

IMPACT2021

New Tourism, New Directions

December 16, 2021, Hong Kong SAR

Summary Note

ORGANIZERS:

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

&

STR Share Center

SPONSORS:

Hong Kong Tourism Board

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Pacific Asia Travel Association (PATA)

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SUMMARY NOTE

09:00-10:30 Opening Remarks, Opening General Session, Featured Speakers

Opening Remarks

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

Welcome everyone! While we are still facing the challenges of the pandemic, this conference aims to shed light on the latest developments in tourism with bright new opportunities arising from advanced technology and new trends in global tourism and hospitality, as well as the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Today we are very honored to have industry experts from different parts of the world to share their valuable insights into these topics. Our researchers have been working hard to analyze the outlook for the tourism industry. This year Professor Haiyan Song and his research team conducted a study which anticipated by 2023 total annual visitors to Asia-Pacific could recover to 48% of their pre-pandemic level. In the best scenario, recovery could even exceed 90%. New technology, such as smart cities and artificial intelligence, will also spark new tourism trends. Discussions at this conference will provide valuable insights into these trends. I would like to thank all the speakers, delegates, co-organizers, and sponsors for their support. My appreciation also goes to the group of undergraduate students from our SHTM who formed the organizing committee and did a great job in staging this event. PolyU will be celebrating its 85th anniversary next year with a series of events. I hope the pandemic will be under control soon so our alumni and supporters from around the world can join our celebrations in person. I also hope the tourism industry will rebound quickly. I look forward to welcoming you all in Hong Kong. Thank you.

Elizabeth Randall Winkle, Chief Strategy Officer, STR

When we gathered for IMPACT2020, the idea of global industry recovery seemed far from reach. Yet here we are 14 months later with recovery trending well in many parts of the world even with new challenges. That makes New Tourism, New Directions a fitting theme for the days ahead. We are living in a new normal. The industry takes a couple of steps forward, then a step backward. Recovery is uneven across global markets, and domestic tourism is still the only reliable demand. In the USA, we've just seen the reopening of borders and the first flight between London Heathrow and New York City in more than 600 days. Then we saw record-breaking levels of performance for the Thanksgiving holiday just before news of the Omicron variant began to circulate. In the Middle East, we've seen Dubai with significant international arrivals surpassing 2019 profitability comparables thanks to Expo 2020. Then the Formula I Grand Prix event set records in Jeddah. In Europe, especially in Austria and Germany new restrictions caused disruptions. The UK leads the continent in many performance measures. In Asia-Pacific, we continue to see variations in

performance. India is coming back from a low performance, Sydney and other parts of Australia are reopening, and Bangkok is bouncing back. Mainland China has seen occupancies fluctuate alongside COVID restrictions, and Hong Kong is still far below its historical averages. The data this year has shown us what makes each market unique. It also shows what makes our industry so incredible, and that is our resilience. Tourism and hospitality have been one of the hardest hit sectors over the past two years, but we are moving forward even though the path is filled with uncertainties and obstacles. With so many current industry leaders and future leaders gathered here today, we are excited to hear your perspectives and insights on how we will reach our destination together. Thank you for making this conference a success and for focusing on making an impact on the tourism and hospitality industry.

Opening General Session

Chair:

Kaye Chon, Dean and Chair Professor, Walter & Wendy Kwok Family Foundation Professor in International Hospitality Management, School of Hotel and Tourism Management (SHTM), PolyU

We are pleased to have so many distinguished participants in person and online from countries such as Mainland China, Belize, Brazil, Canada, Albania, France, and Egypt. This IMPACT Conference was conceived between SHTM at Hong Kong PolyU and STR, the main provider of hospitality data globally, even before the pandemic started. SHTM is known as the leading school in the world in researching hospitality and tourism, producing more than 250 journal papers per year. What happens to the research we are doing that is published in leading hospitality and tourism journals? Other academics read them, but they create very little impact on our industry. Why is our research not creating an impact? I think the method of communication with the industry is different, or when industry practitioners read our papers, they simply do not understand what we are writing because academic writing is usually filled with mathematical equations, formulas, and statistics and do not make much sense to industry leaders. So, we came up with the idea to create a conference so we can translate those academic papers into laymen's language and share them with the industry and make a greater impact on it. That's how this conference was conceived. This is our second year of organizing this conference with STR. Our earlier speaker, Mrs. Elizabeth Winkle, was speaking online from the STR head office in Nashville, Tennessee. Later, we will have Mr. Steve Hood, director of the STR SHARE Center which works with universities around the world. We organized this conference with two aims. One is to share the research information we are creating through the journal papers in SHTM, and the other is what is happening now in our industry and what is likely to happen during the next two or three years due to the global pandemic situation.

Featured Speakers

Dane Cheng, Executive Director, Hong Kong Tourism Board

“Navigate through Uncertain Times”

For Hong Kong tourism, 2003 was a turning point because of SARS. After a couple of tough months, since then tourism has seen tremendous growth. By 2018, arrivals rose to 65 million, with 78% of that total being cross-border traffic from Mainland China and 60% being from the Greater

Bay Area. Hong Kong has been a world leader in arrivals alongside destinations like London and Bangkok. Since 2003 traffic from Mainland China has grown by six times, while tourism from other source markets has doubled. Tourism began to drop in the second half of 2019, and now during the pandemic we get about 200-300 people per day traveling for essential purposes. We are basically in a lockdown situation. So, what have we been doing? Hong Kong's hotels are not cheap, but occupancy rates have always been about 90%. When tourism dropped during the pandemic, we thought it would bounce back soon. HKTb created Holiday at Home, and hotels started offering staycations. Occupancy rose to 72% by August 2021 and it is rising. Dining has come back strong with relaxation of social distancing. It is only down by 7%. Restaurants are fully booked, there are more new restaurants, and more owner-chef restaurants. Hong Kong remains the world culinary capital. HKTb's research shows travelers new considerations are safety and hygiene, familiar destination & new experiences, fewer trips and longer stays, booking flexibility, simple protocols, higher costs, and digital savvy. Quarantines are a major obstacle. Market segments that will travel are family reunions, essential business, young, affluent - mature in age, and family. It will start with domestic travel, short trips in vicinity, and then longer distance travel. Tourists will re-discover familiar destinations and then visit new destinations. We need to keep Hong Kong visible locally and worldwide. Let Hong Kong people fall in love with the city again. They discovered new places and created new itineraries. HKTb's video 360 Hong Kong Moments – Great Outdoors was a PATA Gold Award Winner. The Hong Kong Super Fans campaign creates media stories and helps attract tourists. Global media partnerships include a 3-year MOU to promote Hong Kong through Korean dramas and variety shows. Two other new campaigns include the Anti-epidemic Hygiene Measures Certification Schemes and the Hospitality Campaign. Creating a new post-pandemic Hong Kong will also focus on wellness, arts and culture, the harbor area, and neighborhoods such as West Kowloon. Hong Kong is holding many events to keep its visibility high, including a Winterfest. There is still a lot of interest in Hong Kong for conference and events, so HKTb is promoting these products. It is also rebranding Hong Kong and retelling its story.

Sarah Wang, Regional Director - Greater China, World Travel & Tourism Council (WTTC)
“Emerging Trends of Travel and Tourism in the Wake of COVID-19”

For over 30 years WTTC has been the voice of travel and tourism for the private sector. Membership consists of chairs, presidents, and executives of the world's leading travel and tourism businesses. Our three strategic priorities are security and travel facilitation, crisis preparedness and recovery, and sustainable growth. The pandemic has taken a significant toll on the industry. Total GDP contribution dropped from 10.4% in 2019 to 5.5% in 2020, and tourism jobs dropped from 1 in 10 jobs worldwide to 1 in 11, a loss of 61.6 million jobs. WTTC projections are a 31% increase in GDP recovery in 2021. Trends for the future of travel and tourism include demand evolution, health and hygiene, innovation and digitalization, and sustainability. Keys to demand evolution will be domestic and regional rebirth, low risk tolerance, nature and outdoor destinations, authentic and immersive experiences, and finding comfort in planning. Health and hygiene is based on safety first, trust factor, fear of being stuck, and new norms. WTTC has also created a Safe Travels Stamp for countries and companies that have adopted its 11 specific protocols. The pandemic has been an unexpected catalyst for innovation and integration of new technology. These include the digital boom, contactless convenience, and acceleration of digitization and cyber security. Sustainability

emphasizes the overlap of wildlife and humans and creates a greater awareness of global wildlife issues. It is also renewing interest in environmentally-conscious and responsible travel. AT COP 26, WTTC along with UNEP and Accenture launched the Driving Climate Action: A Net Zero Roadmap for Travel and Tourism. Challenges become opportunities, and we believe travel and tourism will return stronger than ever.

Liz Ortiguera, CEO, Pacific Asia Travel Association (PATA)

“Resilience and Recovery Plan for Asia-Pacific”

Travelers are looking for safe, simple, low stress, and low risk. Vaccination rates vary across destinations and are still a work in progress in Asia-Pacific due to lack of supply. International tour operators are hesitant to return until late 2022 or 2023, especially for multi-destination itineraries. Travelers must check the news daily to see what country has changed its policy. There is still too much uncertainty. COVID caseloads are down in Asia-Pacific, but no one is safe until everyone is safe. High income nations have high vaccination rates, but low income nations have low rates. There are some bright spots. Maldives looks better by 17% in 2022 than in 2019. The key is to continue to communicate with travelers and stay top in mind. Sri Lanka has a high vaccination rate, and they are offering authenticity and nature based experiences. Thailand has a new marketing campaign called Amazing New Chapters that is aligned with post-pandemic travel trends. It now has 17 sandbox destinations, which safeguards the local community, a tactic used in other destinations too. There is high pent-up demand with a focus on hygiene and safety protocols. Lesser known, more remote, secondary destinations are being developed, and there is an evolution of wellness and nature-based offerings tailored to consumer interests. PATA has an 8-point recovery plan: 1) PATA Crisis Resource Center (information and toolkits for various tourism sectors); 2) Destination Recovery Insights Exchange (collaboration and sharing best practices); 3) PATA Innovation Series (workshops that are mini-lessons from industry experts) and Travel Innovations Hub (crowd sourcing and source of inspirations and ideas); 4) More Frequent Insights/Trends for Members (information, surveys, and forecasts); 5) Strengthening the PATA Community (expanding the network and increasing the synergies within PATA Global Network); 6) Strengthening the PATA Community: Destination Marketing (including destination management for healthy relations between industry and community); 7) Collaboration with Global Organizations (COVAX-WHO and UNICEF and Go Give One fundraising campaign for vaccinations); and 8) Development Agency Projects (supporting informal workers) and Tourism Destination Resilience (Destination Recovery Blueprint). The PATA Annual Summit will be held in Ras Al Khaimah, which is 90 minutes from Dubai, on March 22-25, 2022, with a mini-trip to the World Expo.

Stephanie Ricca, Editorial Director, Hotel News Now

“Around the World in Headlines: Hospitality Industry Trends and Future Implications”

All content on the Hotel News Now website is free and available 24/7. Educators and students are a big part of our readership, and our content is used in the classroom. Following are some of the headlines from 2021 and how we think the trends we see today will impact the future of the industry. 2021: The Year of the Vaccine. COVID-19 has affected everyone, but the extent of those effects depends on where you live. Vaccines are the first necessary step in stimulating travel. Using January 2021 as a reference point, most U.S. hotels reopened. Hotels in the U.K. took much longer. Many

destinations in Asia-Pacific were well ahead of their western counterparts. Recovery in the first half of 2021 depended mainly on domestic travel. Destinations depending on long-haul travel lagged. Worldwide it has been leisure travel that has spurred hotel recovery in 2021, including sun and sand destinations. Group travel continued to take the hardest hit. Big hotel companies bought smaller ones. The Tokyo Olympics gave the city its highest occupancy for the year, although much down from what had been expected pre-pandemic. Leisure travel has highlighted operational challenges of hotels worldwide. These include employee burnout, rehiring and retaining the right people, and meeting guests' new expectations of hotel services. Depending on where you live in the world, working in a hotel can be seen as prestigious or extremely challenging. Hotels have also begun to change their housekeeping and F&B models, and they are dealing with escalating supply chain issues. The most long-term changes in the hotel industry will take place on the operations side of the business. The Delta variant did not slow leisure travel, although business travel and event travel suffered. By the end of 2021, things were looking better, and then the Omicron variant surfaced. Borders are slamming shut, but it will take a couple of weeks before we know its severity. The year 2021 has shown the pent-up demand for travel, and my forecast is our global citizenship will always find a way to travel.

Steve Hood, Senior Vice President of Research, STR and Founding Director, STR SHARE Center

“Global Hotel Industry Update, A “Where Do We Go from Here” Perspective”

I will call this presentation “Uncharted waters”. Let’s talk about the complicated nature of the current recovery. There is diversity in recovery among regions of the world, and even wider diversity in Asia-Pacific with a range of COVID scenarios including multiple waves, restrictions, and border closings. There have been various attempts to stimulate travel, such as vouchers, travel bubbles, and other initiatives, some of them very successful (Phuket, Maldives, Macau), while others were less successful. Some markets, like Hong Kong, have experienced slow steady recovery without the waves and turbulence. Lots of difference among cities with many hotel closures. The good news is most properties have reopened by now. Although business was up and down throughout the region, there are many bright spots. For types of business, these include domestic leisure travel, stycations, weekend getaways, quarantine workers, weddings, reunions, and sports teams. For types of hotels, these include lower classes and luxury mixed, smaller, and boutique hotels, often with 80% occupancy. For types of destinations, these include secondary and domestic, and outdoor tourism to mountains, parks, islands, and secondary beaches. ADR was also less affected. Now they are back strong, some even above 2019 levels. Some lessons learned include new types of data, new ways to analyze performance (indices vs. percent changes), new correlations, significant adjustment to long-term trend graphs, different customer behavior (shorter booking windows), different hotel behavior, countless research opportunities, education and classroom impacts, and future implications. For full recovery, we are looking at vaccination levels, business “return to office” trends, airline activity, international leisure, domestic business travel, international business travel, larger groups, and full-scale meetings and events. All this will take some time. Currently, we are seeing a strong summer season in many places, continued popularity of vacation during holidays, success of specific events (Dubai World Expo), quick recoveries after second+ waves, upticks in traditional gateway destinations, increases in weekday occupancy

(business travelers), upticks in group demand on weekdays and weekends, increase in upper upscale hotels, recent increases in some Asia-Pacific leisure destinations, generally positive forward-looking data, and revision of forecasts in positive direction but still with lots of risks.

10:30-10:50 Session Break

10:50-12:30 Panel Discussion

Panel Discussion “Hospitality and Tourism 2030: Opportunities and Challenges”

Chairs:

Dimitrios Buhalis, Visiting Professor, SHTM, PolyU

Ada Lo, Associate Professor, SHTM, PolyU

10:50-11:40 Panelists Travel Industry

Mandy Ng, CEO, Hong Kong Express

In 2020 Hong Kong Express suspended all flight operations because demand had evaporated. It is important not to fly empty planes and waste our cash reserves. We stopped for four months and parked half of our planes in Hong Kong and half in Australia. It's very good to start looking into the future. Our entire team is working on a dual track mode: the current issues and emerging trends. For us, we focus on two trends. The first trend is digitalization and COVID has accelerated that process. Travelers are more health and hygiene conscious and there are different requirements for vaccinations reports and tests. This provides an opportunity for our industry to look into how digitalization can provide a more seamless experience for our travelers. We have collaborated with the airports to provide our travelers with peace of mind when processing there. The second trend is sustainability. This year the aviation industry at the IATA agent general meeting we approved a resolution to target for net zero carbon emissions by 2050. I believe all of our partners in the entire value chain will be in cooperation to achieve this, and I expect there will be some harmonization of government policy to achieve this goal. My two young children have lost two years of traveling. So I want to explore places with them and go deeply into each country with them. By 2030, the airlines need to ensure we provide an efficient and seamless experience so travel time will not be too much or a hassle so they can spend more time enjoying the destination and the cultural differences. I think it is the experiences that will be the most important. Hong Kong is in a strategic location and should aspire to be a center of excellence for tourism, hospitality, and aviation. Collaboration among universities and the companies in this industry is very important. Internships and work placements are important for students to put their learning into practice. In the entire value chain, we should be more innovative in facilitating projects in subjects such as aircraft maintenance. We always participate in mentoring programs. We should also learn from our students, a sort of reverse mentoring, to get more ideas about technology and innovation.

Monica Lee-Müller, Managing Director of Hong Kong Convention and Exhibition Centre (Management) Limited

The Hong Kong government's stringent restrictions since March 2020 hit our exhibition business very hard. That stopped all international travel to Hong Kong. Our most important events are international ones so we lost a big part of our business. The COVID situation was changing all the

time, even local gatherings were suspended. We had to close our restaurant at times and restructure our operations to cope with the financial situation. We're doing a lot of local consumer events now. People are more conscious about sustainability, especially the environment and waste management. Young people are worried about their future. By 2030, we must cut our carbon emissions by 50%, and the MICE industry is committed to supporting cutting our carbon emissions to net zero by 2050. I truly believe that climate change is the biggest challenge to mankind, more so than the pandemic. Diversity is also a trend. When I was in the hotel industry 30 years ago, all the senior management were either German or Swiss. When I look on this stage, I am happy to see it is lady-dominant. Given the chance for all people to learn, have opportunity, network, and show their potential, I think men and women will have even more equal opportunity in the future. I would like to encourage both men and women to work hard for your future, regardless of your gender. The other trend is technology which has been changing so fast in the past two years due to the pandemic. We have digitalization, virtual reality, and hybrid events like this one. Virtual events pose a threat to our industry. I hope you don't see them as a substitute for face-to-face, but I do see technology as a supplement to our face-to-face events. After all, people are social animals. When people gather, miracles happen. Technology puts so much information online and that influences people's decisions to travel. They will be more selective to spend their time and money to go somewhere. We have to think about what unique experiences we can provide to stay ahead of the virtual experience. In 2030, I would like to travel by train to see open spaces and look out the window as we go from city to city to enjoy the outdoors and nature, to go deep into the culture and heritage, to enjoy the traditions and food and wine to maximize my experience. It is important for universities to engage the industry and collaborate with the industry such as with advisory committees. Universities and their students should also engage more with industry associations like PATA. Internships are a good reality check for students and for us to see future employees. Faculty should also have some internship or exchange opportunities to keep up with what's happening, such as changing technology and markets. Continuous learning is important in our industry. The mindset to serve is also very important. Human touch cannot be replaced. We have to be mindful of service mentality and empathy.

Gloria Slethaug, CEO, Connexus Travel

For the travel industry, it comes in waves. The waves of reissuance and refunds of existing clients is a hefty workload. We provide 24-hour support helping our clients through the crisis. Flight changes and border control restrictions change all the time. Travel agencies are important because we can provide the support that airlines cannot provide as direct suppliers. But we have been able to find innovative ways to move forward. Technology is the way forward but that will also pose challenges, especially cyber security. The more we put in the clouds, the more we feel exposed to cybercrime, so we must have a united front on how to secure our customers' information. Asia's aging population is another challenge in terms of facilities, product development, and future development of the travel trade. We need to take action right now to get this under control by 2030. Hong Kong is launching the qualification framework for the tourism sector. That's a good start for us working together hand-in-hand with universities to uplift the professionalism of travel agencies and travel practitioners. It will also enable students to understand the fascination of the travel industry. We are experts within the industry. I would propose a travel lab or incubation opportunity

for young entrepreneurs to come up with practical solutions we can actually use. In addition to being an aviation and travel hub, Hong Kong could also be an innovation hub.

Andrew Jones, Guardian, Sanctuary Resorts & Executive Board Member, PATA

PATA is talking about regenerative tourism, a new movement. Sustainable tourism is leaving a small footprint on the land and in the neighborhood, whereas regenerative tourism is proactive and supporting the local community. For me, that is the wave of the future. Tourism can work with communities and have a positive impact on them. Technology is an opportunity and a threat. The opportunity is we can deliver more services. Technology may also help with staff shortages. The threat is cyber security. PATA's Millennial Report is all about experiential travel, seeing new places, getting to know the community, and leaving a small footprint. But that's what I want too. So, I must be a millennial. These trends are going to increase in terms of travelers' wants and needs. The interaction with people is very important. Technology will do away with many tourism service jobs; we just have to reposition them or put in new ideas about how we do it. The tourism industry is one of the world's largest industries. We underplay that sometimes. We bring a lot of GDP to a lot of countries, and we should play a more proactive leadership position as an industry. The mature traveler with less time left to travel has a bucket list. Staycations are here to stay, and domestic tourism is becoming more creative. We have to be more creative and innovative, and that's the challenge. We have to realize that getting a university degree is only the first step, not the only step, and how you put that in practice is very important. Crisis management is a good topic to put in the curriculum because whether manmade or nature made, these things happen. There's a great future in tourism and hospitality, but we must manage the expectations of students who think they will be a manager right away so they know what they are getting into, and we don't have burnout right away. Mental health is also a big issue with young people these days, and that will affect us somewhere in the future.

11:40-12:30 Panelists Hospitality Industry

Tasos Kousloglou, CEO, Hotel Division, Sun Hung Kai Properties Limited

A lasting change is the focus we have placed on local customers the last couple of years. We understand their needs better now. Try to collaborate more, cross-sell, train our staff to multi-task, operate more efficiently, and sustainability. Digitalization, how to accelerate it and understand it better. The biggest change coming is the pace of change is accelerating. It's much faster. We all have to adapt. Past experience is not as important anymore. We have to learn and learn, and adapt. We need to rethink many things in the industry, including budgets. We are currently building four hotels; we are building for the customers of 2030 and 2040. We must build according to their needs. In Hong Kong the average staff turnover each year is 40-45%. It's often because they cannot move up. So, leadership is very important. Hotel operations is not as popular as other areas such as hotel investment and consulting. We need to pay competitive with other industries for talent. We are now in a crisis, and we will get out of it. The big challenge is how do we reinstate the prospects for young people in this industry as a very worthy career. We need to inspire the next generation of hoteliers.

Bill Taylor, Regional Vice President and General Manager, Four Seasons Hotel Hong Kong

Hong Kong has a tight-knit hotel community, and the pandemic brings us closer together. We are all very collaborative. Due to the labor shortage, it is important to multi-task, up-skill, and re-skill our employees. Never in my career have I needed to pivot, change, and respond to things on a daily basis. It's nerve-wracking, but we in the industry must not forget the long-term strategies and rescind into a bunker mentality. Looking forward to 2030 and beyond is critical to our success. There is never a better time for someone who is aggressive and committed to the industry. Putting staff where they want to be is a wonderful springboard for their career. There is a ton of pent-up demand that will be impacted by travel policies and economic factors. We are in for a bit of a rocky road for the next couple of years due to inflation, a juiced up stock market and interest rates. By 2030, things will look infinitely different. The companies that succeed will embrace wellness, a sense of being, and a sense of belonging. Destinations must be unique and feature something that is refreshing for your soul. Data and technology are a given. We should use them to connect to our guests and know what their preferences are. Hotels have only 30% return guests which means 70% never come back. Why are you losing those guests? If you can convert those 70% to become loyal ambassadors to your brand, you are well on the way to success. There is a sameness in a lot of the brands. It is really hard to differentiate one brand from another. Brands that are going to stand out are those who are able to convey to their target audience that they have a strong awareness of who they are and what they want to be for their clients.

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

Due to the demonstrations when our entire hotel was surrounded by police that was the beginning of our woes. Over the last two and a half years, the way we have had to adapt and change the whole conversation with my team has been about creating a hybrid hotel. Half of the rooms we sell are now long-stay. Some local customers want to stay one day, one month, one year, so how to adapt our pricing structures, our offers to those different segments. It was looking at customer segmentation in a completely different way. We found that people are much more conscious of the hygiene, the safety, including all of our rooms are independent and have negative air pressure, and we were able to sell that as a safety feature. We also invested a lot of money in technology, such as UV light systems. Normally, we would sell the hotel based on features that had nothing to do with safety and hygiene and air quality, but we found our customers highly valued these features. Planning two weeks ahead is really a luxury. Now we are planning 24 hours ahead. It's a huge challenge, but it's been very exciting. My staff has gotten behind the mission, and I'm extremely proud of what they have achieved. We are a teaching hotel, so I fast track students. They are extremely ambitious. Students need to look more global for jobs also. They are interested in career development but don't know how to get there. We need to speed up our hiring practices. Some applicants have several job offers. They are looking for mutual benefit and want to know what you are going to do for them. We have to adapt to workers from different cultures. We have to get over our reputation for long hours and bad pay. Workers need fair pay and promotion encouragement.

Regan Taikitsadaporn, Chief Human Resources Officer, Asia Pacific, Marriott International

We are still a people industry. Despite everything we talk about technology and automation that will only complement and help us be more efficient. Ultimately, we are in the travel and tourism industry. People want human interaction. Yes, there are certain tasks that are more routine that can be automated, but when a person goes on holiday, or stays at a hotel, or goes on a tour, they want that people experience. Our industry is facing a huge crisis, and it was a concern even before the pandemic, in hiring and retaining talent. Some things are demographic, such as the aging workforce and declining birth rates. Also in some countries, there are people not wanting to work or cultural norms, such as in India where women at a certain age are expected to quit their jobs and get married and take care of the family. People who have left the industry due to COVID are hard to attract back. It is our responsibility to create a great working environment. That includes paying them fairly and competitively, providing them with training and resources, and making sure they have opportunities to grow their career. These are non-negotiable things we all have to do. Other areas of opportunity for the workforce are looking at untapped potential such as more mature people who may not want to work fulltime. In Japan, many of the housekeepers are wives who work part-time. We need to encourage more women to enter the workforce in cultures where that is not encouraged. In doing so, we need to provide child care. We need to collaborate with tourism boards and associations to promote careers in the tourism and hospitality industry. Our industry is one of the few where people in high positions started at the line level and worked their way up. We need to do a better job of marketing the excitement and opportunities of working in our industry. We also need to look at immigration policies. In Asia there is an imbalance of talent, and it is difficult to bring them into the jobs where we really need them, such as line level positions. Speed is important to this generation. Hotels are also competing for talent with other industries. Students are tech savvy. We need to look at how we operate as an industry. The new generation of workers are also concerned about sustainability and social impacts. They are very purpose driven. They will pick the organization, not the other way around.

12:30-13:45 Lunch

13:45-15:45 Parallel Sessions

Impact Presentations I

Chair: Jinsoo Lee, Professor, SHTM, PolyU

SHTM Presenters:

Cathy Hsu, Chair Professor

"Facial Expressions versus Words" (Shirley Zhang, Nan Chen & Cathy Hsu)

When we look at people's reactions from their facial movements and hear what they tell us, are they giving us the same message? We want to examine Hong Kong residents' responses to our tourists. Mainland Chinese tourists (MCT) have been the top source market for Hong Kong over the past couple of decades. It's getting close to 80%. Understanding residents' emotions towards MCT is essential for friendly host-tourist interaction and a socially sustainable tourism environment. Traditional research was based on verbal methods. We conducted interviews and

surveys to get answers to our questions. These are subjective responses that may not truly reflect what you think. They are also based on recollection of past events, so, they are based on your memory and what people think. They are conscious responses. When we look at psychophysiological methods, for example, eye movement, perspiration, heartbeat, brain waves, and muscle movements, then we get objective responses. And they are real time and subconscious. Some people are very good at suppressing their emotions, but when we get excited our heart rate goes up; it's more difficult to control. Our research question was: "Are there differences between residents' emotional responses measure by facial expression recognition and self-report. If yes, how and why?" To conduct our research we used the dual system of information processing of the human mind. Emotions can be explicitly expressed (words) as conscious appraisals of stimuli or implicitly expressed (facial expressions) as automatic appraisals of stimuli. We collected data in three steps. First, we produced ten short videos of typical interactions between Hong Kong residents and MCT. These were the stimuli. Second, we recruited residents to watch 2-3 videos and recorded their facial expressions on video. Third, we did a survey to ask them which emotions and at what intensity level they felt for each video using the Geneva Emotion Wheel, followed by a more in-depth interview. We used Face Reader 6.0, which has 89% accuracy, to analyze the facial videos into six categories plus neutral. Our main findings revealed there are more differences than similarities. Participants (residents) expressed significantly more happiness, sadness, and anger toward MCT in facial expression than words. Verbal reports were mainly surprise, scare, and disgust which are stereotype reactions. Facial expressions also revealed surprise, scare, and disgust, but also happiness, sadness, and anger which are desire-oriented, meaning residents also had hidden positive expectations of MCT beyond their verbally-expressed stereotype emotions. From our interview we found that residents had negative emotions when watching the videos because they had high expectations of MCT behavior. When their expectations were met, they were happy; when they were not met, they were sad; and when they were way below, they were angry. For managerial implications, DMOs can initiate communication campaigns that help residents realize their good expectations of MCT and promote a better image of MCT that gradually modify stereotypes and reduce those induced negative emotions. Residents also expressed a higher intensity of emotions in words in contrast to their facial expressions while watching the videos, especially in regard to negative stimuli. So, we should do more social listening and monitoring of news and social media to hear what people are saying and understand community sentiment so we can develop strategies to counter-balance these statements and reduce stereotype-induced strong emotions. We can also include more visual images of residents in their normal interactions with MCT in promotional materials to display their implicit emotions. MCT should also be reminded of local rules and customs so they can meet local expectations. MCT-resident interactions could be facilitated so MCT can read the locals actual face and get a different story than what they have seen in the media. DMOs can also work with local media to portray a better image of MCT. In conclusion, we should keep our eyes and ears open and use positive social media to create a more socially sustainable tourism environment in Hong Kong.

Lisa Gao, Assistant Professor

"Effect of Price Change Alert on Perceptions of Hotel Attribute-based Room Pricing (ABP) versus Traditional Room Pricing (TRP)" (Lisa Gao, Basak Denizci Guillet & Peihao Wang)

This research was conducted before COVID-19. I will begin my presentation with a real story. I was going on a business trip to China and was browsing online for a hotel. I had several options, but I didn't book one yet. Later in the afternoon I received a price increase alert in my email. That was my first time receiving this type of alert, and it interested me, so I discussed it with my colleagues, and we operationalized it as a research project. We looked at different pricing strategies. Most were traditional room pricing (TRP) such as best available rate. For this research we also looked at attribute-based room pricing (ABP) and what kinds of components, such as a preferred view, are included in this type of pricing. This is already common in the airline industry, but not much research has been done on ABP in the hotel industry. We also looked at the effect of price change alerts and their perceived fairness. For TRP, price changes just go up or down, but with ABP, we see why they changed and what components are included in the price change. We created a model which shows pricing strategy to see whether TRP and ABP are creating differences on consumers' perceived fairness and to see the consequences on behavioral intentions such as price alert attitude, hotel brand attitude, and visit intention. And we tested for the moderating effect whether the price alert is sent before the sale or after the sale. The model has three sets of hypotheses. H1: ABP has a more positive effect on alert attitude, brand attitude, and visit intention than TRP. H2a: For presale alerts, the TRP and ABP increases lead to similar alert attitude, brand attitude, and visit intention. H2b: For postsale alerts, an ABP increase leads to more favorable alert attitude, brand attitude, and visit intention than a TRP increase. H3: Joint effect of pricing strategy and price alert timing on the alert attitude, brand attitude, and visit intention of consumers is mediated by consumer-perceived fairness. To test these hypotheses, we conducted two studies. Study 1 conducted to test hypothesis 1 consisted of 120 participants who had hotel booking experience within the past year. Their scenario was they had booked a hotel room for \$125 and that afternoon they were sent a price increased based on TRP or ABP. For Study 2, some of the 140 participants received the price alert presale or postsale based on TRP or ABP. All hypotheses were supported. Therefore, we recommend that hotels use ABP to enhance their communication to create a sense of fairness and transparency in pricing. For practical implications, we suggest hotels provide more options such as bed types, meal options, and pet policies. For presale alerts, hotels can offer either TRP or ABP price information. For postsale alerts, hotels should offer ABP to achieve more favorable alert attitude, brand attitude, and visit intention.

Alice Hon, Associate Professor

"When My Pay is Lower than My Expatriate Colleagues: Where Do the Hospitality Managers Go from Here?" (Alice Hon & Emmanuel Gamor)

Our topic is a human resource management issue. It's about the compensation difference between locals and expatriates. This disparity gap might induce negative effects among local employees. For example, loss of work motivation, poor performance, and even anti-social behavior that might hurt the internal members or the organization. We would like to focus on practical implications of this research. Many hospitality companies have expanded overseas as multinational corporations (MNCs). China, in particular, has radical changes in its hotel industry with many MNCs. Expatriate activities, inter-relationships with local employees, and compensation are all important determinants in the success of a multinational hotel company. These companies rely on highly-skilled expatriate managers to succeed, so many key positions are held by expatriates. But expatriate

failure continues to increase. Most MNCs use a country-based/home labor market compensation system to attract expatriate managers which creates a two-tier system in overseas locations. The compensation gap is reflected in the mind of the local employees and can make them feel agitated as a form of perceived injustice which is translated into negative attitudes and behaviors. These deviant behaviors can be interpersonal or organizational. Building a level of trust is critical in mediating this situation. Cognitive trust, or knowledge-based trust creates confidence among local employees that they will be treated well. The other type of trust is emotion-driven or affective trust that is based on friendly interactions and expressions of concern for the personal development and wellbeing of local employees. Our research attempts to measure the compensation and determine how it affects work outcomes such as satisfaction with expatriates, altruism toward expatriates, job satisfaction, and organizational commitment. Questions for managers are how does compensation gap affect work outcomes of local employees in hotels MNCs, and what role does trust play in solving negative work outcomes? We collected data from 32 expatriate managers and 286 local employees working for hotel MNCs in Xian, China. Our research found the wider the compensation gap, the more dissatisfied the workers become, and their strongest negative feeling was in regard to commitment to the organization. Their feelings of ill will were more directed toward the organization than the expatriate manager and had the greatest influence on intention to quit. However, a strong cognitive trust initiated by the expatriate manager weakened both of these negative effects. Affective trust moderates the negative effect of pay gap on both satisfaction with expatriates and their altruism toward them. This will become an even more important issue as China's hospitality firms continue to expand overseas. Simple solutions are to reduce the pay of expatriates or increase the pay of locals. Another approach is equity in compensation policies and systems such as fringe benefits, insurance, and training which are usually missing for locals. Expatriate managers should also be encouraged to show genuine attitudes (welcoming, kind and caring attitudes) towards their local employees. Expatriates also have to maintain high levels of competence, reliability, skills, and professionalism. And before expatriates even begin working abroad, they should receive training on local cultural perspectives.

Eric Chan, Associate Professor

"Influencing Stakeholders to Reduce Carbon Footprints: Hotel Managers' Perspective"

Reducing the carbon footprint is an important strategy in addressing the greenhouse effect. Hotel daily operations lead to substantial energy, water, and non-recyclable product consumption which leads to carbon emissions. These emissions account for around 21% of the total carbon footprint from global tourism. Hotels are increasingly implementing environmental programs to become more green, including the installation of environmental technologies. This study looks at which strategies hotel managers actually want to implement, who they consider to be their key stakeholders when implementing a carbon emissions program, and the strategies they use to encourage their stakeholders to act cooperatively. It takes a qualitative approach by interviewing 22 senior managers from a mixture of international chains, local chains, and independent hotels. The stakeholders were divided into internal (owners and employees) and external (customers, suppliers, consultants, investors, governments, NGOs, hotel associations, and the community). Managers needed to sell the benefits of going green to the owners. They emphasized an improved image and ROI. To influence employees, they must exchange information, emphasize the need, and

provide training. They should also award green performance and build a green culture. For customers, the use of non-coercive measures such as informing them of the reasons why the hotel has this program and using green labels to educate them. Managers can ask suppliers to follow company requirements, and they normally comply. Hotel associations are useful for exchanging information with other members and for making policy recommendations to the government. For investors, show them how your strategies are achieving your environmental goals and initiate environmental reporting. Ask consultants for their professional advice and work together to create new initiatives. Stakeholder pressure is an important driver, but hotel managers must use the appropriate strategies with each stakeholder. General or indirect influencing strategies work best with hotel owners and employees. Non-coercive strategies work best with customers and investors. Direct influencing strategies work best with suppliers and government. Hotel managers must balance the benefits derived from different stakeholders to achieve a win-win situation.

Jinsoo Lee, Professor

"Does Love Become Hate or Forgiveness after A Double Deviation? The Case of Hotel Loyalty Program Members" (Jinsoo Lee, Jungkeun Kim, Jinsoo Hwang & Gina Cui)

Relationship marketing is very important in hospitality and tourism. The most commonly used tool in relationship marketing is loyalty programs. But does the positive impact of a loyalty program still last with members experience a service failure? So, I wondered if reward program members suppress their negative coping response (desire for retaliation) more than non-members after experiencing a service failure. The purpose of this study is to examine whether hotel loyalty programs are effective in weakening the desire for retaliation and perceived betrayal of high-tiered members after a double deviation (which includes a failed service recovery). We also investigated which recovery tactic (apology versus financial compensation) is more effective in attenuating their desire for retaliation and perceived betrayal after a double deviation. So, we are investigating the love-becomes-hate effect where a loyal customer feels betrayed and becomes the hotel's worst critic, and the love-is-forgiving effect where a loyal customer understands the service failure and realizes that mistakes happen. This feeling, especially for high-tiered members, is also reinforced by a feeling of belongingness and their interest in keeping their accumulated points and benefits that non-members lack. Based on previous research, I developed three hypotheses. H1: High-tiered loyalty program members are more likely than non-members to attenuate their desire for retaliation and perceived betrayal against a hotel after a double deviation. H1b: Non-members are more likely than members to evoke greater desire for retaliation and perceived betrayal after a double deviation than after a single deviation. H2: An apology is more effective in attenuating the desire for retaliation and perceived betrayal of members than those of non-members. To test these hypotheses I conducted scenario-based research in three separate studies in which participants were asked to rate their desire for retaliation and perceived betrayal based on their experimental conditions. Study 1 involved 203 people in the USA who were randomly assigned to groups as members and non-members and as having single and double deviations. Study 2 involved 280 hotel loyalty members from Hong Kong (100), Singapore (90), and the U.S. (90) who were randomly assigned to groups as members and non-members and as having single and double deviations. Study 3 involved 370 people from the USA who were randomly assigned to groups as members and non-members and provided with three recovery tactics: nothing, financial compensation, and apology. Results of the

research manipulations supported all hypotheses. Other important findings are that hotels should create and maintain high-tiered customers, and since economic rewards are easily copied by competitors, hotels should also provide unique emotional rewards such as a Mother's Day event.

Hotel ICON Projects I

Chair: Vincent Tung, Associate Professor, SHTM, PolyU

Presenters:

Choongwan Koo, Assistant Professor, Incheon National University

Jinsoo Lee, Professor, SHTM, PolyU

“A Real-Time Monitoring and Diagnostics for Energy Efficiency and Indoor Environmental Quality in Hotel ICON” (Jinsoo Lee, Choongwan Koo, Seung Hyun Cha, Hung Kit Joseph Lai, Kwok Wai Horace Mui & Ling-Tim Wong)

Professor Koo began his presentation by explaining challenges and objectives driven by global climate change. Record high temperatures have led to natural disasters such as forest fires, droughts, and typhoons. About 40% of global warming is attributed to residential and commercial buildings. Smart, sustainable environments must be pursued with the goal of achieving low carbon buildings and cities. A new methodological framework must consider improvements in management, policy, and technology. We need to use emerging smart building technologies to attain a smart, sustainable built environment. Technologies include IoT sensors, big data analysis, artificial intelligence, building Information modeling, virtual reality, augmented reality, and other emerging technologies. A system of systems approach looks at buildings as systems and a city full of buildings as another larger system. Like people taking care of their health, a building requires regular monitoring, diagnosis, and interventions to stay healthy. The second part of the presentation dealt with service: real time monitoring and diagnosis. Service needs include the energy efficiency and environmental quality of a building. Service methods uses IoT to understand the various components of these needs using a space-specific perspective. He then showed how this system is implemented by deploying sensors in three Hotel ICON Tomorrow Guest Rooms. Data was collected from January 2018 through December 2020. This case study was the final part of his presentation. Data was captured on energy efficiency, the indoor environment, and guest behavior. Facility managers can use the results to identify root causes of inefficient energy consumption and excessive pollutants to enhance cost savings and guest satisfaction.

Rob Law, UMF Chair Professor of Smart Tourism, University of Macau

Dimitrios Buhalis, Visiting Professor, SHTM, PolyU

“Temporal Dynamics of Browsing Behavior on Hotel ICON’s Website” (Rob Law, Richard Hatter & Dimitrios Buhalis)

Travelers tend to visit hotel websites prior to their visit to find a good price and make a reservation. As users browse, they leave traces of their behavioral patterns in the form of weblog data. This data allows hotels to understand potential guest behaviors, design marketing strategies, and create a more engaging platform. This study identified the browsing patterns of visitors, pages viewed, and hits on a yearly, monthly, daily, and hourly basis from 2015 through 2017 for the Hotel ICON, a luxury hotel in Hong Kong. On average, 182 visitors accessed the website per hour. They

spent 5 minutes and viewed 2.76 pages using Google Chrome. Results revealed that the third quarter was the peak season for browsing which coincides with Hong Kong's peak summer tourism season. This was also a period of increased promotion by the hotel. More promotions could boost traffic on the website during the other three quarters. Users are more active during the week, especially Monday through Thursday, with Wednesdays and Thursdays the most active days since 2016. This could be due to users looking for a weekend stay for leisure purposes. Most users browsed from noon until 6:00 PM until 2017 when 6:00 PM until midnight became the most active. Users are more active from July to September. Browsing traffic increased each year until 2017, possibly due to a redesign of the hotel's website.

Daniel Leung, Assistant Professor, SHTM, PolyU

“Can Comparative Advertisements Help Increase Direct Bookings? A Case Study on Hotel ICON”

Comparative advertising is a commonly used tactic that positions the advocated brand vis-à-vis competing brand/s on one or multiple attributes. It has been used to advertise beer (less calories and tastes better), smartphones (better performance), fast food cheeseburgers (mine is bigger than yours), and many other products and services. Research is inconclusive on whether comparative advertising actually works. Some consumers view comparative advertisements as negative because they are too aggressive and cause loss of prestige since the competitive product is also being promoted. Other comparative advertisements are viewed as positive because they highlight the product's features and can attract attention and activate interest. Most studies have researched tangible goods rather than experiences such as hotel stays. This research asked two consumer groups to compare advertisements for the Hotel ICON in which a priority room upgrade and priority late check-out would be given if the consumer reserved a room using the hotel's website (non-comparative), but not if they used an OTA (direct comparative) or a non-official website (indirect comparative). The two groups were international (English language) and Hong Kong (Chinese language). The results for click through intention for both groups were positive as the participants favored the Hotel ICON providing a priority free room upgrade and priority late check-out by using its website. In addition, the indirect comparative advertisement, which did not name the specific channel, was more effective than the direct comparative one. The results for brand consideration were similar except for the indirect comparative advertisement, meaning the results were inconsistent. Changes in advertisement persuasiveness could also change the results. Key giveaways are comparative ads can help induce more click through intention and brand consideration than non-comparative ads, and indirect comparative ads are more effective than direct comparative ads for inducing click through intention and brand consideration (more persuasive).

Sam Kim, Professor, SHTM, PolyU

“Hotel ICON Staff's Reactions to Newly Adopted Hygienic Practices and New Working Environment due to the COVID-19 Pandemic” (Sam Kim, Barry Mak & YooHee Hwang)

This study has three purposes: 1) to identify hotel employees' stressors which influence the hotel working environment; 2) To identify the stressors' consequences (job satisfaction, organizational commitment, job performance, subjective wellbeing, turnover intention, and prosocial behavior); and 3) to compare perceptions of stressors and other outcomes before and after the COVID-19 outbreak. A questionnaire was given to 260 employees in all departments at Hotel “A” and 200

employees at “Other Hotels”. Questions were asked in three domains: stressors from workload and time pressure, stressors from the hotel working environment, and pandemic-aggravated stressors. Results were the pandemic-related stressors were much more stressful, the stressors from workload and time pressure was more stressful, and the stressors from the hotel working environment were more or less the same. Results of stress consequences were job satisfaction, organizational commitment, job performance, and prosocial behavior decreased, turnover intention increased, and subjective wellbeing remained constant. Emotional symptoms and mental health during the COVID-19 outbreak were also quite negative as employees became anxious, annoyed, impatient, angry, unconfident, and pessimistic.

Suna Lee, Assistant Professor, Macao Institute for Tourism Studies (IFTM)

Vincent Tung, Associate Professor, SHTM, PolyU

“Developing an Environmental Sustainability Performance Measure for Hotel ICON: A Balanced-scorecard Approach” (Suna Lee & Vincent Tung)

Our research was originally performed from April 2016 to March 2018, but it is not yet complete. We wanted to investigate if there are ways to measure Hotel ICON’s sustainability and its management system since environmental management has become an integral part of hotel management. The stakeholders of all hotels care about what their hotel is doing in terms of going green. This study has two main objectives. They are to determine and develop key performance indicators (KPI) of environmental sustainability management for Hotel ICON as identified by its various stakeholders, and to periodically evaluate environmental performance using Hotel ICON’s environmental sustainability KPIs. For our key contribution, we wanted to provide an integrated or holistic measurement tool for hotel management so that managers can monitor and prepare strategies, and periodically evaluate their comprehensive environmental sustainability performances. To explain the basic concept of the study, we used the balance-scorecard (BSC) approach. The traditional approach to measuring a company’s performance is only to look at its financial performance, but we realized this is not enough. Financial performance only reflects past performance, but we wanted to also look at future performance. The BSC looks at performance from four perspectives: financial, customer, growth, and internal business process. First, you set goals. For the customer perspective one of the indicators you can use is customer satisfaction, so a goal would be to increase the number of satisfied customers. Then you must create a strategy to achieve that goal, and after a period of time you must measure the success or failure of that strategy. This can be performed periodically, perhaps semi-annually or annually, depending on the organization. So how can we use the BSC to measure our environmental performance? For example, your ROI on environmental management would include your energy and water bills. For customer perspective it could be their perception of the hotel’s environmental management. For internal business process, it could be green purchasing. For growth (and learning) perspective, it could be sustainability training. For each perspective, you would create a strategy and measure the change in performance. In addition to BSC, you can also use the Stakeholder Theory approach which includes hotel management, customers, employees, and the community using the same method of setting goals, creating strategies for them, and then measuring changes in performance. For our BSC approach, we interviewed executives and staff at Hotel ICON, as well as customers. We also collected data on energy and waste management. But we faced problems here as the

director of the engineering and environment management department we had interviewed left that position and it was vacant for some time. In addition, as the building is mixed use for Hotel ICON, SHTM, and faculty apartments, we found that it was impossible to separate the energy bill just for the hotel. Energy management and environmental management are very important to the new generation. We see the opportunity to conduct this research at another hotel or an integrated resort, as COP 26 has many implications for the hotel industry, including issues such as net zero goals and carbon neutrality.

15:45-16:00 Break

16:00-18:00 Parallel Sessions

Impact Presentations II

Chair:

Sam Kim, Professor, SHTM, PolyU

SHTM Presenters:

Janelle Chan, Instructor

"Updates in Service Standards in Hotels: How COVID-19 Changed Operations" (Janelle Chan, Lisa Gao & McGinley Sean)

Our two research objectives were to investigate the updates of service standards from the managerial perspective and to examine the changes, processes of management decisions, implementation of the changes, and preparation for the future. First we conducted a literature review to see what we have and what we don't have. We focused on four areas: 1) hotel service standards, including SOPs, 2) hotel servicescape, including physical environment and social interactions; 3) hospitality crisis management, although this pandemic is unique; and 4) service innovation as a solution in both software and hardware and in combination. Our research reached data saturation after interviewing 24 senior hotel managers in Hong Kong and Mainland China sorted by hotel class, category, and location (high and low affected areas). The top three themes of updated service standards were operations, management and marketing, and service standards. The phases of crisis were outbreak (early February and formation of contingency teams), response (following local guidelines and SOPs and using technology such as QR codes and mobile number tracking), and recovery (maintaining precautionary measures, using new promotional platforms such as livestreaming, and targeting local markets and creating staycations). We also compared the updated standards in four areas: chain versus independent hotels, high-tier versus low-tier hotels, highly-affected areas versus lowly-affected areas, and physical and social interaction. Our findings were that independent hotels did a better job. Other findings were technology should be considered as an important component in service design and crisis management, developing and executing new service standards is challenging, and most hotels adopted similar procedures which resemble the traditional benchmarking process. For practical implications, hotel managers should use well-thought out standards based on available scientific evidence. Look at your local standard operating procedures (LSOP), be innovative in service and software, and don't forget we are in the hospitality area when interacting with guest from their perspective.

Hyoungeun Moon, Research Assistant Professor

"Self-check-in Kiosk Quality and Airline Non-contact Service Maximization: How to Win Air Traveler Satisfaction and Loyalty in the Post-pandemic World?" (Hyoungeun Moon, Heejung Lho & Heesup Han)

COVID-19 has boosted the use of self-service technologies in aviation and in the general tourism industry. Previous research has focused on technology acceptance (usefulness and ease of use) and technology readiness (personal disposition of readiness to use it). Our focus was on self-check-in kiosks (SCK) at airports based on the attrition theory. Our research objectives were to identify the attributes of the SCK quality in an airport context, investigate the effect of the SCK quality on passenger satisfaction with the airlines and passenger loyalty to the airlines, and explore the moderating role of passenger innovativeness. Attribution theory states that a person makes their own judgement based on certain attributes of an entity and how they evaluate it and their follow-response and actions towards it. So, personal disposition is part of this process. In this study, based on the attributes of the SCK quality, we tried to capture the participants' evaluation and follow-up response by using passenger satisfaction and loyalty, and we used innovativeness to capture their personal disposition. We hypothesized that SCK quality positively influences passenger satisfaction and loyalty toward the airlines, and we hypothesized the moderating role of passenger innovativeness in an airport context. Our research survey of 20 items was distributed online to participants who had used an SCK at least once within the past year. We received 353 usable responses. Results showed the SCK positively increases passenger satisfaction, which positively influenced passenger loyalty toward the airlines. In terms of passenger innovativeness, when passengers are more likely to use new technologies, this strengthens the relationship between passenger satisfaction and loyalty. In addition to how well an SCK functions and its convenience, individual passengers also evaluate how relevant it is to their specific needs (kiosk relevancy). Therefore, the airlines need to focus on providing personalized services. Airports need to place SCK in locations that enhance their accessibility and availability. Airlines and airports need to think about how to trigger passenger curiosity toward using new technologies, such as the SCK, by adding new options to them.

Maxime Wang, Assistant Professor

"Tolerating Errors in Hospitality Organizations: Relationships with Learning Behavior, Error Reporting and Service Recovery Performance" (Maxime Wang, Priyanko Guchait & Paşamehmetoğlu Aysin)

This research focuses on managerial practices in managing mistakes and errors in the hospitality workplace and how these practices change employees' attitudes and behaviors. This matters because the service characteristics of the hospitality industry make it error-prone. Errors become ubiquitous and a general phenomenon, so proper error handling is critical for effective organizational operation and service delivery quality. Examples of common errors in the hospitality work setting include misallocation of hotel rooms or dinner tables, information input errors, scheduling errors, dropping dishes or drinks, missing reservations, forgetting or misunderstanding customer requests, improper sanitation, and incorrect bills. Errors occur not only because employees are careless or not paying attention to their work, but errors cannot be totally avoided due to human limitations. Although errors are common, our culture says we should not tolerate

errors because they have always been negatively perceived as being made by people who are not very competent or smart. Meanwhile, we have noticed that errors are very closely related to learning. We all have the experience of making mistakes and then trying to learn from them. So, understanding what is not working in the task procedures is the first step to better learning in the future. There are two opposite viewpoints about the relationship between errors and learning. One is that individuals learn better if they know errors are not accepted in the workplace, as errors can trigger cognitive and emotional responses that motivate individuals to learn. The other is that for learning to take place after an error occurs, barriers to learning must be removed. One barrier concerns psychological safety: employees must be comfortable taking risks and disclosing errors. Another barrier concerns self-efficacy: employees must believe in their own capacity to learn from their errors. Then the learning process will be much smoother, and they will be more motivated to learn. This is why a new managerial practice called error tolerance has been developed. Because errors are associated with negative emotions, error tolerance is low, but errors are a common part of life experience which enables people to grow and develop their skills. Organizations with high levels of error tolerance hope that employees will use errors as opportunities to learn and develop, and when employees feel that errors are accepted, they learn and develop competence, so fewer errors happen in vain. Our research question was how can organizational error tolerance influence employees' learning behavior and error-related work behaviors? Our research objectives were threefold: 1) to investigate the relationship between employees' perceptions of organizational error tolerance and learning behavior via the underlying mechanisms of psychological safety and self-efficacy; 2) to examine how employees' learning behavior impacted service recovery performance; and 3) to test whether psychological safety and self-efficacy mediated the relationship between error tolerance and error reporting. We believe that error tolerance will promote employees' error reporting and service recovery performance through the enhancement of psychological safety, self-efficacy, and their learning behavior. Seven hypotheses were developed based on the above beliefs. All were supported based on survey research conducted among 304 restaurant employees in Turkey. This means that psychological safety, self-efficacy, and learning behavior explain how management of error tolerance eventually influences error reporting and service recovery performance. Hospitality organizations need proactive employees who are confident in their own competence, are willing to express different opinions, report errors, engage in learning, and know how to regain customer satisfaction after service failure. Numerous opportunities exist to correct errors before they cause negative consequences. Managers should make good use of every error situation by reinforcing error tolerance. They should also clarify that error tolerance does not mean error permissiveness.

Ada Lo, Associate Professor

"Investigating Hong Kong Residents' Hotel Staycations Experience through the Lens of Relative Deprivation Theory"

This research is from the Hong Kong residents' perspective. Hong Kong residents were among the most traveled people globally. In pre-pandemic 2019, there were 97.4 million departures with spending of USD26.5 billion, which is USD3,560 per Hong Kong resident. From various studies during the pandemic, we know that in June 2020, 69% wanted an outbound holiday, and 78% indicated traveling was the activity they missed most. The Hong Kong Tourist Board in 2020

encouraged residents to stay at home and take a vacation. Hong Kong hotels made themselves destinations and offered residents staycations by creating make-believe travel experiences. This became a new market segment, but it had not received much attention from researchers. Our research objectives were to investigate Hong Kong residents' perceived relative deprivations during COVID-19, investigate the hotel staycation motivations of Hong Kong residents, and identify the types of activities hotel staycationers participated in. Staycation is a made-up word that started in 2008, combining stay and vacation. It is when people take a vacation outside their home but stay in accommodations near their home. It is a form of domestic tourism and is also known as local or proximity tourism. Staycations contribute to the local economy. Typical staycationers are families, couples, romantic partners, friends, and their pets. Relative deprivation theory (RDT) is a subjective, psychological feeling that provides a means for understanding staycations. It originates from the gain or loss of one's own benefits that a person feels as a result of social comparison. The three types of social comparisons are comparisons ourselves with the value standards of the local community, the latitudinal relative deprivation which compares us with a specific reference group, and the longitudinal relative deprivation which compares us with our past living experience. Relative deprivation occurs when people perceive the deprivation exists and has a high level of relevance, it is evaluated as illegitimate, it causes feelings of anger, frustration, and resentment, and they want to remove it. RDT has been adopted to several tourism studies, including in Cuba and China. Tourism motivations are important for RDT, such as the push and pull theory. Families, couples, partners, and friends, often travel to strengthen relationships. Pet owners travel to bond with their pets, and seniors travel for learning, self-esteem, socialization, escapism, and nostalgia. This research also categorized the type of activities into the well-known Four Realms of an Experience: education, escapist, esthetic, and entertainment based on levels of immersion and participation. I developed a model to guide the study and discover the different types of relative deprivations that Hong Kong residents perceived and their types of hotel staycation motivations and activities as categorized into the Four Realms of Experience. My methodology was qualitative research with 30 semi-interviews conducted. The relative deprivations reported included opportunity to travel, comfortable home, sleep and rest, family bonding, and social gathering. Hotel staycation motivations included relaxation, escape, entertainment, celebration, bonding, romance, fear of missing out, attractive hotel packages and facilities, and loyalty program membership. Hotel staycation activities were numerous, led by the entertainment realm, followed by the escapist, educational, and esthetic realms. The RDT worked well in explain the residents' motivations to take a hotel staycation. Deprivations were identified so hotel managers can provide something to fill those needs. Deprivation was also shown to be legitimate since pre-pandemic residents had the right to travel freely. Residents also compared themselves to others and to their previous conditions and had the normal feelings of anger, frustration, and resentment. Their demand to remove the travel restrictions was not possible, but their response was to take a hotel staycation. Relaxation and escape were their most mentioned motivations and they wanted to have fun with their family, friends, and pets. Most activities took place within the hotel and inside their guest room. Hotel manager can now better understand residents' deprivations and offer products and services for their needs. Loyalty programs are a way to drive staycation business.

Sam Kim, Professor

"Effects of Technology on Tourism and Hospitality: Before and After COVID-19

(Sam Kim)

I am interested in consumer behavior, but after COVID-19 began my interest changed a little to technology. The movies “Back to the Future” I (1985), II (1989), and III (1990) were very popular science fiction movies that predicted 31-36 years into the future. They showed the forerunners of smart watches, flying cars, drones, virtual reality, and robots. Dream became reality; fiction became fact. Now we have robot receptionists, butlers, baristas, and wait staff. Humans make robots work like slaves with no tea time, no retirement fund, and no complaints. Human service delivery, on the other hand, has high labor cost, unstandardized service quality, emotional workers, requests for salary increases, and pension funding. Robots are replacing humans. They are a game changer. They also befriend humans and take care of seniors. One robot engineer even married his robot. She is very obedient. Robots can also grill meat, fry chicken, and make rice. They can do risky jobs without getting injured or feeling pain. Now when we go to a restaurant or a shop we have to scan our LeaveHomeSafe QR code, and we use tracker wristbands. Virtual conferences, such as APacCHRIE 2020, where one online conference host deals with thousands of online attendees. It’s very efficient and cost-effective. Virtual interviews and meetings with people in multiple countries on the same screen. Webinar solution developers (software companies) are popping up for membership management, event program management, and registration. In their previous relationship the hospitality and tourism industry was the big boss, now it is the technology company. We have virtual classes, drones delivering food, virtual reality tours to places we might never visit (Antarctica), and virtual hotel tours. We have meta-events using DANCE (data, algorithm, network, cloud, and exponentially improved hardware) and Metaverse (virtual cyber universe). We have virtual reality plus augmented reality to create a more immersive and mysterious experience. Example: a singer performs with animated creatures in an imaginary or illusive place. A flying taxi is coming soon to Singapore. Artificial intelligence will play a major role in hotels and tourism companies to save time, eliminate human error, enhance personalization through information search, and gain a competitive edge. Blockchain is set to transform the tourism industry as each person has a single digital ID and payment systems across tourism will be unified into one system. I have two research questions: 1) What are hotel managers’ expectations regarding the effect of service robots on hotel guests’ perceived service quality, and 2) How would hotel guests differently perceive the quality of services provided by robots and human staff? So, my research objectives were to understand expectations on the future use of service robots and their effect on service quality, and to examine and compare guests’ perceived service quality between service robots and human staff. I conducted two studies, one before and one after COVID-19. The study before COVID-19 found that guests preferred human service, but the study after COVID-19 found that guests preferred robot service due to concerns about sanitation and social distancing. COVID-19 has accelerated the adoption of technology and digitalization. Humans will compete with non-humans for jobs. Technology owners will make money, and unskilled workers will lose their jobs. In conclusion, there will be a redefinition of humans and human ethics, and we will live in a vague border between reality and unreality in a virtual cyberspace. Humans may become emotionless, but

in the hospitality industry, human emotion enhances customer's experiential quality. Therefore, the industry needs more human services as compared to the manufacturing industry.

Hotel ICON Projects II

Chair:

Basak Denizci Guillet, Professor, SHTM, PolyU

Presenters:

Seung Hyun Cha, Professor, Hanyang University

Jinsoo Lee, Professor, SHTM, PolyU

*“The Effectiveness of Interactive 3D Virtual Environments for Pre-Experience of Hotel Rooms”
(Jinsoo Lee, Seung Hyun Cha & Choongwan Koo)*

Many hotels provide virtual previews of their hotel rooms. The purpose of this research is to investigate the reality of photo-based IVE spatial experience in comparison with identical real space. For direct comparison we focus on the special information that represents the space's physical characteristics and impressions. We used a Matterport Pro2 camera to scan the hotel room from seven different locations during the daytime to build a 3D model. The official website of Hotel ICON was used to provide the indirect spatial experience. For the experiment, the original official website was added to two experimental websites. One was without a photo-based IVE but included a floor plan, a high-resolution slide show, and a text description of the room. The other was on an experimental website with a photo-based IVE and a QR code for access to it. The experiment used two groups. One was the IVE Group which experienced the hotel room using IVE. The other was the Conventional Group which experienced the hotel room without using IVE. After experiencing their assignment website, both groups answered a questionnaire which included appraisal of the space and evaluation of the method. Then all participants were taken to the real space, a guest room in Hotel ICON, where they completed a second questionnaire which asked about the accuracy of the spatial information and another appraisal of the space once again. Findings were the IVE Group's overall impression of the room was more similar to the real space, suggesting the IVE photo-based conveyed the impression of the space more accurately than the conventional method because it evokes a more realistic response from the viewers based on a high sense of presence. In addition, we think the IVE method presents the room from numerous perspectives from various viewpoints and head orientations, as opposed to the conventional method which cannot freely navigate space. Surprisingly, the Conventional Group indicated certain physical characteristics, such as room size and cleanliness, were more similar to the real space than the IVE Group. Perhaps this is because the IVE Group suffered from experience overload. Results showed the IVE Group's intention to stay at the hotel was higher. Although all participants rated Hotel ICON's room quality as high both before and after visiting it, the IVE Group again rated it higher in both situation than the Conventional Group. For perceived usefulness, perceived enjoyment, and intention to use, the IVE method was rated higher. For perceived ease of use the Conventional method was rated higher.

Lisa Gao, Assistant Professor, SHTM, PolyU

YooHee Hwang, Assistant Professor, SHTM, PolyU

“Organizing Handwritten Font Style to Connect with Customers”

This is an ongoing research project, so we appreciate your feedback. There is a difference between machine written typeface and handwritten typeface. Positive effects are found in consumer attitude, social media engagement, and satisfaction. Our research includes handwritten font style, perceived warmth, and communal orientation; plus message type and hotel type. We developed several hypotheses. H1a: handwritten (vs. machine-written) messages lead to favorable attitudes among customers with a high communal orientation. These customers are other-focused and have genuine concern for others' welfare. H1b: handwritten (vs. machine-written) messages do not influence attitudes among customers with a low communal orientation. These customers are self-focused and cost-benefit analysis oriented. H2a: in a luxury hotel, handwritten (vs. machine-written) font styles in sustainability messages have a negative effect on perceived warmth. Conversely, handwritten (vs. machine-written) font styles in welcome messages have a positive effect on perceived warmth. H2b: in a budget hotel, font style and message type do not influence perceived warmth. H3: Perceived warmth mediates the interaction between font and message types on consumer attitudes toward a luxury hotel. However, this mediating effect is not observed in a budget hotel. In Study 1, the sample consisted of 125 U.S. consumers who were surveyed about a scenario in which they check into a hotel and receive a message about limiting towel use for the benefit of conserving natural resources. In Study 2, the sample consisted of 245 U.S. consumers who were surveyed about receiving a welcome message from the general manager. The research results supported all of the hypotheses. Font styles are important in the hospitality industry as they appear on logos, packages, menus, welcome messages, and websites. We argue they are better off using handwritten fonts, although there are some exceptions such as sustainability messages for guests in luxury hotels.

Mimi Li, Associate Professor, SHTM, PolyU

“How to Promote a Healthier Dietary Intake for Children? The Application of Psychology Contagion Effect in Menu Design” (Mimi Li & Pearl Lin)

Making dining decision is part of children's consumer socialization process. With the growing number of obese children and their increased frequency of dining out, more restaurants are taking measures to change how they choose their food by favoring healthier items in menu design. New types of asymmetric paternalism, such as psychological contagion effect, are expected to change children's dining decision-making. The objectives of this research are to investigate children's cognition of healthy food intake, understand children's food decision-making pattern when dining out, explore the possibility of applying psychological contagion effect in menu design, and examine the role of attention in the relationship between menu design and consumers' dining decisions. Psychological contagion effect refers to a phenomenon in which a person or object can influence another person or object by touching it either directly or indirectly. Menu research uses eye tracking. A new eye tracking device which can capture real world data of eye movements in complex environments will be used in this study. Methodology for this research will use an online survey, eye tracking, and a questionnaire and interview. The experimental site was the Green restaurant in Hotel ICON. The main study consisted of 16 boys and 14 girls aged 7 to 12 who live in Hong Kong.

Participants wore eye tracking equipment, ordered from the menu, ate their meal, and were interviewed. The eye tracking design consisted of 12 menu items and 6 cartoon characters. Participants were divided into a Regular Group with a regular menu and a Cartoon Group with a special menu of low-calorie items with a cartoon character next to them. Results showed no significant difference between the groups in total ordering time or calorie level of food chosen, although the Cartoon Group did show a different attention pattern. They had more concentrated fixation points in all AIOs, fixation in each AIO, and fixation time rate of each AIO. The Cartoon Group also paid more attention to high-calorie items and may be distracted from the healthy items. The interviews revealed five main factors that may influence children's decision making in restaurants. They are: 1) menu design; 2) children's personality; 3) parenting style; 4) healthy diet cognition, and 5) dining environment. Children are aware of healthy foods. Findings show that consumer socialization theory only partly explains children's dining choices, but parenting style and family education play an important role.

Dan Wang, Associate Professor, SHTM, PolyU

"Determinants of Instant Messaging Use for Communication with Hotels: A Policy-Capturing Study" (Dan Wang & Ksenia Kirillova)

Instant messaging has become part of our daily lives with a spillover from personal use to commercial use. The three most popular IM apps are WhatsApp, WeChat, and Facebook Messenger. Hotel companies use multiple messaging platforms. The research question for this study was what affects the effectiveness of customers IM use in hotels? Our two research objectives were to explore customers' communication needs and communication media used in hotels and identify the factors that influence hotel customers' intention to use mobile IM for communication with hotels. Despite its potential, communication through IM might not always be effective. Study 1 involved interviews with 18 hotel guest in China. It explored hotel guest communication scenarios in real life and identified conditions in which IM was their preferred communication channel. Based on these interviews and existing research, the following hypotheses were developed. H1: Hotel guests are more likely to use mobile IM for non-complex communication. H2: All else equal, hotel guests are more likely to use Mobile IM for non-urgent communication. H3: Compared with task complexity, task urgency is a more important factor in determining guests' use of mobile IM communication with hotels. H4: All else equal, hotel guests are more likely to use mobile IM to communicate with hotels before and after stay, than during stay. H5a: All else equal, hotel guests' use of mobile IM for non-work purposes in daily life positively affects their intention to use mobile IM to communicate with hotels. H5b: All else equal, hotel guests' use of mobile IM for work purposes in daily life positively affects their intention to use mobile IM to communicate with hotels. H6: All else equal, Chinese hotel guests are more likely to use mobile IM to communicate with hotels than U.S. guests. Study 2 involved surveys of 420 participants in China and 415 in U.S. Results were complexity has no effect on IM usage (H1 is not supported), respondents were more likely to use IM apps for non-urgent tasks (H2 is supported), urgency is the biggest factor in IM usage (H3 is supported), intention to use IM during a hotel stay is significantly lower (H4 is supported), effects of prior mobile IM use for non-work and work purposes were positive and significant (H5a and H5b are supported), and country of resident (China or U.S.) has no effect (H6 is not supported). The findings state that hotel guests prefer to use mobile IM to communicate with

hotels when: 1) their communication tasks are not urgent; 2) before and after their stay; and 3) if they often use mobile IM in the daily life for work and non-work purposes.

Basak Denizci Guillet, Professor, SHTM, PolyU

“Online Selling: Moving beyond Offline Upselling in the Hotel Industry”

This topic comes from my interaction with the hotel industry. Upselling is offering customers with an initial room booking the chance to turn in that booking for a superior, more expensive room category. Upselling focuses on increasing the transaction size per customer rather than acquiring new customers which helps to reduce the selling cost. Related terms are cross-selling (selling a different type of product or service), down-selling (going for a lower quality product or services), and upgrading (getting higher quality free of charge). When do you upsell? During check-in (offline by front desk staff), right after booking (online offers), and 3-5 days before check-in (online message). Offline upselling is more secure and private, guest can inspect the rooms, and they interact with the check-in staff, while online selling is digital, less secure and lacks personal interaction. Some hotels use third party companies for upselling. Hotel ICON uses Upsell Guru which allows customers to bid via email on how they will pay for a higher category room. That bid goes from Upsell Guru to the hotel which decides to accept the bid or not. Are online upselling and front desk upselling complementary (positive effect) to each other or are they a substitute (negative effect)? The study objectives were to: 1) explore if online selling programs can provide additional value over offline and traditional revenue management practices, 2) explore if online and offline upselling channels complement each other or are they substitutes; 3) investigate whether there are any patterns based on socio-demographic backgrounds and customer profiles in how hotel customers bid on superior room categories; and 4) introduce an upselling model for the hotel industry that considers the complexities of today’s multifaceted e-commerce environment. My data was from interviewing the Hotel ICON revenue management and front desk teams and 18 other staff from revenue management and front desk teams that use both online and offline upselling; plus online and front desk daily upselling data from multiple hotels and matching it with customer background information. Some main findings were customer email addresses are required for online upselling, customers may get the same upsell cheaper online compared to a front desk offer, online and front desk upselling efforts are not coordinated. At Hotel ICON some months online upselling exceeded offline, and in other months it was reversed, so one is not reducing the other which was a concern for front desk staff earning commissions. What types of customers are more likely to accept online upselling offers? Staff at Hotel ICON thought it was older guests, men, and those with shorter stays. But analysis showed the opposite. Other findings are complementarity exists between online and offline upselling channels rather than substitution. These two channels are not streamlined or aligned, and there is no indication of integration of online and offline selling programs. An omni-channel approach to upselling, borrowed from retail, is suggested for an integrated, seamless experience across multiple devices and touch points wherein hotels monitor their customers journey throughout their experience with your company.

18:00-18:10 Closing Remarks

Kaye Chon, Dean and Chair Professor, Walter & Wendy Kwok Family Foundation Professor in International Hospitality Management, School of Hotel and Tourism Management (SHTM), PolyU

Thank you to all the participants here in Hong Kong, in Mainland China, and in many other countries around the world for your participation in IMPACT2022. This conference was conceived as a way we can communicate with industry on how our research can translate into practice in our industry. The industry is going through many changes, and these changes are reflected in the research we have been conducting. For example, the last presentation by Professor Kim on digitalization. We have been talking about digitalization in the hospitality industry for the past five or six years. Due to the current pandemic, the speed of this transformation has been expedited. At the same time, it is important to note that we are in the hospitality business. So, we cannot neglect that fact. This morning, Professor Buhalis asked us to close our eyes for 30 seconds and what would be our dream travel when we can travel again. I was thinking I have explored many places around the world, so I would like to go back to a travel experience with no technology. It's called nostalgia tourism. In those days everything was provided by humans with human service. I think that can be a niche market. So, we have to think the development of technology is wonderful, but also how we can embrace the very concept of hospitality. The IMPACT2021 conference has again been very successful. We will continue to organize this conference on an annual basis. I hope the 2022 conference will not have to talk too much about the pandemic. Another way we are trying to bridge the gap between academia and industry is by translating our research into a language that is easier to understand. The papers we have written and published in journals are being rewritten for industry and our conference proceedings today are being summarized. All these writings will be put together in a book that will be electronically published and sent to all of you. I want to thank all of the participants, moderators, and panelists who shared their research with us. Furthermore, I would like to thank all of our organizers, especially the eleven senior-year students majoring in Tourism and Event Management who for many months have been planning, budgeting, and promoting IMPACT2021. This conference was put together very well by them, so let's give the students and their instructor, Ms. Pia Kwan, a round of applause. In closing this year's conference, I hope we can see everyone who is online in person next year. Thank you and see you next year.