address the issues we have raised?

I think not only policies, but also the government, the tourism industry, and NGOs must communicate the benefits of tourism to the residents. We cannot get all the benefits without any costs. There is no free lunch.

To Dr. Daniel Leung: Why did you start date collection in November of 2019?

Because the first confirmed case according to UNWTO happened on November 19.

To Prof. Rob Law: Will future hospitality graduates have to fight robots for a job?

I would say yes. Hotels are under pressure to do more with less. It looks like they have no choice. It has been a trend for 30 years for hotels to use more and more technology.

To Prof. Rob law: If we have to fight robots for a job, do you have advice for students?

I don't have an answer for that now. Prof. Haiyan Song added: If there are more robots working, then you manage them. Robots cannot replace human beings. There will be a new line of jobs created. So don't worry. Dean Kaye Chon added: We need to change our curriculum so students will be more comfortable with technology. Otherwise, they will be working under the robots or under the persons managing the robots. Unidentified person added: The tourism industry will bounce back. There will be recovery. For students concerned that robots will take their job, the answer is lifelong learning. You have to be smarter than the robot.

To Dr. Maxime Wang: Do you think self-sacrificial leadership will manifest in other industries, such as retailing, to the same degree as in hospitality?

From a theoretical viewpoint I don't think there will be any significant differences in other industries. But I do believe that emotion suppression may be different across industries.

To Prof. Cathy Hsu: In regards to the theory you mentioned that people believe what they see or hear in the media, did you consider any difference between educated people or non-educated people?

If I remember correctly, education didn't make that much of a difference; however, one demographic variable gender did. It was gender.

17:50-18:00 Closing Remarks by Dean Kaye Chon

The SHTM has established its own research center, the Hospitality and Tourism Research Center (HTRC). The idea of the HTRC is to serve as the link between academic research and industry practices, so the industry will relate to what we are doing in research, and likewise we are doing research that relates to the industry. STR, the largest data supplier for our industry, was thinking of something along a similar line, so we came to the conclusion that we could offer the IMPACT conference together on an annual basis. Each year we will call it the IMPACT conference, meaning impact of research to the society and to the practices. This year we chose the theme Crisis Management and Recovery Strategies because of the issues we have faced starting with social unrest last year and then COVID-19 this year. We will also publish a book of selected research annually, called IMPACT, of papers our faculty members and students together are publishing, and literally we are translating them into industry-friendly language. These are the products we will have every year. Each of you has a copy of the new book. Starting on Tuesday, this week has been a very busy week for our school with three conferences: the APacCHRIE Conference, the APacCHRIE Youth Conference, and today's one-day IMPACT2020 conference. Thanks to students in SHTM's Special Event course who arranged this event in only eight weeks as part of their course assignment. They also arranged the APacCHRIE Conference and the APacCHRIE Youth Conference; that's three conferences in one week. The superb job they did illustrates two key points in event management: creativity and attention to detail. Let's bring all 32 students and their two instructors on stage to recognize them, take a photo, and give them a round of applause. They have done a wonderful job and made us proud. I also want to thank all the emcees, moderators, and presenters. Thank you and see you next year!