IMPACT
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Advancing the Frontiers in Hospitality and Tourism Research

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

Hospitality and Tourism Research Centre

Established by the School of Hotel and Tourism Management (SHTM), the Hospitality and Tourism Research Centre (HTRC) is dedicated to bridging the gap between hospitality and tourism theory and industry practice. The Centre is a unique, research-based platform with an expansive network of hospitality and tourism academics from our School and partner institutions, as well as executives from leading industry organisations. The primary research strengths of HTRC are Smart Tourism, Performance Measurement and Management, Tourism Futures and Forecasting also Policy and Planning.

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Preface

To ensure that organisations in hospitality and tourism stay competitive under various social, economic, political and technological constraints, research-based decision making is critical for hospitality and tourism strategists, policy makers and business managers. However, this is not often easily achieved due to various reasons. For instance, the research carried out by academics does not typically reach out to industry practitioners, because the scientific language commonly used in academic journals is not "user friendly" for the industry community. In designing their investigations, researchers seldom consider the involvement of stakeholders which reduces the relevance and impact of the research. Furthermore, there is a lack of interest in academic research amongst practitioners, due to resource constraints. Unlike the high tech and pharmaceutical companies which invest considerable financial resources in research and development, capital constraints prevent hospitality and tourism businesses from making equivalent research investments. The lack of an effective communications channel between academic researchers and practitioners is also apparent. With the support of many industry partners such as the Seal of

Love Charitable Foundation and following the establishment of our very own Hospitality and Tourism Research Centre (HTRC), the School of Hotel and Tourism Management (SHTM) of The Hong Kong Polytechnic University is able to conduct a wide range of research activities to bridge the gap between academic research and industry practice through knowledge transfer.

In this report, we have selected 17 articles from more than one hundred published studies by our faculty members over the past two years and have summarised them in an "industry friendly" language with a view to better communicating our research findings to practitioners. These studies have addressed a wide range of hospitality and tourism issues such as cross-border governance, leadership and employment, prior experience and future behavioral intentions (e.g., smart hotel visits), hotel employees' experience of interpersonal injustice from customers, and contactless service in hospitality. Topics also include firm performance during a crisis, reviewer sentiment disparities over photos versus texts in online communications, reactions towards abusive supervisions, as well as impacts of technology on guest satisfaction and loyalty in luxury hotels. Other topics cover social distancing, trust, and post-COVID-19 recovery, asset-light business model and firm performance in complex and dynamic environments, travel inspiration in tourist decision making, understanding residents' attitudes towards tourists, cross-border acquisitions of hotel companies in emerging economies, and development of smart tourism on the basis of path dependence. We expect that the research findings presented in this volume will provide timely and useful references for decision makers who want to learn about principles and mechanisms applicable to their operations and the factors affecting their businesses success.

Established by the SHTM, the HTRC is a unique, research-based platform with an expansive network of hospitality and tourism academics from our School and partner institutions, as well as executives from leading industry organisations. The HTRC supports academic research for the advancement of hospitality and tourism knowledge on topics of importance to industry performance and the future. The missions of the HTRC include identifying current trends and practices in the hospitality and tourism industry that are worthy of scientific research; actively conducting cutting-edge, high-impact research with a particular focus on knowledge creation; collaborating with hospitality and tourism practitioners to translate academic research into best practices that set the benchmarks for the hospitality and tourism industry; providing policy recommendations for destination governments across the world through evidence-based research; and, last but not least, generating high-quality publications and obtaining external research funding, focusing particularly on public policy and industry collaborative research funds.

As a global centre of excellence in hospitality and tourism education and research, the SHTM serves the industry and academic communities through the advancement of education and dissemination of knowledge. Our School has, over the past four decades, refined a distinctive vision of hospitality and tourism education and become a symbol of excellence in the field. From our humble beginnings as a diploma-conferring department, the SHTM has risen to become one of the largest hospitality and tourism schools in Asia, and amongst the top such schools worldwide. With a strong international team of over 90 faculty members with diverse cultural backgrounds, our School continues to rank among the top hotel and tourism schools in the world, exemplifying our motto of *Leading Hospitality and Tourism*.

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A Model for Cross-border Tourism Governance in the Greater Bay Area

In their recently published article, Jinah Park, Serene Tse, Sherry D. B. Mi, and Haiyan Song of SHTM examine the numerous challenges faced by government and tourism leaders attempting to enhance cross-border governance within the GBA and its eleven diverse constituencies within two systems and three jurisdictions.

Introduction

Cross-border cooperation has initiated links in transport, business, education, research, environment, and tourism. New regional institutions for cross-border collaboration must demonstrate a "functional" demarcation of boundaries rather than a "territorial" orientation. Cross-border destinations also require shared governance mechanisms, such as those in Europe. The Chinese Central Government defines GBA as a "world-class tourism destination" and an "exchange hub for cultures of the East and the West". Developing GBA into an integrated destination without compromising unique aspects of each place is a long-standing goal. Tripartite actions across subregional borders are essential for managing network co-opetition and developing co-branding strategies. The ultimate goal is to build a base of emerging industries and modern service industries that create a globally competitive, world-class city cluster.

The GBA consists of nine cities in Guangdong province and the two Special Administrative Regions (SARs) of Hong Kong and Macao. These constituents share common culture but different developmental trajectories due to the Canton System, British and Portuguese imperialism, and reform and opening-up policies. Although these socio-political differences exert negative effects on bilateral trade, mobility, and tourist flows, they also serve as USPs for novelty-seeking tourists.

GBA development projects have facilitated internal flows of people, goods, capital, and information across borders through increased physical interconnectivity and improved immigration systems. Examples include streamlined procedures at the Passenger Clearance Building in the Hong Kong-Zhuhai-Macao Bridge, the Chinese immigration and customs facility in Hong Kong's cross-border railway station, Macao's immigration building in Zhuhai, and the provision of e-channel services. However, cross-border governance that harmonizes different systems and encourages efficient tourist flows has yet to be developed.

Our study has three objectives. First, identify actors and dynamics involved in the changing configuration of GBA's governance. Second, identify ways to stimulate cross-border tourism collaboration through shared use of common resources. Third, present holistic, long-term mechanisms for the governance of cross-border tourism.

Literature Review

Governance includes interactions among stakeholders to accomplish social goals and increase effectiveness and efficiencies through collaboration. Key factors of effective tourism governance include individual stakeholder involvement, efficiency, performance, high-level cooperation, and acceptance of the tourism organization. Despite their geographic proximity, borders lead to relational distances, institutional incompatibility, and problems aligning institutions at multiple levels. Success in cross-border tourism governance is rare and unpredictable. Prerequisites include institutional similarity, bridging actors, leadership and entrepreneurial capacities, and close relationships. Other factors include collaboration between public and private actors, utilization of public resources, and hosts and guests. Even where neighboring regions are socio-culturally coherent and share historical connections, different institutional actors must be involved vertically, and territorial actors must participate horizontally before cross-border governance can be established.

Methodology

In 2015, GBA was initiated, and in 2017, the "Framework Agreement on Deepening Guangdong–Hong Kong–Macao Cooperation in the Development of the Bay Area" was signed by the National Development and Reform Commission and local governments of Guangdong, Hong Kong, and Macao. In 2019, the State Council issued the "Outline Development Plan for the Guangdong–Hong Kong–Macao Greater Bay Area". GBA spans 56,000 square kilometers and 72 million people. In 2019, its GDP exceeded USD 1.7 trillion (12% of China's total), making GBA the world's 12th largest megalopolis economy. As a megalopolis with a multi-level administrative structure of two systems and three jurisdictions, GBA operates across internal borders. Hong Kong is a supranational destination for Chinese mainland tourists. Tourism flows across the internal border are guided by agreements negotiated between the mainland and SAR governments. Given GBA's unique characteristics and different tourism institutions, a system which incorporates multilateral government interactions is needed. Primary data were collected through interviews with 18 GBA tourism-related government officials, academics, and industry executives. Secondary sources of information (policy statements, blueprints, newspapers) were also collected.

Results and Discussion

While the Commerce and Economic Development Bureau oversees tourism in Hong Kong through the Tourism Commission of Hong Kong (TC) and Hong Kong Tourism Bureau (HKTB), tourism in Guangdong is planned by the Department of Culture and Tourism

of Guangdong Province (DCTG). These differences have led to diverging objectives. Tourism executives expressed concern over diverse cultures, inconsistent policies, and distinct styles of management in GBA collaborations, including land utilization, investment taxation, and different currencies. Academicians in Hong Kong and Guangdong noted a collaborative platform is required. Common awareness of costs and benefits in tourism collaborations functions as contextual factors and underpins cross-border governance.

Local governments initiate and facilitate cooperation in cross-border tourism, while public and private actors are beneficiaries and participants in the policy process. Practitioners acknowledge that alliances among competitors are needed to voice common interests. However, the private sector in different parts of GBA hold diverging views on how to collaborate. In addition to their traditional coordination role, destination marketing organizations (DMOs) within GBA play various roles in collaborative tourism planning. The DCTG, TC, HKTB, and Macao Government Tourism Office (MGTO) are the main governmental organizations responsible for tourism. In Guangdong, tourism is overseen by the Culture, Radio, Television, Tourism, and Sports Bureau of each city. A Guangdong interviewee stated, "the importance of tourism has been pushed back on the priority list". Guangdong's provincial government lays the foundation for GBA's tourism strategy by implementing the central government's decisions and initiating projects by working with counterparts in Hong Kong and Macao. However, GBA's multi-level structure has impeded collective decision-making. A government official stated there are "too many stakeholders and too many bosses".

New cross-border agencies such as the GBA Urban Tourism Association and GBA 9+2 Urban Tourism Market Supervisory Authority assume a coordinating and monitoring role in the overall governance of GBA tourism by serving as a joint platform for tripartite dialogue. A government official stated, "(We) signed a joint supervision agreement on the tourism market of the 9+2 cities…on the principle of mutual benefit. We will establish mechanisms such as joint meetings, study and exchanges, jointly address problems in GBA's tourism market, jointly safeguard rights and interests of tourists and operators, and promote joint supervision of GBA's tourism market".

Prior to the COVID border lockdown, daily passengers between Hong Kong and the mainland (666,700) and Macao (53,300) exceeded 700,000, mostly to south-central Guangdong province. A Macao interviewee stated: If we…work together with partners across the border…this is considered an external

collaboration. Only legal and financial obstacles are large enough to slow down the whole process. I think other (obstacles) such as work ethic and language barriers are far easier to overcome".

Guanxi ("relationship" or "contact") emphasizes the importance of versatile human capital for successful collaborations. In GBA, individuals familiar with language and culture play key roles as negotiators and institutional brokers. A hospitality executive reflected that a "third-culture talent", a person who could transition among Chinese, British, and Portuguese cultures, was in demand.

Successful experience working in teams united by common goals has led to increased trust and reciprocity. Cooperation among tourism authorities has been ongoing since the areas were re-bordered in 2003 to promote GBA as a unified, multi-destination product.

In tourism collaboration within GBA, cross-border common-pool resources, including infrastructure and/or services, would be shared by regional stakeholders by breaking borders between tourism systems. To facilitate shared management of common resources and achieve institutional debordering, governments formulate policies to support an integrated cross-border tourism system such as the 144-hour visa-exemption for tours in GBA.

Optimum resource utilization encourages stakeholders to increase connections across borders. Tourism facilities, services, and attractions become common resources shared by insiders. For example, Hengqin New Area in Zhuhai promotes Hengqin as a hub for nurturing qualified tourism professionals in Macao and Hong Kong. Through vertical-internal and horizontal-external interactions between two departments in Guangdong province and their counterparts in the two SARs, the "Implementation Measures for Hong Kong and Macao Tour Guides and Tour Escorts Practicing in the Hengqin New Area of Zhuhai" was issued in 2020.

Another example is Hong Kong's investment in the Zhuhai airport to enhance aviation interaction within GBA. Past coopetitive relationships in GBA's aviation network resulted in underutilization of Zhuhai's airport. Linking Zhuhai's domestic network with Hong Kong's international reach creates a world-class aviation cluster within GBA.

Since the border lockdowns have curbed the flow of people and halted external collaborations, GBA has become more polycentric and fragmented. Cross-border tourism should create spatial continuity and fluidity in tourism development but also within the public mindset and private sector. Cross-border governance is also important for crisis management.

Shared responses create dependency relations that remain following recovery.

Member cities agreed that a prosperous future awaits GBA cross-border tourism, but discussions with a greater variety of sectors must continue. Most interviewees suggested a new authority within GBA is needed to facilitate cross-border dialogue. They proposed an advisory committee or governmental body of stakeholders from each constituency that would be less political and authoritative, thereby avoiding bureaucratic complications and focusing more on pragmatic tourism marketing.

Although several cross-border efforts have been enacted during the pandemic, interviewees seldom mentioned them. Because China holds a 'zero-tolerance' prevention and control strategy for COVID-19, collaborative cross-border efforts are mostly undertaken when the pandemic situation is stable on both sides. Quarantine-free mobility may not always be possible. Top-down initiatives have focused on public health rather than cross-border mobility, de-prioritizing tourism and greatly reducing its bargaining power. The new authority should negotiate and encourage policy initiatives that combat the pandemic and restart cross-border travel.

Conclusion

Debordering tourism systems can create sustainable synergistic mechanisms across borders and avoid the tragedies of tourism commons. Specifically, it may solve the debate over ideal interregional governance processes: region-building with a common identity and economic, social, and spatial cohesion in the region versus fragmented and multi-scalar governance. In line with 'fragmegration' (fragmentation plus integration), relationships among stakeholders tend to be "separately together" under the central government's political goal of region-building. Local governments and private sector

actors have constructed flexible and efficient cross-border governance networks by fusing local tourism systems. This process contributes to economic efficiency and equity through co-utilization of tourism resources and redistribution of benefits. An integrated tourism system under umbrella planning and branding could be applied in collaborative alliances and in initiatives such as multi-national firms, coalitions, or cooperative marketing strategies.

Practical Implications

Stakeholders' common perceptions of opportunities and challenges across borders form the cornerstone of cross-border tourism governance. Initial policy formulation should enlighten regional stakeholders to cement cross-border governmental collaboration and create opportunities for the private sector to capitalize on shared resources. Institutional reconfigurations not only change the capacity of existing actors to assume leading roles but also involve the emergence of new actors to serve in coordinating roles. A DMO coalition is important for minimizing sectionalism and streamlining tourism activities. However, industry interviews reveal private sector actors are slow to construct a sense of community and external partnerships. More cross-border, public-private partnership projects are recommended to consolidate public resources and private expertise. Supra-regional authorities should adopt more inclusive regulatory interventions; for instance, co-building an open data platform and digital ecosystem. Lessons from the pandemic emphasizing the formation of an integrated cross-border tourism system not only depend on physical connections; they also require all actors to pursue a collective goal. Local participation in designing rules, monitoring strategies, and sanctioning mechanisms is more effective than relying on a powerful external authority with limited day-to-day operational presence.

POINTS TO NOTE:

- GBA is the world's 12th largest megalopolis economy.
- Advances in transportation and information technology spur multi-destination tourism.
- Practitioners acknowledge alliances among competitors are needed to voice common interests.
- Local participation in cross-border governance is more effective than a powerful external authority with limited operational presence.

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An Implicit Leadership Theory Lens on Leader Humility and Employee Outcomes: Examining Individual and Organizational Contingencies

In their recently published article, Xingyu Wang and Qu Xiao of SHTM, Zihan Liu of University of Houston, and Xueqi Wen of Tongji University examine multiple aspects of leader humility and their benefits for subordinates, as well as hotel performance, in post-patriarchal hotel management.

Introduction

Across cultures and religions, humility (humaneness, kindness, and caring) is a virtue. Humility is a socially shaped interpersonal quality, an attitudinal reflection of how one sees oneself in relation to others. It requires meaningful self-reflection and self-assessment of personal strengths and weaknesses which leads to continuous improvement. Humble individuals shift the focus from themselves to others and learn by acknowledging others' strengths. Research places humility in a leadership context for several reasons. First, humble leaders, especially in high positions, are not commonly seen in real life. Leaders are viewed as decisive figures leading subordinates with courage and strength. Second, humility is often linked with lack of self-confidence, shyness, or passivity. Third, although humility is often perceived favorably, leaders perceived as favorable may not be effective.

Hospitality leaders are less likely to be humble due to their workplace setting. Hospitality's labor-intensive nature combined with relatively low education levels among frontline employees gives the impression leaders have no need to humbly ask advice. Facing fierce market competition and fluctuating business conditions, leaders make quick decisions without seeking opinions. Nevertheless, leader humility in hospitality is increasingly important. Facing challenges internally (less attractive salaries, older workforce, younger generations' expectations for perks, high turnover) and externally (digital transformation, escalated competition), hospitality's conventional hierarchical leadership style clashes with current realities.

As hospitality is people serving people, employees must process firsthand information about customer expectations and their positive and negative experiences while competently responding to customer demands. Hospitality leaders must be willing to acknowledge their limitations and learn from employees. Leader humility forms bonds with employees, helps alleviate their job strains (particularly leader-follower relationships), and encourages them to voice concerns. Collaboration across departments and among employees make smooth exchanges of information indispensable for team success.

Evidence confirms positive impacts of leader humility on subordinates' attitudinal and behavioral outcomes (job engagement, voice behavior, job satisfaction, task performance, and workplace deviancy). However, consideration of individual characteristics is necessary to better understand leader humility. Implicit leadership theories (ILTs) recognize the essential role of individual cognition in employees' perceptions of leaders. Individuals' perceptions of idealized leaders tend to reflect their own personalities. This research proposes learning goal orientation influences how subordinates view humble leaders. Specifically, individuals differ in their goal preferences for self-development of work competence, and these preferences comprise individuals' learning goal orientations. Employees with strong learning goal orientations learn from successes and failures and focus on self-development. This allows employees to better appreciate behaviors of humble leaders, as they comply with their values and expectations of ideal leaders.

While conceptualization of ideal leaders is socially formed and context-contingent, expectations are organization-contingent. Similar environments initiate similar leadership prototypes. Our research identifies informational justice as an organizational factor that influences assessments of leader humility. Informational justice is the extent explanations of management decisions are perceived as accurate, timely, and reasonable. Informational justice is perceived daily in frequent interactions between organizational leaders and employees. Given the ubiquity and frequency of leader-follower interactions, informational justice is an important aspect of organizational socialization.

The critical question guiding this research is how individual and perceived organizational factors influence employees' assessments of leader humility and the employees' subsequent job attitudes. Adopting the framework of ILTs, we examine how employees' assessments of leader benevolence following leader humility depend on learning goal orientation as an individual factor and informational justice as an organizational factor. We investigate the impacts of leader humility on followers' affective commitment via leader benevolence. Our findings introduce learning goal orientation as an individual characteristic that influences followers' perceptions of benevolence of humble leaders within ILTs. We identify followers' perceptions of informational justice as an organizational factor that influences followers' assessments of benevolence of humble leaders. We relate followers' perceptions of leader humility to their levels of affective commitment via the underlying mechanism of perceived leader benevolence, a key predictor of job behavioral outcomes.

Literature Review and Hypothesis Development

Leader humility is subordinate-centered leadership. Subordinates trust humble leaders and consider themselves participants. Benevolence is a prerequisite of trustworthiness. When decisions reflect their interests, followers develop affective connections with leaders and build trust. Altruism and loyalty are critical contributors to benevolence. When leaders are perceived as valuing followers' demands and responding to their needs rather than prioritizing organizational goals, perceptions of leader benevolence are fostered.

H1: Leader humility is positively related to followers' perceptions of leader benevolence.

Individual's goal orientation is classified as: (1) learning goal orientation (developing competence via challenging tasks and learning new skills); and (2) performance goal orientation (seeking validation of competence and positive feedback). Goal orientation exerts far-reaching impacts on individual choice of tasks and means and motivations for performing them. It fosters solution-oriented mindsets, seeks learning, and keeps spirits up in difficult times. Learning goal orientation mediates the relationship between different leadership styles and employee outcomes, and it moderates relationships between transformational leadership and feedback seeking and between transformational leadership and reflection.

H2: Followers' learning goal orientations moderate the relationship between leader humility and leader benevolence, such that the leader-follower relationship is stronger when followers' have stronger learning goal orientations.

Informational justice is employees' perceptions of workplace information or explanations as clear, reasonable, and detailed. It is relevant to hospitality because service delivery relies on frequent and intense informational flows among leaders, peers, and subordinates. Hospitality offers followers abundant occasions to assess information. Strong informational justice fosters a leadership prototype characterized by truthfulness and openness.

H3: Followers' perceptions of informational justice moderate the relationship between leader humility and leader benevolence, such that this relationship is stronger when followers perceive higher levels of informational justice.

Affective commitment is employees' emotional attachment to, identification with, and involvement in the organization. It is an attitudinal outcome that influences employee retention and in-role and extra-role work performance and creativity. Well-intentioned treatment provided by humble leaders leads employees to feel obligated to reciprocate by becoming emotionally attached to the organization. To ensure employees are consistently emotionally committed, leaders must prove their attachment to followers, so employees positively assess their intentions.

H4: Followers' perceptions of leader humility are positively related to their organizational affective commitment via the mediating role of leader benevolence.

Study 1 and Results

Data from full-time employees in a major hotel group in China were collected twice, six weeks apart. Valid responses at Time 1 numbered 397 participants, of which 330 responded at Time 2 (83.1% response rate). Time 1 participants assessed employees' perceptions of leader humility using nine items from the expressed humility scale such as "My supervisor admits it when they don't know how to do something." Time 1 participants also assessed their learning goal orientation using four items such as "I like tasks that really force me to think hard." Time 2 participants assessed their perceived leader benevolence using five items (adapted from the benevolence dimension of the trustworthiness scale) such as "My supervisor will go out of his/her way to help me." Time 2 participants also assessed employees' affective commitment using six items such as "I feel like part of the family at my work unit." Hypotheses 2 and 4 were supported.

Study 2 and Results

Study 2 was based on findings from Study 1 for the purpose of: 1) replicating our results in a separate sample of hotel employees, and 2) investigating the moderation of organizational justice as an organizational boundary condition. We collected data regarding leader benevolence at Time 2 and affective commitment at Time 3. Employees from another hotel chain company in China participated in the study three times at six-week time intervals. Of the 280 respondents at Time 1, 233 responded again at Time 2 (response rate: 83.2%), and 209 of them responded again at Time 3 (response rate: 74.6%). At Time 2, participants were asked to evaluated leader benevolence. At Time 3, participants rated their affective commitment. All hypotheses were supported.

Practical Implications

Innovation competition, the knowledge economy, and swift changes in technology mean the hospitality industry is becoming increasingly complex and characterized by volatility, uncertainty, complexity, and ambiguity (VUCA). Leader humility emphasizes drawing on followers' knowledge while acknowledging one's own limitations as a bottom-up leadership style. The global head of human resources for Indian Hotels, said, "Humility is an emotional skill that leaders need to have." He considers humility a criterion for screening leaders. As part of a direct service industry, hospitality employees at all levels work seamlessly to produce and deliver service. Employee interactions with customers and colleagues produce valuable firsthand information input for managerial decisions. Leader humility facilitates information exchange as humble leaders are willing to listen to others and learn, contributing to team cooperation and harmony. Our findings reveal leader humility encourages employees' affective commitment which addresses the industry's high turnover rates.

Humble leaders should consider practices that make them distinct: 1) admitting errors and limits when they are wrong; 2) affirming the strengths of others at work; and 3) seeking advice from others. Some people think humility runs counter to decisiveness and competitiveness. This is a misconception. Leader hypocrites pretend to be humble to make a good impression, but leaders must genuinely practice humility. Leader humility can be fostered by screening tests before hiring or promotion and by mentoring and training programs for existing leaders. Human resources can ask candidates to describe their failures and how they handled them. Candidates unable to recall any failures or provide responses may not be inclined toward humility.

Our findings illustrate followers' perceptions of humble leaders' benevolence are dependent on an individual factor: learning goal orientation. Followers with strong learning goal orientations attributed greater leader benevolence to humble leaders. Learning goal orientation is a desired motivational quality. By using a goal orientation instrument, managers can identify employees with strong learning goal orientations which synergizes with leader humility to promote employees' affective commitment. A strong learning goal orientation can be developed with the goal of making employees aware of their potential for improvement via pursuit of higher goals and constant learning. Training comprises: 1) identifying past learning opportunities; 2) setting learning goals; 3) discussing learning progress and seeking feedback; and 4) sharing learning experience with others to identify learning possibilities.

Our research reveals that assessments of leader humility are influenced by followers' perceptions of informational justice. Employees who perceived greater informational justice described benevolence of humble leaders more favorably. Employees assess informational justice daily, and leaders have discretionary power to advocate for it, making informational justice an organizational factor leaders can foster. Critical to managers' communication with followers is both content and method of conveyance. Managers must provide employees with timely, accurate information rather than lie or hide information. Communication should be constructive conversations rather than decision announcements. Adequate explanations of factors that informed a decision foster employees' understanding and reduce retaliation. Managers must be considerate in their communication, as employees' assessments of interpersonal justice are based partially on their perceptions of leaders' sentiments toward them. Effective communication is sincere, respectful, transparent, and indicative of organizational benevolence. In adverse situations (layoffs, salary cuts), managers should offer all available support. Hospitality leaders should adopt a systematic mindset of leader humility complemented by organizational informational justice along with employees with high learning goal orientation, so optimal employee outcomes are achieved.

POINTS TO NOTE:

- Hospitality leaders are less likely to be humble due to their workplace setting.
- Hospitality leaders must be willing to acknowledge their limitations and learn from employees.
- Evidence confirms positive impacts of leader humility on subordinates' attitudinal and behavioral outcomes.
- Informational justice is an organizational factor that influences followers' assessments of the benevolence of humble leaders.

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Are Prior Smart Hotel Visiting Experience and Personal Innovativeness Critical to Future Visit Intention?

Researchers Huijun Yang and Jieqi Guan of Macao Institute for Tourism Studies, Hanqun Song of University of Bradford, and Catherine Cheung of SHTM take a deep dive into smart hotel technology offerings and how the characteristic of Chinese travelers' effect their visit intention.

Introduction

Hotels support technology innovations which improve business operations and customer experience. They make constant changes and improvements to induce repeat business, resulting in innovation and technology that transform them into "smart hotels". Smart hotels have developed rapidly worldwide, including in China. Flyzoo Hotel, Alibaba Group's first smart hotel, is equipped with smart interactive technologies, including robots and facial recognition. Leyeju launched nine smart hotels by offering an entirely automated stay, featuring robots, facial recognition, and automatic lighting and air conditioning. Up-to-date technology amenities (TA) have been proven to enhance customers' visit intentions (VI). Most hotels facing strong competition use TA to attract customers whose expectations of smart hotels and demands as savvy travelers are increasing.

The Technology Acceptance Model (TAM) has been broadly adopted to investigate customer acceptance and use of technology-related applications and explain adoption behaviors related to hospitality technologies. These include mobile technology, self-service technology, robots, and the direct effects of technology readiness and TA on VI. TAM postulates users' acceptance of new technology is influenced by their intentions to use it which is affected by their beliefs about its perceived usefulness (PU) and perceived ease of use (PEOU). TAM considers consumers' subjective beliefs about the characteristics of technology, although research has largely ignored consumers' individual characteristics. In addition, the moderating effects of prior visiting experience (PVE) and personal innovativeness (PI) on relationships between TA perceptions and VI mediated by the TAM model are less well-documented in smart hotels.

Relationships between TAM and moderating variables include gender and age, cultural values, PU, and technology anxiety. In smart hotels, understanding consumer behavior and characteristics, such as PVE and PI as moderating variables, is essential. This study explores the mediating role of PEOU and PU in the relationship between TA perceptions and consumers' VIs and examines whether PVE and PI moderate the relationships.

Literature Review

PEOU is the perception that using new technology is effortless which is one of the qualities that has the greatest effect on its acceptance. PU is defined as subjective belief that using a particular system will enhance task performance and use of a new technology may be useful for achieving a specific outcome. PI acts as an enabler of user behavior, and cutting-edge TA helps hotels improve guests' experience.

PI, a dimension of technology readiness, plays a critical role in technology adoption. Technology readiness refers to a person's likelihood to use and appreciate new technologies. PI refers to the extent an individual adopts new technologies earlier than other people. High PI guests are more likely to have a positive perception of technological innovations and the ability to overcome uncertainties related to using new technology. Smart hotels may benefit from identifying customers with different levels of PI for more convenient adoption of new technology.

Hospitality is a highly experience-based service setting, and visiting experience matters to customers. Users often feel stressed during their first exposure to technology, and customers' experiences are different at a smart hotel. Given that commercialized smart hotels are currently not popular, the relationship between PVE and VI is critical. Smart hotels utilize a range of technologies that provide customers with amenable and comfortable environments. The integration of contemporary ICT, such as Internet of things, cloud computing, smart devices, and big data, has boosted development of smart hotels which are designed for service automation and efficiency based on employment and integration of cutting-edge technologies such as artificial intelligence, digital devices, information technologies, and robots. Smart hotels implement ICT to increase efficiency and streamline guest interaction with smart technology rather than smart organization.

Hotel amenities are guest services and products that are key determinants of pricing and competitive advantage. Recently, TA are becoming more available and evolving rapidly. Since technology changes rapidly, smart hotels need to develop up-to-date amenities to improve customer experiences and

offer higher levels of personalization. Smart hotel amenities differ from those provided by traditional hotels because customers expect more advanced technology. With their specific functionalities, smart technologies co-create customers' experiences. Smart hotels involve various technologies simultaneously and provide TA with different usage contexts. Many smart hotels are developing a comprehensive approach to TA, namely, free Wi-Fi, touchscreen panels, mobile devices, voice recognition, facial recognition, robots, sensors, VR headsets, and SMART TVs. This study investigates the effect of TA on overall VI in light of moderating effects of customers' PI and with or without PVE.

Hotel guests' positive perceptions of technological applications and TA may significantly enhance their VI. Studies report that PU has an indirect effect on technology acceptance and mediates the relationship between PEOU and adoption intentions. TAM depicts PU as under the influence of PEOU, as PU and PEOU both influence usage intentions. PU and PEOU mediate the impact of external variables on behavioral intentions. When deciding whether to visit a smart hotel, guests are influenced by various features, such as TA. Positive perceptions of TA are effective in forming perceptions of technologies' PU and PEOU. TA, an external variable of TAM, is reflected in consumers' perceptions of PU and PEOU. TAM identifies that consumers' PU and PEOU affect their intentions to adopt new technology and that the effect of external variables, such as TA, on behavioral intentions is mediated by PU and PEOU. These effects lead to the following hypotheses:

H1: The relationship between TA perception and VI is mediated by PEOU.

H2: The relationship between TA perception and VI is mediated by PU.

H3: The relationship between TA perception and VI is mediated by both PEOU and PU.

Prior using experience is a determinant of behavioral intentions, and a stronger link has been found between intentions and technology acceptance for customers with prior using experience. Previous using experience with technology may enhance users' PEOU and PU and behavioral intentions. Consumers' positive evaluation of hotel amenities also influences VI. This study investigates consumers' perception of using TA in smart hotels with prior using experience interpreted as PVE in the hotel. Therefore, the following hypotheses are generated:

H4a: PVE moderates the relationship between TA perception, PEOU, and VI.

H4b: PVE moderates the relationship between TA perception, PU, and VI.

H4c: PVE moderates the relationship between TA perception, PEOU, PU, and VI.

PI has been hypothesized to explain the effects of individual differences in technology innovativeness on new technology adoption which has a strong positive effect on PEOU and PU. PI may moderate the effect of individuals' perceptions of new technology on their usage intentions, and individuals with high PI are more likely to adopt new technology than those with low PI. Therefore, we infer PI may positively moderate the effects of TA perception, PU, and PEOU on consumers' VI. The following hypotheses are proposed:

H5a: PI moderates the relationship between TA perception, PEOU and VI.

H5b: PI moderates the relationship between TA perception, PU and VI.

H5c: PI moderates the relationship between TA perception, PEOU, PU, and VI.

Methodology

Consumers perceptions of seven TA were measured, PEOU with three items, PU with four items, VI with three items, and the PI moderator with five items. The target sample was Chinese travelers in mainland China. Online data was collected via WeChat from May to July 2020. Snowball sampling enabled 50 respondents to forward the questionnaire to 15 "friends", producing 617 valid questionnaires. Researchers selected two groups of participants with hotel stays during the past three years: one group with PVE in smart hotels and one without.

Findings and Discussion

Results supported H1, H2 and H3. They showed TA perception on VI is mediated (negatively) by PEOU possibly because guests want to try advanced technologies (H1), TA perception on VI is mediated (positively) by PU (H2), and TA perception on VI is mediated (positively) by both PU and PEOU (H3). Results supported H4a and H4b, although significant differences exist between guests with PVE and those without PVE. They showed PVE moderates the relationship between TA perception and PEOU on VI

(H4a), and PVE moderates the relationship between TA perception and PU on VI (H4b). Results did not support H4c, as they did not show PVE exerted any moderating effect among TA perception, PEOU, and PU on VI. Results also did not support H5a, H5b, or H5c, as PI did not moderate the relationship among TA perception, PEOU, and PU on VI (H5a), PI did not moderate the relationship between TA perception and PU on VI (H5b), and PI did not moderate the relationship among TA perception, PEOU, and PU on VI (H5c).

Delivery of co-creation of personalized experiences should be provided by using all human senses and to satisfy customers' needs and desires in smart hotels. Unable to fully satisfy customers' desires, the adoption of the current TA might rouse negative feelings. Hotel customers may be dubious about technology offerings or even shun using it, even for those with a high level of innovativeness. To achieve customers' satisfaction, smart hotels should incorporate sensory marketing: sight, hearing, smell, taste, touch, security and impressions. Sensory marketing, defined as engagement within customers' senses and effects on their perception and behavior, is associated with emotional response in behavior intention. Customers' sensory experiences have been neglected in smart hotels; such experiences are likely to generate customers' satisfaction and VI. Smart hotels should apply these senses into the integrated cutting-edge technologies, provide more options with fun and entertainment, and incorporate value co-creation into a customer-centric approach.

Conclusion

Global tourism has been disrupted by a significant decline in hotel occupancy rates due to travel bans and travel restrictions during COVID-19.

Smart hotels gained an edge because consumer confidence was enhanced by providing robotics and other automated technologies. This study examines the relationship between TA perception and VI in smart hotels, specifically considering the mediating roles of PEOU and PU and the moderating roles of PVE and PI. It produces no evidence that PI has any moderating effect. However, direct effects are found between TA perception and VI, PEOU and VI, and TA perception and PEOU.

Hotel operators should consider consumers' PVE in relation to providing TA in smart hotels. Hotels should tailor their smart hotel technologies to different consumer needs, with customization being critical at the early stage of smart hotel development. This approach will guide in designing advertisements with messages that reflect the preferences of consumer segments based on TA and consumers' VI to smart hotels. When targeting consumers without PVE, hotels might advertise the interactional aspects and ease of using smart hotels' TA. For consumers with PVE, hotel operators might enhance their belief in the advantages of TA by highlighting their trustworthiness, reliability, and other advantages. Marketers should consider advertising their smart hotels by highlighting loyal customers' PVE and positive comments. Hotels might also assume their customers are comfortable with using TA, without considering their level of PI, as both high and low types are ambivalent about TA. Since consumers pay more attention to PEOU and PU of TA, this suggests a need to reduce complexity and promote effortless access. Practitioners must recognize the mediating nature of PU and PEOU and put great effort into enhancing the VI.

POINTS TO NOTE:

- Smart hotels refer to hotels that implement ICT to increase efficiency in guest services.
- PEOU and PU are significant mediating variables that affect intentions to use innovative technology.
- PVE moderates the relationship between TA perception, PEOU, and VI and between TA perception, PU, and VI, although significant differences exist between guests with and without PVE.
- PI does not have a moderating effect on guests' technology usage at smart hotels which is contrary to previous research

Yang, H., Song, H., Cheung, C., and Guan, J. (2022). Are Prior Smart Hotel Visiting Experience and Personal Innovativeness Critical to Future Visit Intention? *Journal of China Tourism Research,* DOI: 10.1080/19388160.2022.2064381.

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Beyond the Workday: The Effect of Daily Customer Interpersonal Injustice on Hotel Employee Experiences after Work and the Next Day

Ever have an abusive customer or boss who makes you want to go home and kick the dog, figuratively, of course? In their recently published article, Xiaolin (Crystal) Shi of SHTM and Xiaoting Huang of Shandong University dissect the plight of hospitality frontline employees and provide amazing insights and feasible solutions.

Introduction

Hospitality employees deliver high quality service to meet various customer expectations. However, not all interactions with customers are civil. It is common for frontline employees to receive unfair treatment. Customer mistreatment is a type of interpersonal injustice which requires employees to personally cope with unpleasant situations. Due to the stressful nature of customer-contact encountered by frontline employee, the within-person variability of their moods and attitudes is higher than employees with stable work routines.

Customer mistreatment research has focused on same-domain investigations (work) and discussed how mistreatment affects employee incivility toward customers, job performance, and customer-focused voice. However, these results do not address spillover effects of customer interpersonal injustice on other domains and the duration of these effects. According to spillover theory, employees' emotions and attitudes can be transferred from one domain to another. Therefore, difficult customers can also influence their personal life domain. Our study examines employees' ego depletion as an outcome of customer interpersonal injustice because it consumes employees' personal resources for self-regulation. Ego depletion theory states self-regulation causes ego depletion. The perseverative cognition model of stress suggests spillover effects from one domain to another not only influence individuals' same day emotions but also trigger prolonged stress responses. On days when frontline hotel employees experienced customer mistreatment, they experienced higher levels of emotional exhaustion at home. This study explores spillover effects of daily customer interpersonal injustice on frontline hotel employees' response the next day through ego depletion at the end of the workday and longer.

Abusive supervisors are another source of unfairness at work. Identifying the role of interpersonal injustice from supervisors is important in hospitality, as abusive supervision likely occurs daily in this industry. This study investigates how abusive supervision and customer interpersonal injustice jointly influences employees' ego depletion. It explores self-regulation as a boundary condition at the between-person level. Regulatory focus theory identifies two self-regulatory systems that guide individuals' attitudes and behaviors: 1) promotion focus and 2) prevention focus. Although people's resources become depleted when they perform self-regulation, the extent which daily customer interpersonal injustice affects employees' ego depletion may differ depending on their self-regulatory orientation.

To examine negative spillover, this study had three objectives: 1) to explore the role of daily customer interpersonal injustice in employees' response the next day through end-of-workday ego depletion; 2) to identify the moderating role of daily abusive supervision on the relationship between customer interpersonal injustice and end-of- workday ego depletion; and 3) to investigate the cross-level moderating roles of employees' levels of promotion focus and prevention focus in the daily relationship between customer interpersonal injustice and end-of-workday ego depletion.

Literature Review and Hypotheses

Interpersonal justice refers to perceived justice regarding level of fair treatment experienced during interpersonal interactions. Customers are major sources of (un)fair treatment. Customer interpersonal injustice refers to employees' being treated disrespectfully by customers. Ego depletion is self-regulation which uses limited personal resources (time, energy, concentration) subject to depletion. This reduces employees' capacity to take willful actions (controlling self, making choices). Frontline service employees must regulate emotions and display positive emotions.

Hypothesis 1. There is a positive within-person relationship between daily customer interpersonal injustice at work and employees' ego depletion at the end of the workday.

Events causing short-term stress responses can also trigger prolonged responses with repeated occurrences. Unfair treatment from supervisors and coworkers is linked to employees' rumination (constantly thinking about negative events). Rumination indicates employees' emotional and behavioral reactions can be long lasting. This study examined negative affect and insomnia as next day outcomes which adversely impact job performance. Restorative sleep is linked to proactive goal striving and job satisfaction. Hospitality service workers, who may already have increased levels of anxiety, often perform flexible work schedules, preventing quality sleep.

Hypothesis 2. There is a positive within-person relationship between employees' ego depletion at the end of the workday and their (a) negative affect the next day and (b) insomnia.

Hypothesis 3. Employees' ego depletion at the end of the workday mediates the within-person relationships between daily customer interpersonal injustice and their (a) negative affect the next day and (b) insomnia.

Abusive supervision has substantial within-person variation on a daily basis. It negatively effects hospitality employees' psychological well-being, job satisfaction, and behavioral outcomes. Interpersonal processes which require individuals' emotional and cognitive control involve self-regulation. When experiencing abusive treatment from supervisors, subordinates need to self-regulate their negative reactions. This leads to ego depletion.

Hypothesis 4. Daily abusive supervision moderates the positive within-person relationship between daily customer interpersonal injustice and employees' end-of-workday ego depletion, such that this positive relationship is stronger when abusive supervision is higher.

Individuals' attitudes and behaviors are guided by two self-regulatory systems: promotion focus and prevention focus. Both are motivational, but reasons behind their motivations differ, and strategies and approaches individuals use differ. Self-regulation with higher levels of promotion focus (excitement and enthusiasm) is motivated by satisfying personal goals or job requirements. When promotion focused, individuals' regulatory behaviors match their goals, producing more positive work outcomes and diminishing the likelihood of ego depletion.

Hypothesis 5. Promotion-focused orientation moderates the within-person relationship between daily customer interpersonal injustice and end-of-workday ego depletion, such that this positive association is weaker for employees who have higher levels of promotion focus than for those who have lower levels of promotion focus.

Prevention focus is triggered by need for security and status quo. Looking for security and avoiding negative outcomes triggers emotional exhaustion as the motivation is reactive, not proactive. Individuals with higher levels of prevention focus feel more tension than those with higher levels of promotion focus. Prevention focus is related to anger and anxiety as individuals anticipate possible issues and develop mitigation plans. Individuals with higher levels of prevention focus engage in prohibitive voice behavior which may facilitate ego depletion.

Hypothesis 6. Prevention-focused orientation moderates the within-person relationship between daily customer interpersonal injustice and end-of-workday ego depletion, such that this positive

association is stronger for employees who have higher levels of prevention focus than for those who have lower levels of prevention focus.

Methodology

Full-time employees in guest-facing positions were recruited from two full-service hotels in northern China. Data were collected from July to September 2021. Sample size was 81. Participants took daily surveys for 10 workdays, yielding 810 observations. Participants' regulatory focus was measured using an 18-item scale, including nine items measuring their promotion focus, such as, "I focus on accomplishing job tasks that will further my advancement" and nine items measuring their prevention focus, such as, "I am very careful to avoid exposing myself to potential losses at work". The customer interpersonal injustice study used an 8-item measure to assess unfair treatment participants received daily from customers, such as, "At work today, customers made demands that I could not deliver". The abusive supervision survey used a 5-item scale, such as, "Today, my supervisor made negative comments about me to others." The ego depletion survey used a 5-item measure such as, "Right now, I feel like my willpower is gone", recorded at bedtime. The momentary negative affect survey used a 6-item scale such as, "irritable", recorded upon awakening the next morning. The insomnia survey used a 4-item scale such as, "This morning, I woke up after my usual amount of sleep feeling tired and worn out", recorded upon awakening the next morning. All hypotheses were supported except H5, as the interaction between customer interpersonal injustice and promotion focus was not significant.

Conclusions

This study examined how abusive customers and supervisors influence employees' job and life domains. On days when employees experienced higher levels of customer interpersonal injustice, they had higher levels of ego depletion at the end of the workday, and they negatively influenced employees upon awakening the next day often aggravated by insomnia. On days when employees experienced higher levels of abusive supervision and higher levels of customer interpersonal injustice, the positive influence of customer interpersonal injustice on their ego depletion was stronger. Results indicate a cross-level interaction between employees' levels of prevention focus and daily customer interpersonal injustice. For employees with higher levels of prevention focus, the positive relationship between

daily customer interpersonal injustice and ego depletion was stronger than for those with lower levels. However, the cross-level interaction between employees' promotion focus and daily customer interpersonal injustice was not found, possibly because employees with higher levels of promotion focus adopt more proactive behaviors and inspiring attitudes. Employees' promotion-focused orientation is related to intrinsic motivation and leads to favorable outcomes such as work engagement.

Managerial Implications

Frontline hospitality employees deal with various customer issues daily and the possibility of experiencing emotional stress daily. Recent studies highlight the importance of exploring within-person variations in hospitality employees' perceptions, attitudes, and behavioral intentions (job satisfaction, turnover intention, burnout). It is more important for hospitality managers to take immediate action regarding daily changes in employees' perceptions and workplace events. Our study shows on days when employees are faced with both demanding customers and abusive supervisors, their personal resources are likely to be depleted at the end of the workday. One-time action plans are not applicable to issues which arise frequently. To avoid the detrimental effects of daily customer interpersonal injustice of employees, supervisors should personally deal with demanding guests. Instead of checking employees' well-being and workplace perceptions quarterly or annually, management should conduct well-being surveys frequently to capture their immediate needs. Management should develop formal policies and implement strategies which motivate supervisors to treat all employees fairly. They should also reward such behavior and recognize it in the supervisors' performance review.

Ensuring a positive daily spillover across domains is more important to hospitality frontline employees. Due to non-traditional work schedules, spending longer time at work, and dealing with guest issues, employees' life domain experiences are in danger of being harmed by negative work experiences. This study highlights the importance of caring for frontline employees' life domain, as customer interpersonal injustice affect employees' life domain on the same day and even the following day. To minimize these negative spillover effects, managers should avoid contacting employees during off-hours. Whenever feasible, managers should eliminate scheduling frontline employees for irregular work shifts, such as back-to-back (evening shift one day, morning the next day), non-stop shift (working more than five consecutive workdays), split shift (working breakfast shift and returning for dinner shift. Hotels should develop training programs that help with stress recovery and improved sleep quality and create off-work activities to improve employees' quality of life.

It is important to realize that employees react differently to customer interpersonal injustice. This study showed employees with higher levels of prevention focus are more vulnerable to the detrimental effects of workplace mistreatment. HR could design training and interventions to minimize negative effects of workplace mistreatment for prevention-focused employees who are less proactive than promotion-focused individuals. Organizations could integrate regulatory focus surveys into well-being surveys to inform employees about their own regulatory focus (promotion or prevention). Consultation sessions could also be organized for employees to help them better understand their fit within their workplace and what they should change to increase their person–job or person–organization fit.

POINTS TO NOTE:

- Customer mistreatment is a type of interpersonal injustice requiring employees to personally cope with unpleasant situations.
- Employees' emotions and attitudes can be transferred from work to home.
- When experiencing abusive treatment from customers or supervisors, employees self-regulate their negative reactions which causes ego depletion.
- Ego depletion differs depending on whether an individual's self-regulatory orientation is promotion focused or prevention focused.

Shi, X., and Huang, X. (2022). Beyond the Workday: The Effect of Daily Customer Interpersonal Injustice on Hotel Employee Experiences after Work and the Next Day. *Tourism Management,* 93, 104571.

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Contactless Service in Hospitality: Bridging Customer Equity, Experience, Delight, Satisfaction, and Trust

Contactless hospitality service may sound like an oxymoron, but it is here to stay, and as Fei Hao and Kaye Chon of SHTM discovered in their ground-breaking research on the relationship between customer equity, return on investment, and guest satisfaction within the context of contactless hospitality service, the future looks bright for those who understand it.

Introduction

The COVID-19 pandemic put the hospitality industry on the path to a high-tech and low-touch future. The most significant changes caused by the pandemic in hospitality are customers' concerns for social distancing, hygiene, health, and sustainability. As part of the "new normal", contactless service, which is technology-enabled, touchless, and adaptable, has emerged as an innovative service design. This allows hospitality firms to create the safest possible guest and staff experience, while maintaining high-quality service.

In this study, contactless hospitality service is defined as a contactless and fully disinfected service procedure and environment using a combined package of self-service, robotic services, and internet of things (IoT)-based implements. Contactless service is designed to reduce COVID-19 transmission by avoiding human-to-human contact and reducing surface contact in public areas. Personal contact is substituted with robotic reception, self-check-ins, guest room voice control, robotic delivery, and robotic concierge services. Contactless service is not an invention instigated by the pandemic because many contactless technological modules already existed; however, the pandemic has accelerated their implementation worldwide. A key concern for hospitality practitioners is the unknown return on investment (ROI) for contactless service. Therefore, its potential ROI requires careful analysis due to its cost.

Customer equity is an important aspect of return for marketing investments. Recently, several studies analyzed customer equity in business, service, and marketing. The business world is gradually organizing itself around customers rather than products, and the service industry is evolving from brand-centered to customer-centered marketing. This change calls for a new paradigm that shifts the focus from brand equity to customer equity. Customer equity is based on the philosophy that customers are the main source of current and future cash flows. Therefore, customer equity is used to maximize the marketing ROI and to optimize the marketing budget.

Few studies have empirically researched contactless hospitality service, and none has examined its ROI to provide empirical insights for effective management and marketing. To fill this gap, this study investigates the ROI of contactless service from the customer equity perspective. Its aims are three-fold. First, it proposes a customer equity model of its drivers and consequences and verifies it empirically in a hotel setting. Second, it explores the impact of customers' experience of contactless service on delight and three dimensions of customer equity: 1) value equity, 2) brand equity, and 3) relationship equity. Third, it considers the influence of customer equity on satisfaction and trust of hotels equipped with contactless service.

Theoretical Considerations

The shift from brand equity to customer equity indicates the transfer of focus from goods to services, from product orientation to customer orientation, from transactions to relationships, and from customer attraction to customer retention. As an important aspect of ROI, customer equity plays a significant role in allocating marketing expenditure toward the objectives of sustainable profitability, exploring the relationship between marketing spending and metrics, assessing a firm's value with a customer-focused approach, and improving the productivity of customer relationship management (CRM) platforms. The concept of customer considers the nature of inputs and outcomes in a service encounter, the nature and course of social comparisons, and the causes and possible consequences of equitable or inequitable situations.

Researchers have analyzed customer equity from two perspectives:1) information economics and 2) cognitive psychology. Information economics is an organization-oriented evaluation of customer equity that supports organization-level CRM investment decisions. This perspective defines customer equity as the sum of the discounted stream of cash flows generated from a company's pool of customers. It is also considered the optimal balance between investment in customer acquisition and customer retention. Customer equity, with acquisition, retention, and add-on selling as major components, is measured by customer lifetime value.

This study explores customer equity from a cognitive psychology perspective which is a customer-oriented assessment of the value of a product or service, brand, and company-customer relationship. Customer equity not only positively predicts satisfaction and intent to return or recommend but also effectively improves experience quality and promotes profitability. We conceptualize customer equity as a three-dimensional secondary order construct that comprises: 1) value equity, 2) brand equity, and 3) relationship equity.

Value equity is defined as a customer's objective evaluation of the usefulness of a brand, considering what is given up for what is received. Brand strategy

and customer retention would be meaningless without desirable products and satisfactory services. Quality, price, and convenience are the three major determinants of value equity. The value equity of hospitality services can be increased through active value co-creation and dynamic customer engagement.

Brand equity depicts the overall utility that customers place in a brand compared to its competitors. It indicates the power a brand commands in a market through its name, terminology, sign, and symbol or design, rather than from the product or service itself. Customer-based brand equity embraces two components: 1) brand awareness and 2) brand image. When customers are more familiar with the brand and have more favorable, intense, and unique brand associations in mind, they generate higher brand equity.

Relationship equity indicates the tendency of the customer to stick with the brand, above and beyond their objective and subjective assessments of the brand. It explores methods that tie customers to firms and strengthen the stickiness of their relationship. Firms can improve relationship equity using loyalty, affinity, community co-creation, and knowledge-building. Thus, benign relationships are cultivated and maintained through long-lasting service relationships beyond the transactional motives of immediate purchase, thereby fostering deep psychological commitment and active behavioral involvement.

In hospitality settings, customer equity is an important parameter for assessing business success. Studies have looked at hospitality sectors, including lodging, dining, gambling, and events. Meticulous attention to customer equity contributes to a comprehensive, sustainable, and profitable business model with enhanced satisfaction and loyalty. Brand awareness, physical quality, staff behavior, and brand image are considered sub-dimensions of customer equity.

Existing studies examine customer equity in general service encounters, but there is scant research into the impact of specific service innovation on customer equity. Only one study has considered customer equity as a higher-order, three-dimensional construct, but it has no specific report on higher-order constructs. As most research is focused on dimensions or consequences of customer equity, more research is necessary that considers customer equity's antecedents, dimensions, and consequences in an integrated manner.

Hypotheses

To fill these research gaps, we explore the influence of contactless hospitality service on higher-order customer equity in the hotel sector, with experience and delight as antecedents, and satisfaction and trust as consequences.

The experience of contactless service has the potential to generate customer delight, a blend of joy and surprise derived from unexpected and positive performance levels. Therefore, we propose H1: Customers' experience of contactless service has a significant positive effect on delight.

Pleasant sensory, affective, intellectual and behavioral experiences positively influence customer equity and brand equity in the service industry. Based on equity theory and the spillover effect, we suggest that a satisfying innovative service experience may have a spillover effect on customer equity for the brand. Therefore, we propose H2: Customers' experience of contactless service has a significant positive effect on customer equity.

An increase in delight can add value to customer equity. With increased delight, customers consider the relationship with a hotel to be fair, and the resulting emotional outputs outweigh customer inputs. Therefore, we propose H3: Customers' experience of contactless service has a significant positive effect on customer equity via delight.

Commercial entities are driven by a profit goal. Simultaneously, consumers in the marketplace seek maximum benefit at minimal cost. Delight is emotionally driven, whereas satisfaction is cognitively driven. Consumers expect their preferred or purchased products or services to meet or exceed their requirements, and this creates satisfaction. We suggest increased customer equity can enhance satisfaction. Therefore, we propose H4: Customer equity has a significant positive effect on satisfaction.

Customers' trust in a brand evolves from past experiences and interactions. High customer equity suggests the brand has specific qualities that make it consistent, competent, honest, and responsible, which leads to higher trust. Therefore, we propose: H5. Customer equity has a significant positive effect on trust.

Customer equity plays a vital role in services, as the more prestigious and influential the brand, the more service satisfaction and trust customers have in that specific brand. We suggest a mediating effect for satisfaction that strengthens the positive relationship between customer equity and trust. Therefore, we

propose H6: Customer equity positively influences trust via satisfaction.

Methodology

The Chinese mainland was chosen as the research area for two reasons. First, while this was the first region to suffer from the health risks of the coronavirus pandemic, it has recovered from these losses and also presents a post-pandemic scenario. Second, during the early stages of the pandemic, major Chinese hotel brands introduced contactless services which developed rapidly and were widely accepted. A Hong Kong-based survey company with a sample pool of 5,190,000 people was hired to conduct the survey online. A random sampling of 4,847 Chinese citizens generated 1,537 surveys eligible for further analysis.

Conclusions and Implications

Findings reveal customers' experience of contactless service effectively enhances delight and customer equity and increased customer equity results in a higher degree of satisfaction and trust. They show a spillover effect from innovative services or technology experiences to the emotional and cognitive assessment of the service provider. All hypotheses were supported.

Implementation of contactless service enhances customer equity and experience not only currently but also in the aftermath of the pandemic. Clients demand more secure, engaging, and memorable experiences. Contactless service has emerged as an innovative service design that safeguards customers and staff while establishing stronger interactive and engaging experiences. When hospitality managers aim to improve satisfaction and trust in the context of contactless hospitality service, they should focus on adding value to customer equity. Our

results suggest that to add value to customer equity, management must prioritize optimizing experience.

Human-centric is at the design core for contactless service to provide more memorable experiences and greater customer equity. The service design of contactless service is more than replacing human labor with technology. Hospitality practitioners should systematize and visualize which design opportunities can and should be created. People from different backgrounds and expertise can collaborate in identifying major issues and expectations through distinct service encounters to provide design solutions that use available technology and resources.

Not all hospitality firms are expected to invest in a whole package of contactless services; instead, they may choose certain technologies based on their servicescape. For example, Hilton has implemented digital key and floor plans across its 11 brands in the USA; Bed XYZ created smart contactless rooms where customers use their smartphone to adjust humidity and light, block out background noise, and alter mattress firmness; Robot Alliance uses an F&B service robot to alleviate concern of human contact; and Hotel River developed an autonomous adventure vehicle to provide mobile accommodation and remove human contact.

Hospitality firms can also consider contactless modules, such as thermal temperature measurement; self-service check-in kiosks; touch-free handles, interfaces and room entrances; gesture or voice-controlled elevators with improved air filtration; handrail ultra-violet sterilizers; visual physical-distancing/sanitization cues; cleaning and service robots; new movement flows; and staggered and scheduled usage of fitness centers, spas, and conference rooms.

POINTS TO NOTE:

- The hospitality service industry is shifting from brand equity to customer equity.
- Customer equity is a powerful tool for maximizing marketing ROI.
- Customer equity positively predicts satisfaction and intent to return and recommend.
- Human-centric is the design core for success in implementing contactless service.

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Firm Performance During a Crisis: Effects of Adhocracy Culture, Incremental Product Innovation, and Firm Size

In their recently published article, Breffni M. Noone and Amit Sharma of The Pennsylvania State University and Michael S. Lin of SHTM utilize resource-advantage theory to pick apart how U.S. restaurant firms coped with the dramatic changes that shook the industry during the first eight weeks of the global pandemic.

Introduction

The COVID-19 pandemic had devastating consequences for the U.S. restaurant industry, particularly early in the crisis when governments mandated a restricted business model. This forced operators to re-imagine their product offerings, testing their ability to effectively innovate. Crisis dynamics create a compressed time and space continuum, a context in which innovation could help a firm regain its competitive advantage and market leadership. In this study, we use the resource-advantage (R-A) theory of competitive advantage as our theoretical framework. In R-A theory, innovation is central to gaining competitive advantage in a market. However, the degree a firm successfully engages innovation activity depends on its ability to leverage its various internal resources. R-A theory suggests any competitive advantage gained from incremental product innovation leads to superior performance. The monetization of innovation demands a complex set of interconnected resources for effective diffusion. Thus, when business models change rapidly, we expect the resource advantage large firms have for innovation diffusion will generate a greater return.

Literature Review

Innovation is as an idea, practice, behavior, or artifact perceived as new by the adopting unit. Innovation can be radical (new technologies) or incremental (upgrades or revisions). Research shows radical innovation is rare within the hospitality industry. Business model innovation is normally incremental because it can be implemented quickly and spontaneously in a period of low liquidity. Firms favor incremental innovations when satisfying changing markets in the short term; they are easier to plan and take less time and resources to implement. Our research examines incremental product innovation as it is relevant to restaurant firms' response to the restricted business model induced by the pandemic.

Resource-advantage theory features organizational culture as an important resource. Organizational culture includes values, beliefs, and norms. It has four competing values: 1) hierarchy, 2) market, 3) clan, and 4) adhocracy. Both hierarchy and clan cultures are internal. Hierarchy culture emphasizes control, efficiency, consistency, and uniformity, while clan culture emphasizes collaboration, commitment, and teamwork. Market and adhocracy cultures are external. Market culture emphasizes market share, goal achievement, and profitability. Adhocracy culture has a creative orientation and emphasizes innovativeness, vision, and agility.

While all four cultures can coexist at both firm and unit levels, one or more may dominate. Firm performance depends on how well the dominant culture fits with the external environment. Within environments exhibiting high uncertainty and rapid change, bureaucratic modes of control through market and hierarchy cultures are not effective. Adhocracy culture performs well in a rapidly changing environment because its inherent entrepreneurial thinking and creativity are able to navigate uncertain and unpredictable conditions. The degree a firm successfully engages in innovation activity depends on its ability to leverage internal resources such as adhocracy culture. We suggest that characteristics of adhocracy culture (flexibility, spontaneity, individual initiative, and market responsiveness), position it as a key resource firms can leverage to drive incremental product innovation under crisis-induced change.

While R-A theory suggests innovation activity drives firm performance, a meta-analysis found only a minor correlation. Incremental product innovations alone will not drive superior performance; contextual factors surrounding the diffusion of innovation will also determine its success. Innovation is more successful if it triggers consumers' variety-seeking tendencies, or if a patent precludes competitors from entering the marketplace. Firm size is another contextual factor moderating the degree of incremental product innovation-firm performance relationship in a crisis.

Consistent with R-A theory, the monetization of innovation demands complex, interconnected resources for effective diffusion. A study of environmental innovation found larger firms benefitted financially from innovation driven by regulation or industry codes of conduct, attributing superior performance to lower marginal costs associated with scale economies and more resources to adapt to regulation. This finding reaffirms the thesis that economies of scale and scope positively impact innovation outcomes. When innovation results in a reimagined portfolio, its success depends on building consumer awareness and access. Larger firms have more sophisticated technology systems, distribution channels, and marketing tools to promote and distribute their products. We propose that, under crisis conditions:

H1: Degree of incremental product innovation will mediate the adhocracy culture-firm performance relationship.

H2a: The effect of degree of incremental product innovation on firm performance will be moderated by firm size. Positive effects of degree of incremental product innovation on firm performance will be more pronounced for large firms.

H2b: Firm size will moderate the positive and indirect effect of adhocracy culture on firm performance through degree of incremental product innovation. Specifically, the mediating effect of incremental product innovation will be more pronounced for large firms.

Methodology

In two empirical studies, one qualitative and one quantitative, we probe a model, wherein: 1) incremental product innovation mediates the adhocracy culture-firm performance relationship; and 2) the path from incremental product innovation to firm performance is moderated by firm size. The two studies were conducted from May-August 2020. In Study 1 (qualitative), we tested our theoretical model through in-depth interviews with eight executives about their shift to a restricted business model and the role, antecedents, and consequences of incremental product innovation. In Study 2 (quantitative), we tested our model via a self-administered online questionnaire completed by 140 executives in 38 states within the continental USA.

Study 1 Results

Prior to COVID-19, all firms in the sample were performing strongly, with sales up year-on-year as much as 20%. However, the pivot to the restricted business model dramatically impacted this trend. The implementation of efficiencies, primarily menu paring, and product innovations were central to participants' strategies to adapt their product portfolios and drive sales. Additional considerations included cost of raw ingredients, suitability of menu items for travel, and amount of customer volume required to justify certain items. As sales rebounded for in-restaurant dining, menu items were reinstated. The ability to reinvent and change in response to COVID-19 was critical to survival for all firms. When instituting a takeout/delivery business model, participants developed new products from meal kits and do-it-yourself ingredient boxes to pop-ups and grocery sales. All participants mentioned the impact of innovation on their restaurants' ability to support and connect with the community, something they valued highly.

Adhocracy culture's influence on incremental product innovation was evident. All participants stressed the importance of a culture that values innovation and creativity, and the ability to enact change quickly. Participants from regional and national firms acknowledged the bureaucratic elements but underscored their firms' ability to emphasize innovation and creativity during the crisis. Participants also emphasized how clan culture shaped their firms' approach to the crisis. It underpinned a priority on taking care of the team, retaining as many employees as financially viable, and providing meals for furloughed employees and their families.

Comments across all participants focused primarily on firm size as an enabler of distribution and customer engagement. In terms of distribution, participants mentioned access to technology by firm size for ordering and delivering and minimizing the required effort, time, and physical contact. Participants mentioned technology in communicating with customers and raising awareness of new products. Participants from multiunit operations mentioned advantages of firm size. Access to marketing and public relations tools was underscored by a multi-unit participant. A single-unit participant spoke of challenges educating customers about technology. It was consumer spend, not volume, that restaurant operators were focused on for return on their incremental product innovations. Spend was the metric they could most impact during the early stage of COVID-19.

Study 2 Results

Study 2 focused on degree of incremental product innovation, its role, and firm size, in the adhocracy culture-firm performance relationship during a crisis. Target population for our survey was U.S. restaurant managers and owners. We sought a representative sample of: 1) major restaurant segments (fast/fast casual, casual, and upscale casual/fine dining); 2) single and multi-unit restaurants; 3) franchise and non-franchise restaurants; and 4) restaurants across all continental states. From 310 prospective participants, 140 owners and managers across 38 states qualified. We assessed firm performance from a sales perspective but used average spend per transaction ($0-$200), as opposed to sales performance.

All hypotheses were supported. Our findings suggest adhocracy culture positively, and indirectly, effects firm performance through degree of incremental product innovation, but the magnitude of that effect depends on firm size. Both single- and multi- unit restaurant firms experienced positive effects of adhocracy culture on degree of incremental innovation. However, downstream effects on firm performance were only significant for multi-unit firms. We found the dominance of adhocracy culture was strongly linked to rapid incremental product innovation in response to an unprecedented crisis situation. While dominant adhocracy culture is essential to innovation activity within a crisis, it does not preclude the role of other types of culture in shaping response. Clan culture strongly shaped response in how firms focused efforts towards taking care of employees and supporting the community.

The positive, indirect effects of adhocracy culture on firm performance through degree of incremental product innovation are moderated by firm size. We found resource advantage of larger firms yields advantages in incremental product innovation in terms of building customer awareness of, and access to, a re-imagined product portfolio. This also provides empirical support for the influence of firm size, consistent with the thesis that economies of scale and scope positively impact innovation outcomes. Despite being innovative, firms may lose the benefits of innovative practices if they are not implemented effectively. We found smallness and nimbleness are a better fit during a crisis. Incremental product innovation during COVID-19 was possible without major investment, offsetting the advantage larger firms have in resources. Small firms appear better at generating innovations, whereas large firms appear better at gaining returns from innovation.

Industry Implications

The most crucial implication for industry is adhocracy culture plays a critical role in driving incremental product innovation during a crisis when firms are in greatest need to stay competitive and survive. It behooves restaurant professionals to invest in creating adhocracy culture given the next crisis is always around the corner. This can be achieved in two primary ways: 1) create an environment that allows employees to share ideas, and 2) hire personnel who fit the characteristics of an adhocracy culture (innovative, creative, entrepreneurial thinkers). Onboarding employees with the firm's adhocracy cultural orientation ensures employees understand their role in driving innovation. To reward successful ideas, firms could institute programs that support adhocracy culture characteristics.

In regard to firm size, larger firms have the advantage of resources, but they lack small firms' ability to develop nimble responses. Larger firms need to foster adhocracy culture to overcome innovation barriers, and quickly adapt to crisis-induced change. In terms of incremental product innovation diffusion, smaller firms could, in the short-term, strategically partner with marketing and distribution vendors. A longer-term consideration for small firms could be franchising to gain the additional support and resources.

Our findings suggest that casual and upscale casual/ fine dining restaurants engaged in a greater degree of incremental innovation than fast/fast casual restaurants. Arguably, upscale casual and fine dining restaurants, by virtue of offering greater personalization of products and services than fast food/fast casual restaurants, have a greater opportunity to leverage incremental product innovation practices in a crisis setting. Upscale casual and fine dining operators should capitalize on this advantage.

POINTS TO NOTE:

- In resource-advantage theory, innovation and organizational culture are central to gaining competitive market advantage.
- Adhocracy culture plays a critical role in driving incremental product innovation during a crisis.
- Larger firms have advantage of resources but lack smaller firms' ability to develop nimble responses.
- The ability to reinvent and change in response to crises is critical to survival.

Noone, B., Lin, M., and Sharma, A. (2022). Firm Performance During a Crisis: Effects of Adhocracy Culture, Incremental Product Innovation, and Firm Size. *Journal of Hospitality & Tourism Research,* DOI:/10.1177/10963480221086846.

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Is a Picture Worth a Thousand Words? Understanding the Role of Review Photo Sentiment and Text-photo Sentiment Disparity Using Deep Learning Algorithms

Selfie anyone? In their recently published article, Hongbo Liu of University of Surrey and Hengyun Li, Haipeng Ji, Danting Cai, and Huicai Gao of SHTM examine the modern world of user-generated content to explore the importance and complexities of visual content in online reviews.

Introduction

User-generated content (UGC) contributes to growth in tourism consumption. It plays a vital role in reducing search efforts and mitigating the uncertainties of tourism and hospitality products, as 92% of consumers trust UGC, 83% of travelers derive inspiration from UGC, and 79% of people perceive UGC as a means of informing purchase decisions. Among UGC, the vividness and visual appeal of visual content easily captures users' attention. Facebook posts with photos receive 37% more engagement than those without. The human brain processes visual content more quickly than text. This makes photos more important for consumers in today's overload of sensory input on social media.

Recent advances in technology and mobile devices have increased the number of user-generated photos (UGPs). Visual content is an integral part of consumers' experience sharing; more than 576 million travel-related photos have been posted on Instagram to date. Images provide greater informational, aesthetic, and self-enhancement value than text. Online reviews with visual content improve their authenticity and trustworthiness and are more helpful than text-only reviews: 65% of consumers are more likely to trust products shown in photos or videos.

Research has focused on text and largely ignored photo sentiment and its effects which are essential to understanding consumers' insight, emotions, and expectations, especially for experiential products. Although many researchers have analyzed review text sentiment to uncover customers' opinions and emotions, none has investigated review text–photo sentiment disparity and its impacts. Most related work has studied the utilitarian value of online reviews. Few have assessed the hedonic value of reviews as evaluated via "enjoyment" votes.

This study investigates the impacts of UGPs in online reviews of restaurants in Las Vegas. We examine whether reviews with photo(s) contribute to usefulness and enjoyment. We calculate review photo sentiment and explore its impacts on review usefulness and enjoyment. We test the boundary effects of review photo sentiment by considering the moderating effects of number of photos in a review (richness of visual content) and review text–photo sentiment disparity (lack of congruence). This study also reveals the role of review photo sentiment and the utilitarian and hedonic value of UGPs. It uncovers the boundary effects of review photo sentiment with two moderators: 1) number of photos and 2) review text–photo sentiment disparity. It also investigates textual and visual content interaction in online reviews.

Literature Review

UGPs play a prominent role in consumers' judgements and decisions related to online reviews. The volume of online reviews leads to information overload and causes consumers to rely on peripheral cues, such as images and affect, to facilitate information processing and decisions. Photos are attention-grabbing and easy to comprehend. They reduce the complexity of information processing. UGPs improve online review helpfulness, especially for negative online reviews, lower-priced hotels, and content relevant to review text. Contradictory findings on the roles of photos on review helpfulness include a negative relationship between number of review photos and restaurant online review helpfulness, and lack of a significant relationship between number of review photos and review helpfulness in restaurants. Photo sentiment and moderators, such as congruence between review text sentiment and photo sentiment, should be considered to fully understand UGPs' influence on review helpfulness.

The number of "helpful" votes helps consumers quickly identify the most trustworthy and useful information among numerous reviews and make purchase decisions. Review helpfulness predicts purchase intention, and when reviews are helpful, the number of reviews, review length, and review content have a stronger influence on sales. Online reviews have both utilitarian and hedonic value. Hedonic value focuses on "fun" and "playfulness". To capture hedonic value of online reviews, Yelp.com enables users to assign "funny" and "cool" votes to reflect their perceived enjoyment when reading reviews. Perceived enjoyment plays a core mediating role between stimuli and behavioral intentions. Perceived enjoyment of reviews enhances adoption, and the role of review enjoyment can be more prominent for hedonic products like restaurants. During information searches, consumers have functional needs (information) and hedonic needs (enjoyment). Hedonic aspects of information play an important role in adoption, especially for consumers with hedonic needs. Review enjoyment is critically important for review adoption and purchase decisions for restaurants. It increases consumer engagement with reviews and enhances their persuasiveness.

Research shows review enjoyment is positively related to review helpfulness and can be predicted by review length, review rating, number of photos, reviewer expertise, and explanatory and sensory cues in review text. This study explores the impacts of review photo sentiment on review helpfulness and review enjoyment and how these impacts depend on the number of photos and the congruence between text sentiment and photo sentiment. Including UGPs in reviews improves review helpfulness in several ways. First, UGPs enhance reviews' information richness. Second, visual information is processed distinctively from verbal information. Third, UGPs provide visual proof of textual content and promote online reviews' trustworthiness and persuasiveness. UGPs can also elevate fellow customers' enjoyment when reading online reviews. The number of photos showcasing the physical environment, food, and beverages in restaurants' online reviews is positively associated with review enjoyment. We propose the following hypotheses:

H1a: Online reviews containing photos have a positive effect on review usefulness.

H1b: Online reviews containing photos have a positive effect on review enjoyment.

Sentiment refers to individuals' opinions, attitudes, or judgements prompted by feelings. It is widely used to understand customers' opinions and emotions expressed in online review text. Customer sentiment, whether positive or negative, can positively influence review helpfulness by reducing uncertainty and ambiguity. Photos also help consumers express emotions. Photos can stimulate a mental visualization of the consumption experience. Therefore, photos with positive sentiment are likely to stimulate imagery of positive, pleasant consumption experiences, whereas photos with negative sentiment are likely to evoke just the opposite. We propose the following hypotheses:

H2a: A U-shaped relationship exists between review photo sentiment and review usefulness. Specifically, reviews with extremely negative or positive photo sentiment are more likely to be perceived as helpful than reviews with moderate photo sentiment.

H2b: Online review photo sentiment has a linear effect on review enjoyment. Specifically, with review photo sentiment becoming more positive, the review is perceived as more enjoyable; while with review photo sentiment becoming more negative, the review is perceived as less enjoyable.

The number of UGPs positively affects review helpfulness and enjoyment by strengthening the impacts of their photo sentiment. The number of relevant information cues grows with the number of photos, resulting in greater understanding of the core message. As the number of photos increases, a larger amount of information is available for fellow customers to judge their sentiment (negative, neutral, or positive). This helps enhance understanding of photo sentiment and reinforces certainty in judgement. A greater number of photos and relevant information cues intensify photo sentiment, whether positive or negative. Increasing the number of photos alleviates uncertainty when evaluating consumption experiences that foster perceived review helpfulness when the photos convey positive or negative sentiment. Additional photos expand the quantity and diversity of cues which evoke stronger emotional and aesthetic experiences corresponding to the photo sentiment (negative, neutral, or positive), and immerses customers in the mental imagery of consumption experiences pertaining to the photo sentiment. We propose the following hypotheses:

H3a: The number of photos in an online review can strengthen the curvilinear effect of review photo sentiment on review usefulness.

H3b: The number of photos in an online review can strengthen the linear effect of review photo sentiment on review enjoyment.

Review text and photos both convey sentiment. Text–photo sentiment disparity refers to incongruence between the sentiment of text and photos. Text-photo congruence is positively associated with review helpfulness. It enhances information processing by offering clear and consistent information about the reviewer's attitude towards product. By contrast, text–photo sentiment disparity leads to uncertainty and ambiguity in attitude; thereby compromising the effects of photo sentiment on review helpfulness. It decreases photo trustworthiness due to inconsistent information, thereby weakening the effects of photo sentiment on review helpfulness and review enjoyment. We assert that text–photo sentiment disparity plays a moderating role on the impacts of photo sentiment on review helpfulness and enjoyment. We propose the following hypotheses:

H4a: Online review text–photo sentiment disparity can weaken the curvilinear effect of review photo sentiment on review usefulness.

H4b: Online review text–photo sentiment disparity can weaken the linear effect of review photo sentiment on review enjoyment.

Research Methodology

Yelp, an online review site in the USA was our main data source. Dining is an experience-oriented good, leading consumers to rely on online reviews when choosing a restaurant. Our sample included 300 restaurants in Las Vegas. Review data spanned from January 2005 to February 2021, covering restaurants with different price levels, cuisines, business models, and operation statuses. We gathered 401,269 reviews and 336,092 photos; 105,237 reviews contained photo(s) while 296,032 reviews did not. Review usefulness/helpfulness was measured by a review's number of "useful" votes. Review enjoyment was evaluated by a review's total "cool" and "funny" votes. The number of photos was counted per review. From our dataset, we randomly selected 10,000 photos and recruited 700 workers from Amazon Mechanical Turk to vote on them. Each worker scrutinized 300 photos and voted as much as they wished. Votes indicated their attitudes towards the restaurant and willingness to dine there. Photos received an average of 21 views and 10.02 votes. GoogleNet, a convolutional neural network, was used to further evaluate review photo sentiment. The Bidirectional encoder representations from transformers (BERT) language model was used to analyze review text sentiment.

Discussion and Practical Implications

All hypotheses were supported. Leveraging photos and videos to boost consumer engagement is essential. Consumer engagement with online reviews mainly manifests in review helpfulness and enjoyment votes which play a pivotal role in consumers' information processing, review adoption, and purchase behaviors. Emotions reflected in reviews reinforce consumer engagement. Review sentiment can be conveyed through text, photos, or videos. Consumers increasingly rely on reviews when purchasing experiential products in tourism and hospitality. Photos' effects have become a marketing topic. Our research enables restauranteurs to deepen their understanding of customers' opinions derived from vast amounts of UGC (text and photos). Sentiment is essential for understanding consumers' attitudes and opinions, and UGPs produce initial impressions and efficient messaging. Photos play a major role in perceptions of virtual products. Reviews are real-time, enabling businesses to capture consumers' emotional changes by integrating UGPs in review data analysis. Photo sentiment and text–photo sentiment disparity promote knowledge of market trends and performance management. Online review websites should develop scalable image- and text-processing algorithms to detect the most useful and enjoyable reviews, so consumers can be exposed to more positive reviews and photos. The volume of information on the Internet increases consumers' search costs and challenges managers. A user-oriented image- and text-processing method that recommends the most useful and enjoyable reviews provides consumers valuable feedback and enhances a platform's competitive advantage. The extracted information also allows businesses to efficiently identify consumer and market trends and formulate advertising and development strategies. Businesses should watch for negative review photo sentiment and reviews featuring many photos and high photo-text sentiment congruence, as these reviews can be extremely useful.

POINTS TO NOTE:

- Visual content easily captures users' attention due to its vividness and visual appeal.
- Review enjoyment is critical for review adoption and purchase decisions for restaurants.
- The number of UGPs positively affects review helpfulness and enjoyment.
- Sentiment disparity between review text and photo(s) compromises review helpfulness and enjoyment.

Li, H., Ji, H., Liu, H., Cai, D., & Gao, H. (2022). Is a Picture Worth a Thousand Words? Understanding the Role of Review Photo Sentiment and Text-photo Sentiment Disparity Using Deep Learning Algorithms. *Tourism Management, 92*, 104559.

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It's Not Just the Victim: Bystanders' Emotional and Behavioral Reactions towards Abusive Supervision

In their recently published article, Yitong Yu of SHTM and Yanning Li, Shi (Tracy) Xu, Gang Li of University of Surrey explore the numerous ramifications on employees and organizations of abusive supervisors within the hospitality and tourism industry with insights on how to prevent it.

Introduction

Abusive supervision is defined as subordinates' perceptions of the extent which supervisors engage in the sustained display of hostile verbal and nonverbal behaviors. Bystanders are defined as colleagues who directly know about abusive supervisory incidents, regardless of their position. Bystanders can be co-workers or other supervisors. Although bystanders do not directly experience abusive supervision, they are "secondary victims". Their emotions and reactions deserve attention so organizations can improve their work environment for all employees. No study of abusive behavior has explored it specifically in hospitality and tourism which is noted for its seasonality, high turnover rate, large group of interns and students, and hierarchical structure. Cultural diversity complicates the understanding of abusive supervision. We explore whether Chinese culture influences the impact of abusive supervision on bystanders and the reactions of bystanders to abusive supervision in Chinese tourism and hospitality.

Literature Review

Based on previous research, this study utilized deonance theory, attribution theory, and spillover effects, along with fairness and power distance, to investigate bystanders' emotional and behavioral reactions towards abusive supervision. Several studies have identified factors that can influence bystanders' emotional and behavioral reactions towards abusive supervision: (un)fairness, exclusionary beliefs, and moral identity. In this study, we use reactions such as anger, contentment, frustration, protection, support, and exclusion. Many studies have used "workplace bullying" or "supervisory undermining" to describe how bystanders experience emotional influences that are similar to those experienced by victims. Spillover effect means victim's feelings and emotions affect their co-workers, including bystanders. Spillover effects can also cause work–family conflict, family undermining, tension, and family satisfaction. Negative emotions of victims are likely to influence how bystanders react.

Different from workplace bullying, abusive supervision is limited to the supervisor-subordinate relationship. This hierarchical relationship is associated with power differences. Studies show abusive supervision is closely related to power distance defined as the degree of inequality among people which the population of a country considers as normal. It has been examined as a moderator of abusive supervision from the victim's perspective. In high power distance cultures, such as China, subordinates were less likely to view abuse as unfair. Power distance also weakens the negative relationship between abusive supervision and interactional justice. In addition to victims, power distance also influences bystanders' acceptance, attitudes, and behaviors in regard to abusive supervision. Abusive supervision may be acceptable in workplaces where power distance is high. Power distance also influences how bystanders respond.

In attribution theory, attribution refers to how individuals determine the reason for an event and how they react to it. The three attribution styles for abusive supervision are dispositional, situational, and relational. Victims' attribution style is related to how they perceive and react to abusive supervision. Reasons for abusive supervision influence their performance, particularly productivity, citizenship behaviors, communications with supervisors, and leader-member exchange relationships. When victims attribute abusive supervision to their organization, the relationship between abusive supervision and their counterproductive work behavior increases. Bystanders' attribution of abusive supervision may also influence their emotions and behaviors. Attribution theory is useful for investigating both victims' and bystanders' reactions.

Methodology

This study used in-depth semi-structured interviews to investigate Chinese bystanders' perceptions of abusive supervision over a 9-month period. To begin, convenience sampling was used to identify two informants, one an early career employee at a five-star hotel in Shanghai and the other an experienced HR director of an international hotel chain. Then, snowball sampling was used to identify 120 employees at 22 hotels and 2 tourism companies, of which 29 employees, varying from frontline employees to middle managers employees, participated in the study.

Findings

Previous research indicates two main types of bystanders' emotional reactions: anger and contentment. Our results identified bystanders' emotions as afraid, sad, empathetic, angry, content, and unconcerned. Our results identified bystanders' behavioral reactions as supporting the victim,

avoiding the abusive supervisor, gossiping with colleagues, self-protection, and learning. Our results show important factors influencing bystanders' emotional and behavioral reactions to abusive supervision as trust, power distance, socio-cultural context, tourism and hospitality context, victims' spillover, and bystanders' attribution.

Our findings are consistent with research in which applied deonance theory explained bystanders' anger. Although these emotions were negative for the bystanders, they showed a deontic, supportive attitude towards the victims. Regardless of the negative emotions being internalized or externalized, these bystanders become "secondary victims," as a third party. We also identified a sense of contentment associated with bystanders' exclusionary beliefs.

Although bystanders' emotions with regard to themselves and abusive supervisors were all negative, their emotions with regard to victims varied. Some respondents felt empathy for the victims and anger towards the abusive supervisors. "I experienced that before when I was a newcomer. Nobody can feel good about that. I know she was uncomfortable", and "I'm angry with the supervisor. He shouldn't treat his subordinates in this way." Other respondents agreed with the supervisor that the victim was wrong. "In this department, nobody wants to work with him. I hope he will quit soon." Another respondent viewed the victim as being responsible, a form of situational attribution which contributed to his contentment. "He (the victim) was wrong. He didn't deserve sympathy, and the supervisor just did the right thing."

A neutral emotional reaction – unconcerned - also emerged. This indicates bystanders are neither worried about themselves nor empathetic or exclusionary towards the victims. "How the boss treats him is none of my business." Some respondents considered such incidents normal in the industry. "In the hotel industry, employees are often super busy during working hours. It's common for supervisors to become prickly. Almost every subordinate has experienced that." This industry-specific context influenced bystanders' unconcerned emotions. "I've worked in the hotel industry for years. This isn't a big deal." This finding implies abusive supervision has less impact on bystanders who have become accustomed to it. Often, however, victims' sadness spilled over into bystanders and influenced their sadness. Such spillover effects suggest the impact of abusive supervision does not necessarily originate only from supervisors but also from the victims themselves. Some respondents experienced depression. "People all over the company think he (supervisor) is really making people depressed."

Most supportive behaviors included listening to the victims' abusive experience and comforting them. "I've listened to her … that was the only thing I could do." This is soft supportive behavior. The bystander does not confront the abusive supervisor but comforts the victim without exposing their own attitude. In some cases, bystanders confronted the supervisors and provided strong support to the victims, including voice behavior, which refers to openly stating one's views or opinions about workplace matters, including actions or ideas of others, suggested or needed changes, and alternative approaches or different lines of reasoning for addressing job-related issues. "I've reported it (abusive supervision) to a higher-level supervisor … all colleagues in my team know what I've done."

Bystanders' negative emotions of fear discouraged stronger supportive behaviors. Some participants were afraid of risk associated with being exposed to abusive supervision and wanted to protect themselves. When asked why they offered only soft support, one explained: "If I comment or suggest that the supervisor shouldn't be abusive, the supervisor may be angry with me, then I would be totally screwed." When bystanders were supervised by the abusive supervisor, they were even more reluctant to provide stronger support for fear of being mistreated and decided to protect themselves by remaining silent. "In fact, I really wanted to help her (the victim), but I couldn't … She (the abusive supervisor) is also my boss." Bystanders with a different supervisor are more likely to speak up. "She couldn't punish me. She isn't my supervisor."

China's high power distance embedded in its socio-cultural context cultivates silence regarding unequal supervisor–subordinate relationships. Employees are likely to obey those in a higher position, even if they disagree with them, and accept abuse or unfairness. Our data reveals two types of avoidance behavior: avoiding direct contact with the abusive supervisor and leaving the organization. "He's really dictatorial, and he really doesn't know how to manage a company. I'm determined to leave." Abusive behavior contributes to the failure of talent retention in a problematic workplace. "His behavior makes me feel that the whole company is hopeless."

Another behavior, gossip, emerged. "I discussed it (abusive supervision) with my co-workers." Some participants would not gossip due to insufficient trust. "I won't share this with my co-workers. We aren't that close." Bystanders also exhibited learning behaviors, including the need to work carefully under an abusive supervisor to avoid abuse. "I'm extremely careful when the supervisor is looking at me. I'm afraid they will treat me in the same (abusive) way." Fortunately, a majority of participants learned from the harmful abusive supervision and decided not to commit such abuse when they become supervisors. "I definitely won't do this to my subordinates. I know how this can harm employees …"

Conclusions

This study draws on deonance theory, attribution theory, spillover effects, and power distance. It shows abusive supervision affects not only victims but also bystanders. The complex effects of abusive supervision on bystanders are reflected in the identified range of emotional and behavioral reactions. Going beyond anger or content, we reveal extended emotions: depressed, afraid, sad, empathetic, and unconcerned. The absence of impact on unconcerned bystanders reveals a discrepancy from impacts on victims. Other behaviors of bystanders were identified: avoiding abusive supervisors, leaving the organization, gossiping with colleagues, self-protection, and learning.

Bystanders' reactions can be categorized into five groups corresponding to five key types of workplace stakeholders: 1) victim-oriented, 2) supervisor-oriented, 3) organization-oriented, 4) colleague-oriented, and 5) bystanders' self-oriented. Besides victims' spillover and bystanders' exclusionary beliefs, new factors were identified that affect bystanders' reactions: power distance, socio-cultural context, trust, and tourism and hospitality context. Although bystanders' perception of (un)fairness and their moral identity are influential, these influences may be hidden or suppressed by China's high power distance embedded in its socio-cultural context, and bystanders' responses are not always consistent with their personal feelings. High hierarchy situations amplify the impact of high power distance on bystanders and the prevalence of abusive supervision can influence bystanders to feel unconcerned.

Since abusive supervision negatively impacts not only victims but also bystanders, supervisors should receive training to eliminate abusive behavior and improve the overall work environment. Organizations should focus on helping both victims and bystanders by creating regular activities and opportunities that encourage employees to speak up about negative experiences and emotions and offering counseling to a wider group of employees when abusive behavior is reported. Activities that allow employees to engage in voice behavior, including seeking their feedback on their leaders' behaviors, could also help reduce abusive behavior. Considering the influence of power distance or organizational hierarchy, a policy must encourage employees' voice behavior and protect them from exposure to secondary abuse. Empowering bystanders and encouraging them to stand up for victims is an effective intervention. Organizations should establish policies that protect and improve employees' well-being to reduce turnover. Strategies include sitting face to face in a private and relaxing setting where personal conversation and emotional release are allowed, playing down differences in authority, and listening patiently. These strategies benefit both victims and bystanders by acknowledging their presence and encouraging them to speak up.

POINTS TO NOTE:

- Although not directly experiencing abusive supervision, bystanders are secondary victims.
- In high power distance cultures, such as China, subordinates are less likely to view abusive supervision as unfair.
- Empowering bystanders and encouraging them to stand up for victims is an effective intervention.

Yu, Y., Li, Y., Xu, S., and Li, G. (2022). It's Not Just the Victim: Bystanders' Emotional and Behavioral Reactions towards Abusive Supervision. *Tourism Management,* 91, 104506.

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Redefining Luxury Service with Technology Implementation: The Impact of Technology on Guest Satisfaction and Loyalty in a Luxury Hotel

What types of advanced technology are worth the investment to boost guests' perceived value of their stay in a luxury hotel since both guests and technologies come in a wide variety of flavors? In their recently published article, Hyejo Hailey Shin of SHTM and Miyoung Jeong of University of South Carolina untangle this complex issue and make practical suggestions.

Introduction

Luxury hospitality products/services are expensive, exclusive, and non-essential. Their high quality gives consumers prestigious and symbolic values. Although luxury travel constitutes only 7% of international tourism, it accounts for 20% of total spending. Despite implying exclusivity, luxury travel is one of the fastest growing tourism segments, as many non-rich travelers consider hotels an affordable luxury. Researchers and industry professionals show interest in luxury hotel guest behavior and focus on their motivation for staying at luxury brands, factors affecting satisfaction, and preferred services and amenities. While Baby Boomers are the key target segment for luxury travel, Millennials accounted for half of all international luxury travel in 2018.

Luxury hotel brands are satisfying key target markets and enriching guest experience by launching advanced technologies which offer more reliable, guest-centered, and personalized services at their convenience. This achieves operational goals and retains customers. Marriott Hotels launched AI voice assistant technology in their guestrooms so guests can control their rooms. AI-based chatbots and augmented reality (AR) and virtual reality (VR) have also become common. Four Seasons offers instant chat services 24/7 via chatbot. Marriott allows guests to use their smart devices to personalize their room with an AR art gallery featuring 18 artists.

How hotel guests' psychological and behavioral outcomes are affected by technology in luxury hotels is under-explored, and few studies have identified how guests perceive technology in conjunction with luxury. Technology is generally perceived as functional rather than exclusive and prestigious which conflicts with the notion of luxury. The primary reason hotel guests use technology are to request services. The unique characteristics of luxury hotel guests raise the question of whether technology is perceived as a vital tool for their experience, as it is not evident whether technology is imperative to improve the hotel's value. Luxury brands need to understand how technology affects guests' holistic assessment of products/ services compared to their investment. In the worst-case scenario, luxury guests may perceive digitalized services as insufficient, decreasing their perceived value compared to the value paid for the hotel, resulting in dissatisfaction.

It is crucial to identify the main roles of technology in luxury hotel brands by answering the following questions: Is technology just a tool for facilitating guests' task performance? Is technology an extension of symbolic and prestigious brand extension? Is technology considered imperative for luxury hotel guests' stay? This study examines the impact of technology on the psychological and behavioral outcomes of luxury hotel guests and investigates the perception of technology on their perceived value enhancement, satisfaction, and loyalty from two perspectives: 1) TTF, the degree to which technology facilitates guest tasks (task-technology fit), and 2) LTF, the extent technology supports a luxury hotel's brand image (luxury-technology fit).

Literature Review

Many hotel brands, including luxury ones, introduce advanced technologies to secure their competitive edge by providing quality services. Although a key characteristics of luxury hotel brands is superior interpersonal service, luxury brands have launched digitalized services to capture growing guest demand and enrich their experience. As younger tech-savvy travelers become a key market, technology has become necessary, including advanced technologies which offer efficient services, convenience, and enhanced hygiene.

Many luxury brands use guests' smart devices to provide higher security, seamless check-in, and other services. Four Seasons and Ritz-Carlton use mobile apps to facilitate various guest services and amenities. The four-diamond Woodmark Hotel and Spa launched keyless room entry via mobile devices. InterContinental and Hilton Hotels created smart rooms by adding voice-assistant technology through smartphones or in-room technologies. Marriott Hotels embedded touch-sensitive technology in their shower doors which transmits data to guests' tablets to help capture creative ideas. Seattle's Hotel 1000 equipped doorbells with temperature sensors to notify employees of room status. Several brands installed automatic temperature detect systems to maintain the most pleasant settings. Ecclestone Square Hotel applied touch sensors, digital concierge services, and smart glass technology that changes the shower booth from opaque to transparent with a button click.

Although many luxury brands have been adopting technologies, little has been discovered about how luxury guests perceive them in terms of value enhancement, satisfaction, and loyalty, except for expectations of functionality and enhanced experiences. Employees' attitudinal and behavioral aspects are key components of the luxury hotel

experience, but technologies are unable to display proactive, professional attitudes which enhance perceived value. It is difficult for luxury brands to gauge which technology features enhance their perceived value. Luxury guests' perceived value enhancement leads to positive cognitive dissonance feelings which improves satisfaction and loyalty. Increasing loyalty increases revenues because luxury spending is much higher than other segments. This study examines how luxury hotel guests' perceived value enhancement, satisfaction, and loyalty are influenced by TTF and LTF. The following hypothesis was developed:

H1: Perceived task-technology fit positively influences luxury hotel guests' perceived value enhancement.

When luxury brands launch a new product, consumers judge whether they match the brand image. If perceptions toward the parent brand are favorable, their evaluation of the new product is positive if it is a good fit (improves performance). The fit is critical because the prestigious and exclusive image of luxury brands is a key motivator for purchase behavior, and attitudes toward a luxury hotel are negatively affected by incongruence between the hotel's brand image and its product attributes. Misfits create negative cognitive dissonance feelings which leads to disappointment and dissatisfaction. In this study, LTF is defined as the degree to which technologies of a luxury hotel match the hotel brand image. The following hypothesis was developed:

H2: Perceived luxury-technology fit positively influences luxury hotel guests' perceived value enhancement.

Value is multi-dimensional and encompasses various aspects (hedonic, utilitarian, and social-psychological dimensions). In this study, value is a luxury guest's overall evaluation of the products/services based on their perceptions of what they received versus what they paid. Value enhancement is the degree of value perceived by luxury hotel guests using technology in luxury brands. In balance theory, individuals change or reinforce their perceptions for consistency. If guests have a satisfying experience, they keep their positive attitude. Guests' perceived value enhancement has a positive impact on satisfaction, and their perceived service quality positively influences their attitudes and behavioral intentions.

Satisfaction occurs when the perceived value of a product/service exceeds expectations. Loyalty is a consumer's favorable attitude toward an organization and intention to purchase repeatedly and recommend

to others. When consumers are satisfied with a service (technology), they have a positive attitude toward the brand which maintains their balanced attitude. Satisfaction is a key antecedent of loyalty which is vital to long-term success. The following hypotheses were developed:

H3: Perceived value enhancement positively influences luxury hotel guests' satisfaction with the luxury hotel brand.

H4: Luxury hotel guests' satisfaction with the luxury hotel brand positively influences their loyalty to the brand.

Consumers' technology readiness (TR) significantly influences their adoption of technology and post-evaluation, including satisfaction with luxury services. TR is a significant moderator in the relationships between hospitality technology and post-evaluation. All four dimensions (optimism, innovativeness, discomfort, insecurity) are key aspects of TR. This study focuses on optimism, the guests' positive perspective toward technology that provides them with enhanced performance. Optimism positively influences trust in online platforms, thereby leading to satisfaction. Optimism moderates the impact of TR applications' usefulness on satisfaction. The following hypotheses were developed:

H5: Luxury hotel guests' degree of technology optimism moderates the relationship between TTF and value enhancement.

H6: Luxury hotel guests' degree of technology optimism moderates the relationship between LTF and value enhancement.

Methodology

This multi-stage, scenario-based study was conducted in the USA in 2020 using an online self-administered survey with 312 respondents. To begin, respondents named three keywords that describe luxury. Then, they were provided a definition of luxury and luxury hotel brands and a list of exemplary hotel brands. Next, they were asked whether they had stayed at a luxury hotel in 2019. Those who had selected the brand from a list adopted from the STR Chain Scale. If their hotel brand was not luxury, they exited the survey. If respondents had not stayed at a luxury hotel recently, they were asked whether they were planning to do so. Respondents without plans, or who chose a non-luxury brand, exited. Next, respondents were asked whether they were luxury travelers, and if so, their motivations. Then, they imagined they were staying at their selected luxury brand and asked if they perceived it as luxury,

which technologies they had used, and whether they preferred technologies or humans.

Results

All hypotheses were supported, although H5 was only marginally supported. Keywords respondents gave to represent luxury mostly related to opulence (rich, expensive), followed by sophisticated and high-quality services (elegance, grandness) and exclusivity (royal, exclusive). Top motivation to stay at luxury hotels was benefits (sophisticated products, exceptional services), followed by aesthetics, appeal, and self-indulgence. Human staff was preferred (67.6%) because guests feel more cared and respected. Over 40% of respondents who preferred technology liked its high performance (efficiency and accuracy). Some respondents (15.5%) disliked unnecessary human interactions, while others (7%) thought using technology looked luxury, unique, and trendy.

Conclusions and Implications

Marketers find it problematic to satisfy various segments' technology interests with general approaches. The luxury market has struggled with identifying whether new guest service technology enhances perceived value because of its unique characteristics and motivations. Technology in a luxury hotel is not only a tool for facilitating consumers' task performance but also an extension of its prestigious brand image. Results suggest luxury hotels should offer in-person services to enhance the guest experience and provide technology for those who need it.

This study shows LTF has a major effect on luxury hotel guests' perceived value enhancement.

Technology in luxury hotels should be unique and high-end, adding value and representing their exclusive image. Luxury brands must consider whether new technology has a consistent image with their luxury image and increases guests' perceived value, leading to satisfaction and loyalty. If a luxury brand has a modern and contemporary image, more advanced technologies (face recognition or smart room) would be a good fit. Hotels with a modern and stylish luxury image, such as W, might implement cutting-edge technologies (smart room with automatic control system personalized for the guest). However, if a luxury brand has a traditional and human-oriented image, the latest technology would be a misfit between image and technology. Luxury brand executives can create higher value by identifying their brand image and designing technology that fits, while keeping in mind most luxury guests prefer human-staff interaction over technology-enabled services because they receive more attention and respect.

Luxury hotels should ensure technologies are aligned with the tasks consumers want to perform. When updating their brand mobile app, rather than focusing only on design esthetics, the app should include all key functions customers want to perform with it. Results indicate consumers' perceived value enhancement positively influences their satisfaction with the brand, which affects their loyalty. The moderating effects of optimism were found in the relationship among TTF, LTF, and value enhancement, indicating consumers' technology optimism affects their perceived value enhancement. Luxury hotels should consider consumers' technology optimism when they conduct marketing analysis such as segmentation, targeting, and positioning.

POINTS TO NOTE:

- Human staff were preferred because luxury guests feel more cared and respected.
- Respondents who preferred technology liked its high performance.
- Advanced technologies are good fits for luxury brands with a modern, contemporary image.
- Perceived value enhancement positively influences satisfaction with luxury brands.

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Social Distancing, Trust, and Post-COVID-19 Recovery

Like all customers during the COVID-19 era, hospitality guests are concerned about health risks and appreciate businesses which implement measures, such as social distancing. In their recently published article, Yoo Rim Kim and Anyu Liu of University of Surrey reveal how to build trust among potential customers and enhance their purchase intentions.

Introduction

The COVID-19 lockdowns and containment measures (social distancing) decreased people's ability and willingness to travel, paralyzing every tourism and hospitality industry segment. As deaths and infections decreased, lockdown measures were lifted. Businesses gradually opened in compliance with government guidelines and rules on health and safety and social distancing measures where appropriate. Studies on COVID-19 and tourism shed light on the pandemic's influence on economic growth, society, and recovery, while health scholars investigated people's reactions to social distancing measures based on their risk perception to the pandemic and their health. However, the influence of risk perception and social distancing measures on customers' purchase intentions has been overlooked with even less focus on the relationship between social distancing measures and purchase intentions. This study investigates the impact of social distancing as a consumer's level of perceived risk on purchase intentions in restaurants and hotels post-lockdown.

Literature Review

Perceived risk is used to explain consumer behavior during crises. The Health Belief Model (HBM) is widely used to examine determinants of positive health behaviors, as people are more likely to adopt positive health behaviors when they are susceptible to negative outcomes, understand benefits of health behavior, or barriers to implementing health behaviors are weak. HBM confirms that perceived risk determines people's health behaviors. In tourism research, the Theory of Planned Behavior (TPB) is used frequently to examine impacts of perceived risk on travel intentions, such as during pandemics. In making decisions during epidemics, crises, and disasters, TPB is used to understand consumers' purchase intentions when the economy is unstable. Identified determinants, including attitude, perceived behavioral control (self-efficacy, self-risk), and subject norms, have confirmed the effectiveness of TPB determinants during COVID-19, specifically on intention to travel.

Studies comparing HBM and TPB indicate considerable connections. Perceived risk is a determinant of behavioral intentions in HBM, whereas perceived behavioral control determines intentions in TPB. Rational people with high-risk perceptions take precautionary actions because they believe such actions are effective, and they are capable of undertaking them (self-efficacy). This suggests the presence of social distancing measures, a perceived behavioral control, reduces perceived risk and influences people's behavioral intentions. In this research, behavioral intention is the guest's intention to purchase a meal at a restaurant or book a room at a hotel during the post-lockdown COVID-19 era. The proposed impacts of social distancing measures (a proxy for lowered perceived risk) and trust on purchase intentions at hospitality businesses postulates that expectations about outcome of a given behavior influence the intention to undertake a behavior as suggested in the HBM and TPB.

Hypothesis 1: The practice of social distancing measures can increase the purchase intention of customers in the hospitality industry.

Trust is a key enabling factor in uncertain environments or situations. With the uncertainties and anxieties of COVID-19 and consumers' fears towards leisure and economic activities post-lockdown, it is critical for service providers to deliver trust to increase purchase intentions, such as with information transparency and brand equity. Service exchanges, especially in human encounters, rely heavily on trust because the intangibility of services creates uncertainty and perceived risks. Service providers who practice social distancing lower perceived risks and increase levels of trust in providing quality services, significantly affecting consumer's purchase behavior. There is minimal research on the role of risk on trust. Yet, perceived risk is a necessary determinant of trust for service providers. Since behavioral intention is influenced by risk perception and degree of trust, service providers perform well under circumstance of uncertainty.

Hypothesis 2: Trust in targeted hospitality service providers positively mediates the impact of the practice of social distancing measures on purchase intention.

Self-efficacy refers to people's willingness or belief that behaviors or actions can be controlled with confidence and competence. Perceived behavioral control depends on a person's level of self-efficacy which leads to high concentration on the task and promotes engagement of new actions and behaviors. This highlights the crucial role self-efficacy plays in the likelihood people will engage in prevention behaviors, such as social distancing. When people are confident and believe they are competent to behave a certain way under uncertain circumstances, such as post-lockdown COVID-19, and can purchase products/

services they want from a provider, then they are more likely to trust the provider and make the purchase. A trusting belief is when the other party has one or more characteristics deemed beneficial. This implies the more positive perception and attitude consumers have towards a provider, the more likely they are to trust that provider. Trusting the service provider when practicing social distancing measures in their restaurant or hotel, which lowers perceived risks, can be significantly influenced by the customer's level of self-efficacy.

Hypothesis 3a: Self-efficacy positively moderates the relationship between social distancing measures and trust.

Risk tolerance is an individual's capacity to accept risk and the level of knowledge regarding a situation. According to HBM, being motivated to protect depends on threat severity or risk anticipated from negative consequences, personal vulnerability, and ability to take preventive measures. Normally, informed people take fewer risks, and knowledgeable people have higher levels of risk tolerance. If consumers know a service provider is practicing social distancing measures, their level of perceived risk will be lower which increases their level of risk tolerance and high-risk behaviors.

Hypothesis 3b: Risk tolerance positively moderates the relationship between social distancing measures and trust.

Promotion offers are strong incentives for attracting consumers, and they increase sales values, especially for business recovery. Previous service failure studies used various discounts and reimbursements (price reductions, coupons, and vouchers) to experiment on consumer behavior towards service recovery. Direct effects of promotional offers on purchase intentions have been studied widely in tourism and hospitality. Price promotion provides a monetary gain, which incentivizes consumers to purchase the product and is clearly understood. However, knowledge of how promotional offers indirectly strengthen customer's purchase intention, especially in post-crisis and business recovery, is limited.

Hypothesis 4a: Cash promotion positively moderates the relationship between social distancing measures and purchase intention.

Hypothesis 4b: Non-cash promotion positively moderates the relationship between social distancing measures and purchase intention.

Study Overview

This study consisted of two phases. Phase 1 investigated differences in purchase intentions when social distancing measures are implemented or not. UK was the setting because it had the eighth highest confirmed COVID-19 cases, over 4.53 million and 152 thousand deaths. Different scenarios based on social distancing measures and promotion strategies were developed. Residents 18 and older who had dined in a restaurant or stayed in a hotel for leisure purposes in the past 12 months were eligible for the restaurant/hotel survey conducted from May 28 to June 17, 2020.

Phase 1: Impact of Social Distancing Measures on Purchase Intentions

"I am willing to go to this restaurant/hotel" measured purchase intention. The presence of social distancing measures at the restaurant or hotel was randomly manipulated in two scenarios which encouraged participants to consider visiting the targeted restaurant or hotel. Sample size was restaurant survey (111) and hotel survey (109). The only difference between the two groups was their practice of social distancing. Even post-lockdown, social distancing in the restaurants and hotels causally enhanced the purchase intentions of potential customers.

Phase 2: The Moderated Mediating Effect of Trust

Two surveys were conducted: restaurants (421 respondents) and hotels (377 respondents). Measurement of trust consisted of nine items of dyadic trust extended into the hospitality context. They covered reliability, integrity, and confidence and were selected to measure trust to targeted restaurants and hotels. In this study, research is related to COVID-19, and, thus, the scale of self-efficacy focuses on beliefs of respondent's capability to deal with health risks. Similarly, the scale of risk tolerance is employed from medical care research.

Significant differences between the presence and absence of social distancing on purchase intention are observed in restaurants, but no difference was found across different promotion strategies. Results suggest variation of purchase intention is mostly explained by different practices of social distancing measures. The influence of promotion strategies on customers' behavioral intentions in the post-COVID-19 period is less effective than in pre-COVID-19. Thus, implementation of social distancing measures is more effective for hospitality to reboot the market after the lockdown is lifted.

There is significant moderating effect of risk tolerance on trust in targeted restaurants and hotels. When social distancing measures are absent, customers with higher risk tolerance have more trust. Regarding the moderating effect of self-efficacy, although interactions between self-efficacy and social distancing measures are significant, the main effects are not. This indicates self-efficacy enhances the impact of social distancing measures on trust, but its magnitude remains unclear.

Social distancing measures have a positive impact on trust. Social distancing has a significantly stronger influence in restaurants than in hotels. Social distancing measures also have a stronger impact on the direct relationship with purchase intention in restaurants than in hotels, but the relationship is only significant in the former. Trust has a significant impact on purchase intention in both sectors, but the difference is not significant. Thus, a partial mediating effect is observed in restaurants and a full mediating effect in hotels.

Discussion

Findings suggest Hypothesis 1 is supported for restaurants but rejected for hotels. Hypothesis 2 and 3b are supported, while Hypothesis 3a and 4a and 4b are rejected.

Trust partially mediates the impact of social distancing measures on the purchase intention in restaurants but fully mediates the impact in hotels. Compared with hotels, restaurants are more crowded and involve more human interaction which implies higher perceived risks. Thus, the influence of social distancing on trust and purchase intention is statistically larger compared to hotels. Risk tolerance positively moderates the effect of social distancing on trust, indicating that even without social distancing measures, customers with higher risk tolerance have stronger trust in restaurants and hotels. Although significant moderating effects were observed on

self-efficacy, their magnitude needs further research.

Promotion strategies did not have significant moderating effects on purchase intention which differs from previous research. This means that when the hospitality market reopens, customers will have more concerns about the health and safety of service providers than promotion offers. From an economic perspective for normal products/services, cheaper prices are always preferred. Our findings are not contrary to economic principles, but they suggest social distancing measures are more important than monetary advantages post-lockdown.

Conclusions

The practice of social distancing measures after the lockdown policy was lifted was necessary to increase customers' purchase intentions as it lowered perceived (health) risks. The more important and effective strategy to recover from the pandemic was building up customers' trust to the business. Although social distancing measures were present in all UK restaurants and hotels, information regarding safety and health measures should be delivered to potential customers by organizing virtual marketing activities or advertisements and using digital tools to effectively communicate and deliver trust and increase their level of risk tolerance. Although the effect of social distancing measures overrides promotions, promotion strategies are effective for customers in loyalty programs or already familiar with the restaurant or hotel. The Eat Out to Help Scheme launched by the UK government in the summer of 2020 is an example of practice to recover the industry by directly subsidizing the bills of customers. For customers who have already built up trust, promotions can attract them back post-lockdown.

POINTS TO NOTE:

- Customer trust of service providers which ensures social distancing increases purchase intention.
- Even without social distancing, guests with high risk tolerance have sufficient trust.
- Social distancing measures are more effective than promotions to reboot hospitality.
- Promotions can still be effective for guests in loyalty programs.

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The Asset-light Business Model and Firm Performance in Complex and Dynamic Environments: The Dynamic Capabilities View

Asset-heavy with ownership control or asset-light with management flexibility? Which is the better option, and is the pendulum still swinging from one side to the other? In their recently published article, Kwanglim Seo of University of Hawaii, Jungtae Soh of Pennsylvania State University, and Linda Woo and Sung Gyun Mun of SHTM address the complexities of hotel ownership and management using cutting edge concepts and business models.

Introduction

Over the past decades, lodging firms have increasingly moved toward an asset-light business model (ALBM). This allows them to expand through management and franchise agreements. In the early 1980s, lodging firms expanded primarily using an owner-operator business model. Although capital was tied up in illiquid fixed assets, owner-operators benefitted from superior control of business, property value increases, and more favorable terms from lenders when using their fixed-assets as collateral. This strategy works when hotels generate sufficient revenues to cover financing costs and operating expenses.

However, an asset heavy business model (AHBM) is less flexible in responding to fast-changing business environments. Asset-heavy lodging firms relying on external financing struggle during economic downturns due to fixed operating and financing costs. During the recession of the early 1990s, Marriott's heavy reliance on real estate development battered its bottom line because large interest and depreciation expenses constrained its operational flexibility. ALBM allows more flexibility because it utilizes internal resources (franchise and management experience from different regions and environments) and external resources (finance, skill, knowledge of franchisees and independent local owners) from franchise and management contracts.

Since the 1990s recession, major international lodging firms have led the shift to ALBM. According to Smith Travel Research (STR), in 2019, approximately 80% of total branded rooms worldwide were franchised by the top 5 lodging brands. Firms which embrace ALBM achieve steady cash flow from management and franchise fees, strong profitability, and greater returns without significant capital investments. Despite consensus that asset-light strategy is beneficial, empirical evidence is inconsistent. The positive relationship between asset-light/fee-oriented strategy and operating profitability and company value suggests ALBM improves financial performance. However, ALBM has limited impact on long-term performance. Mixed findings imply an asset-light strategy is questionable. More importantly, its effect on firms' core business operations has not been directly examined. We argue ALBM's effect on performance is determined by environmental factors (complexity of service operations and economic downturns).

Literature Review

Resource-based view (RBV) is a leading theoretical framework for understanding how firms achieve competitive advantage and maintain it over time. By conceptualizing firms as bundles of resources, RBV emphasizes the importance of resources in developing competitive advantage. RVB assumes a form's rare, inimitable, and non-substitutable resources generate superior performance; thus, they are prioritized. This perspective is challenged when highly competitive and volatile business environments drive firms to reconfigure their resources. In dynamic environments, a firm's ability to transform its resources to adapt to changes becomes a source of competitive advantage.

To reconcile RVB's challenges, the concept of dynamic capabilities (DC) emerged. DC has become more influential because of increasingly unpredictable environmental challenges, (global financial crisis, climate change, and emerging economies). DC refers to firms' processes that use resources to match and create market change. DCs are organizational and strategic routines by which firms achieve new resources and configurations as markets transform. DCs are specific processes which create value within dynamic markets. DCs can be product development routines by which managers combine their skills and functional backgrounds to create revenue-producing products and services or alliance and acquisitions that bring new external resources.

DCs are developed through complex interactions between knowledge, experience, and expertise. The identification of firm-specific processes suggests DCs can be developed across different firms and industries. The application of DCs is limited in tourism and hospitality research. Knowledge resources in the hotel industry have been highlighted as experience with organizational activities that helps develop DCs and competitive advantage. However, research does not specifically identify DCs for hotels. DCs are a set of specific processes that have commonalities in key features across firms, but idiosyncrasies in detail. This suggests DCs of lodging firms should be the hotel's best practices and contingent on its firm-specific resources and capabilities.

ALBM is well-suited for understanding DCs in the hotel industry. Knowledge management and transfer through the franchise/management contracts constitute the essence of lodging DCs. Franchisors develop systems to foster knowledge creation and transfer among members that contribute to competitive advantage. Franchisors provide specific

business practices (operating processes, production capabilities, marketing strategies, and regulatory know-how) which improve performance. By building strong partnerships in different markets, lodging firms accumulate new resources and knowledge, further developing operational know-how.

Management contracts are agreements between a management lodging firm and a property owner, whereby the management firm manages the property for a fee using its established procedures. While management contracts allow firms to expand with minimal investment, firms face challenges managing their brand and network, as they redeploy their core resources across different markets involving various competitors, customers, and resources. Lodging firms demand high levels of human capital and employees require high levels of professional expertise. Establishing training mechanisms for knowledge transfer is critical for superior performance.

Empirical studies identified specific DCs that enhance firm performance. However, no empirical research has analyzed whether DCs provide hotels with competitive advantages or how DCs influence their financial performance. ALBM is a specific lodging DC that facilitates modification and renewal of current resources in accordance with environmental changes to gain competitive advantage and achieve superior firm performance. We argue financial performance of firms is enhanced as they implement higher levels of ALBM. The following hypothesis is proposed.

H1: There is a positive relationship between ALBM and firm performance.

It is argued the relationship between DC and performance is not automatically guaranteed but contingent on the business environment. The environment is viewed as a set of properties which characterize the surroundings and are classified by their complexity, dynamism, and munificence. Research emphasizes environmental complexity and environmental dynamism in explaining the DC-performance relationship, while assuming firms actively adapt to the environment within the limits of their resources and capabilities.

Environmental complexity refers to the depth and breadth of heterogeneity caused by various inputs and outputs in an organizational environment. Firms face more challenges when they deal with more inputs (products and customers) and outputs (materials and suppliers). Firms with complex supply chains experience more difficulties managing logistics and deliveries. Firms with more diverse customers require more complicated production and operation processes. When environmental complexities are high (low), DC has greater (weaker) impact on

competitive advantage and performance. Research show environmental complexity plays a moderating role in the relationship between DCs and performance in manufacturing, but little effort has been made to explore its role in the service industry even though the core idea of DC is responding to customers' changing demands.

Because hotels host a variety of customers with different needs, key aspects of services vary greatly from one hotel to another. Consequently, hotels are classified based on their service level. Full-service hotels offer a wide range of services and amenities (food and beverage, concierge, and room service), whereas limited-service hotels offer basic facilities. Accordingly, many firms operate a portfolio of hotels that serve various market segments. Research shows operating more full-service hotels with complicated services and maintaining high-quality standards across outlets increases organizational complexity. The following hypothesis is proposed.

H2: The positive effect of ALBM on performance is stronger for lodging firms that include more full-service hotels in their portfolios.

Environmental dynamism refers to changes (uncertainty, instability, volatility) in the competitive environment which impact the way companies compete and respond to customer demands. Firms that take advantage of these market developments benefit more from developing DCs. Findings show the effects of DCs are moderated by environmental dynamism that is operationalized as the volatility of various activities (sales, shipments, technologies). This moderating effect was also found in other studies where environmental dynamism was operationalized in response to product/service change, environmental demands/changes, marketing practices, and new business models.

Business cycles constitute another dimension of environmental dynamism. Effects of DCs are enhanced during economic downturns because management decisions directly relate to survival. In this critical circumstance, unconventional, flexible, and quick decisions play an essential role in reversing bad situations. DCs may be less effective during economic upturns, as they already benefit from a stronger economy regardless of their levels of competitive advantage. Studies found empirical evidence for the moderating role of economic cycles in the DC-performance relationship. Comparing market risk exposure among a small number of lodging firms showed some enjoy benefits of the asset-light and fee-oriented strategy during both contraction and expansion. The following hypothesis is proposed.

H3: The positive effect of ALBM on performance is stronger for lodging firms during economic downturns than economic upturns.

Methodology

The study sample is U.S. lodging firms publicly traded between 1998 and 2019. Quarterly and annual reports were reviewed to obtain property-related information (number of properties managed and/or franchised and number of properties categorized as full- or limited-service hotels). Quarterly accounting and financial data were collected using two main databases. Final sample size was 720 firm-quarter observations.

Results and Conclusions

Hypothesis 1 is supported. ALBM is positively related to firm performance. Our findings highlight the critical role of DCs in achieving competitive advantage and improved performance. ALBM's economic effect on performance is more prominent with industry-specific performance measures (RevPAR, ADR, Occ) than accounting- and market-based measures (ROA and Tobin's Q). Research integrating industry-specific indicators provides more rigorous and meaningful analysis of changes in performance.

Hypothesis 2 is supported. Environmental complexity moderates the effect of DCs on firm performance, especially when its operational and procedural processes are more complicated. Full-service hotels face more challenges related to service quality and customer satisfaction due to the design and delivery of their complex service operations. In this environment, ALBM is more likely to achieve a competitive advantage than asset-heavy firms by focusing its resources on core business.

Hypothesis 3 is supported. Despite the global economic slowdown, significant positive effects of ALBM are present for all performance measures. However, the overall economic effect of ALBM decreases modestly in the moderating model as firms are still impacted by substantial declines in consumption and business activities. ALBM is an effective risk management strategy during economic downturns, as risk management must be emphasized during business contractions.

While ALBM positively impacts financial performance, this effect is dependent on specific characteristics such as environmental complexity and environmental dynamism. A stronger effect of ALBM for lodging firms operating primarily full-service hotels suggests integration of service-centric perspectives into asset allocation can drive greater profits and growth. Given that ALBM allows reconfiguration of resources, lodging owners and managers consistently face a challenge to balance resources related to product-focused and service-focused activities. However, less strategic attention is paid to services because service delivery takes place at the operational level. Lodging firms with greater service complexity could benefit considerably from ALBM by investing in systems and processes that support development and improvement of services via effective communication and customer engagement (data analytics, artificial intelligence, and Internet of Things).

Lodging firms embracing ALBM will likely reduce the negative impact of external turbulence compared to more asset-intensive competitors. A key strategy for managers is adjusting the degree of ALBM to achieve optimal performance while minimizing the influence of slow growth. Although downturns systematically affect all businesses, investors can reduce their risks by increasing investment in asset-light lodging firms. Combined with traditional risk management strategies (diversification), this will decrease their market volatility.

POINTS TO NOTE:

- ALBM helps lodging firms develop competitive advantages.
- ALBM is positively related to a lodging firm's performance.
- ALBM will benefit full-service hotels facing challenges in service quality and satisfaction due to higher guest expectations and operational complexities.
- ALBM is an effective risk management strategy during economic downturns.

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The Joint Influence of the Timing and Framing of an Online Upselling Message on Consumer Perceptions: The Roles of Construal Level and Reactance

"Want some fries with that burger?" Consumers are bombarded with upselling at every turn. In their recently published article, Basak Denizci Guillet and Yixing (Lisa) Gao of SHTM and Anna S. Mattila and Zixi (Lavi) Peng of The Pennsylvania State University reveal optimal ways and timings for hotels to make upselling more palatable to various types of wary travelers.

Introduction

Upselling is a widely adopted selling technique which helps service providers enhance capacity management and revenue optimization. Upselling persuades customers to purchase a higher-level product or service which is richer in function for the user and more profitable for the company. Although upselling is often used interchangeably with cross-selling and upgrading, it is conceptually distinct. Upselling changes the initial purchase to a superior option with extra charge. Cross-selling sells additional or supplementary items related to the initial purchase without altering it. Upgrading offers more desirable options at no charge.

Hotels offer consumers upselling to change the booking to a higher category room. Since hotels' cost of operating lower-class and higher-class rooms remain almost equal, upselling generates additional profit and RevPAR. Traditionally, upselling occurred during check-in, but with technology and tech-savvy consumers, online upselling has become popular. Online upselling involves sending an email immediately after the booking or a few days prior to arrival. Various online upselling systems are used by hotels. Nor1 eStandby Upgrade (Hilton, IHG, Radisson, Accor, and Wyndham), UpsellGuru (Alila Hotels and Resorts, Best Western, Penta Hotels and independent hotels), and Oaky (Pullman Hotel and Resorts, Mercure Hotels, Radisson Blu, and Apex Hotels). Marriott and Hyatt use their own systems.

This study investigates when and how to successfully upsell hotel rooms online. According to construal-level theory of social psychology, when making purchase decisions in the distant future, consumers hold a higher construal level which focuses on an object's abstract features. Conversely, when making decisions for an imminent purchase, consumers hold a lower construal level which focuses on the object's concrete features. Consumers usually book rooms in advance, and the time between booking and check-in prompts them to focus on different features. Consumers may make an original booking based on the room's affordable price without considering additional features (bed size, room location). However, during check-in, the hotel stay becomes imminent, and incremental features become more important. Consumer responses to upselling promotions vary by room features portrayed in messages and by timing of upselling promotions.

Studies indicate persuasiveness of promotional messages is dependent on consumers' reactance, a subjective mental state occurring when they perceive restrictions to free behaviors. Reactance has an adverse impact on consumers' attitudes toward persuasive messages. We utilize psychological reactance theory to propose reactance is the mechanism underlying consumer attitudes toward upselling promotions.

Literature Review and Hypotheses

Upselling is widely used in service industries. Studies have examined upselling in financial services, performing arts, airlines, car rentals, and hotels. Most research focuses on dynamic capacity management, the mismatch between supply and demand. Implementing both online and offline (front desk) upselling generates optimal revenue. Our study explores links between timing and message persuasiveness using construal-level theory which explains how people construe the same persuasive information differently depending on psychological distance (how spatially, temporally, or socially close or distant events appear). Temporally, near-future events generate low psychological distance. Distant-future events generate high psychological distance.

In room upselling, temporal separation exists between time of booking and check in. Construal-level theory posits consumers' psychological distance is greatest at booking and smallest at check-in. Offers made immediately after bookings represent high construal. Online room upselling offered a few days before check-in represents low construal. Timing of upselling promotions impacts consumer responses. The closer the proximity, the more likely decision attributes change, as attributes used during initial information search become less important in final choices.

Message framing influences consumer perceptions and behaviors. Consumers evaluate beef more favorably when "75% lean meat" rather than "25% fatty meat." Goal framing effect in hotel room upselling found loss (vs gain) messages induces greater willingness to accept upselling offers when consumers invest high (vs low) effort in their initial purchase. Distant future travel planning favors abstract messages. Near future travel planning favors concrete ones. Messages featuring price are abstract, whereas messages featuring room attributes are concrete.

Consumers with high construal are characterized by "why" mindsets and seek abstract information. We contend that price reflects overall room quality, so price corresponds to "why" mindsets as consumers consider why they should spend more for their room. Consumers with low construal are characterized by "how" mindsets and seek concrete information. We contend that room attributes correspond to "how" mindsets because consumers consider how they may enjoy these attributes.

H10: Framing of room upselling message does not moderate impact of the timing of the upselling promotion on consumer attitudes toward the promotion.

H1: Framing of room upselling message moderates impact of the timing of the upselling promotion on consumer attitudes toward the promotion.

H1a: When framing involves specific room attributes (concrete framing), consumers show more favorable attitudes when receiving promotions one week prior to arrival (verses immediately after the booking).

H1b: When framing involves upselling price (abstract framing), consumers show more favorable attitudes when receiving promotions immediately after booking (verses one week prior to arrival).

Psychological reactance theory posits when a company sends assertive messages, consumers feel their freedom of selecting preferred products is restricted. We argue reactance mediates the timing effect on consumer attitudes toward promotions. When people perceive their freedom is being restricted, they enter a motivational state (reactance) to protect it. Some adopt an opposite state of mind or exercise different freedoms to regain control. Reactance is associated with negative emotions (anger) and is a determinant of negative attitudes and behavioral responses. In room upselling, freedom refers to choice of room. Upselling promotions attempt to persuade consumers to buy more expensive rooms which threatens freedom, thereby inducing reactance and negative attitudes toward the promotions.

Concrete (vs abstract) messages elicit different reactance levels. Concrete messages elicit higher attention. Reactance occurs when attention is drawn to messages because people are more aware of their intent. Upselling messages featuring room attributes (concrete messages) elicit higher consumer attention to the promotions and persuasion intent. When concrete promotions are offered immediately after booking, promotions ask for instant change of

bookings made by consumers' free choice. This is perceived as disrespectful to free choice and increases reactance.

Promotions featuring only price (abstract messages about abstract products components) can quickly gain consumer favorability with less attention spent scrutinizing them. Consumers are less likely to perceive restrictions on free choice and resulting reactance, regardless of the promotion time.

H20: Reactance does not mediate the effect of message timing on consumer attitudes when the message framing involves specific room attributes (concrete framing). Such mediation is expected when the message framing focuses on price (abstract framing).

H2: Reactance mediates the effect of message timing on consumer attitudes when the message framing involves specific room attributes (concrete framing). Such a mediation is not expected when the message framing focuses on price (abstract framing).

Methodology and Results

The main study used a 2 (timing: immediately after booking verses one week prior to arrival) by 2 (framing: concrete verses abstract) between-subjects experimental design. Participants were randomly assigned to one of four experimental conditions:

(1) Immediately after booking, hotel sent room upselling email with upselling price.

(2) Immediately after booking, hotel sent room upselling email with specific room attributes.

(3) One week prior to arrival, hotel sent room upselling email with upselling price.

(4) One week prior to arrival, hotel sent a room upselling email with specific room attributes.

At time of data collection, China was one of the few countries with loosely restricted domestic travel during COVID-19. This study targeted mainland Chinese who had stayed at a hotel more than three times annually during the past two years. Recruitment in December 2020 attracted 250 participants. To begin, participants read a scenario where they booked a four-star hotel room online with a city view for two nights for travel to Hong Kong in three weeks. Then, participants were randomly exposed to messages featuring upselling price (abstract framing) or specific room attributes (concrete framing). Next, participants were randomly assigned to one of the two timing conditions in which the hotel e-mailed the upselling promotion immediately after booking (three weeks

before arrival) or one week before arrival. Then, they rated their attitude toward the promotion and reactance to it.

Consumer attitude toward the upselling promotion was measured with three items, such as, "What is your attitude toward this upselling promotion?" Reactance was measured by asking participants to indicate how much they agreed with the following statements: "The hotel's upselling promotion threatened my freedom to choose", "The hotel's upselling promotion tried to manipulate me", "The hotel's upselling promotion tried to make a decision for me", "The hotel's upselling promotion tried to pressure me", "I felt the hotel's upselling promotion tried to dictate my behavior", "I felt like the hotel was trying to make me do what it wanted", and "I felt pressured to take a certain action given the hotel's upselling promotion".

Results revealed significant interaction between timing and framing on consumer attitudes. H10 is rejected. H1is supported. When upselling messages feature specific room attributes (concrete framing), upselling promotions one week prior to arrival result in significantly more favorable attitudes. H1a is supported. When upselling messages feature prices (abstract framing), upselling one week prior to arrival result in similar attitudes. H1b is rejected. When upselling messages feature specific room attributes (concrete framing), reactance mediates the impact of upselling's timing on consumer attitudes toward promotions. H20 is rejected. When upselling messages involve price (abstract framing), mediation is non-significant. H2 is supported.

Conclusions and Practical Implications

Online upselling is a popular marketing strategy used in hospitality to address mismatch between supply and demand. Online upselling typically takes place either at completion of booking or a few days prior to check-in. Findings suggest consumers prefer upselling messages featuring specific room attributes a few days prior to arrival. However, consumers exhibit similar attitudes toward the upselling message involving room rates across both timing conditions. Results reveal reactance is the psychological mechanism explaining timing effect on consumer attitudes in the concrete framing condition. Some hotels create an in-house upselling system. Other upselling techniques are provided to hotels, such as Nor1 (immediately after booking) and UpsellGuru (between booking and check-in). We suggest hotel managers include concrete attributes in upselling messages provided when arrival is imminent.

This research highlights the moderated mediating role of consumers' reactance in the effect of upselling's timing on consumer attitudes. Consumers high in reactance show negative responses to advocated behavior. It is important for hotel managers to consider consumers' reactance when developing online upselling strategy. When the upselling message involves concrete (specific) room attributes, offering such a message immediately after the booking produces higher reactance. Consumers are more likely to perceive such upselling promotion as restricting their choice of room. Therefore, induced reactance has a negative impact on attitudes toward the promotion. Managers should reduce reactance by offering a concrete upselling message at the proximal time of arrival. Frequency of offering upselling promotions is also important. Consumers react negatively when confronted with multiple upselling promotions between booking and check-in. Companies should restrict upselling promotions to just a few days prior to arrival for those highlighting specific room attributes.

POINTS TO NOTE:

- Upselling is conceptually distinct from upgrading and cross-selling.
- Consumers react negatively when confronted with multiple upselling promotions.
- Upselling promotions featuring room rates exhibit similar attitudes in proximity to booking and arrival.
- Upselling promotions featuring specific room attributes should be offered a few days prior to arrival.

Denizci Guillet, B., Mattila, A.S., Peng, Z., and Gao, Y. (2022). The Joint Influence of the Timing and Framing of an Online Upselling Message on Consumer Perceptions: The Roles of Construal Level and Reactance. *International Journal of Contemporary Hospitality Management*, Vol. 34, No. 7, pp. 2516-2534.

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The Myth of Contactless Hospitality Service: Customers' Willingness to Pay

High-tech, high-touch which ruled hospitality for several decades seems to have morphed into a new paradigm, and as Fei Hao, Richard Qiu, Jinah Park, and Kaye Chon of SHTM discover in their recently published article, hotel firms are challenged to implement the right kinds of contactless services while maintaining the right amount of human-to-human contact and an acceptable room rate.

Introduction

Among the most significant changes in the hospitality industry resulting from COVID-19 are customers' concerns for social distancing, hygiene, health, and sustainability. These changes have quickly become the new normal. As hospitality recovers, practitioners must implement new SOPs and develop innovative service technologies to adjust to the new normal. Guidelines issued by the World Health Organization stated the hospitality industry must re-evaluate its existing service modules and develop contactless solutions to safeguard travelers and staff. Contactless service is being widely adopted by the hospitality industry to minimize COVID-19 transmission and provide the safest possible experience while maintaining good service quality.

Contactless service is defined as a technology-enabled contactless and fully disinfected service procedure and environment using self-service, robots, and internet of things (IoT). By reorganizing existing contactless technologies around the customer, contactless service covers major issues in service encounters, such as disinfection of public facilities and spaces, auto-detection of body temperature, keyless access, touchless smart rooms, and robotic services. Hilton's CleanStay program was launched in May 2020 to augment contactless functionality by adding keyless room access in over 4,800 properties in 48 countries. Many leading Chinese hotels also introduced contactless elements in their service encounters.

Contactless service permeates the hotel industry to meet increased guest demand for hygiene, cleanliness, and safety protocols via contactless check-ins, housekeeping, ultraviolet light technology, and electrostatic spraying devices. Customer acceptance is determined by effort expectancy, performance expectancy, facilitating conditions, hedonic motivation, and price value. Implementation of contactless amenities generates more delightful, higher quality experiences; adds value to customers' evaluation of the service, brand, and relationship with the hotel and enhances customer satisfaction and trust. However, contactless hospitality service is expensive and has uncertain returns on investment. Some customers are reluctant to pay surcharges for contactless service because they prefer personal service and human interaction, while others refuse to pay more for contactless amenities because of unnecessary complexity and lost efficiency. Some customers believe contactless technological implementation reduces the cost of hotel operations and expect to be charged less. Willingness to pay (WTP) for contactless hospitality service is unclear with few studies investigating it. This study explores WTP from several perspectives.

Literature Review and Hypotheses Development

WTP indicates the maximum price a customer is willing to pay for a product/service. Hotel amenities are the most significant determinant of WTP. An examination of invariance of WTP for in-room entertainment amenities (video on demand, music, guest device connectivity, interactive TV systems, audio-visual games, in-room fitness) found customers reluctant to pay for most amenities except gaming consoles. WTP is influenced by room view, hotel floor, club access, free mini-bar items, smartphones, cancelation policy, hotel location, neighborhood, online ratings, and robotic service. In luxury settings, personal care items, toiletries, electronic devices, and mini-bar items predict WTP.

The six main categories of contactless amenities in hotels are contactless front desks, contactless elevators, contactless room entrances, contactless payments, smart room devices, and robotic services. A mismatch exists in supply and demand of different contactless amenities. While 70% of hotels consider investing in self-service check-in, keyless access, food ordering, and concierge services, guests most prefer contactless payments, digital room keys, and digital messaging services. We hypothesize:

H1: Significant variances exist in WTP for different contactless amenities.

WTP for hotel amenities varies by hotel scale. Adoption of social identity and means-end theories revealed luxury and mid-priced hotel guests have higher WTP for green practices than economy guests. We hypothesize:

H2: Hotel scale has a significant influence on WTP for contactless amenities.

Studies found customers' characteristics are effective determinants of WTP. These include demographics, travel-related variables, and psychological inclination. Seniors pay more for better room views. Younger travelers spend more on luxury rooms. Asian travelers exhibit higher WTP for luxury. Non-Chinese and mid-high-income travelers pay more for amenities. We hypothesize:

H3: Customers' (a) age, (b) education, and (c) income level have significant influences on WTP for contactless amenities.

Travel-related variables affect WTP for hotel amenities. Leisure travelers have higher WTP for rooms than business travelers. While business travelers are more price-sensitive, leisure travelers pay more for hotels closer to city center on weekends but not for room amenities and services. Customers' travel motivation and frequency (first time and repeat) shape their WTP for various hotel amenities. We hypothesize:

H4: Customers' (a) travel companions and (b) travel frequency have significant influences on their WTP for contactless amenities.

Technology readiness, the propensity to embrace and use new technologies for accomplishing goals, shapes customers' perception and acceptance of emerging technologies. The TRI (technology readiness index), a gestalt of psychological enablers and inhibitors, predicts one's predisposition to accept and use technology. TRI comprises four dimensions: optimism, innovativeness, discomfort, and insecurity. Optimism is the belief technology provides individuals more control, flexibility, and efficiency in life; innovativeness is openness to embracing cutting-edge technologies; discomfort is fear of losing control and being overpowered by technology; and insecurity is skepticism over competency of technologies and avoidance of their destructive consequences. We hypothesize:

H5: Customers' technology readiness has a significant positive influence on WTP for contactless amenities.

As a result of COVID-19, customers demand more contactless amenities and service design. Although hotels previously depended heavily on human touch, customers' change of preference from human service to robots has produced a significant increase in WTP for contactless robotic services. We hypothesize:

H6: Customers' health concerns have a significant positive influence on WTP for contactless amenities.

Methodology

This study utilized a discrete choice experiment to elicit respondents' preferences for various contactless services. To identify relevant attributes of contactless hotel services, interviews were conducted with hotel managers and contactless service technology providers in China from May to July 2020. Six amenities were identified: contactless front desk, payment, elevators, room entrances, smart room

devices, and robotic services. Together with room price, these amenities constituted hypothetical room packages. Room-night price pivots around the room rate of the respondent's previous hotel stay. Five percentages (from 82% to 122%) of the previously paid room rate were adopted as the price attribute in the choice tasks. Each respondent was then asked to select Hotel A, Hotel B, or Hotel C.

TRI 2.0 was used to understand respondents' technology readiness. The scale includes four dimensions: optimism, innovativeness, discomfort, and insecurity, which is further divided into enablers and inhibitors. Within TRI 2.0, 16 items were implemented to extract respondents' attitudes to technology innovation. A market research company administered the main survey in December 2020. It collected 1,939 complete responses, constituting 19,390 choice observations. The survey targeted Chinese respondents from the top 10 first-tier cities who were at least 18 and had stayed in a hotel at least one night in 2019. Respondents were asked their: 1) hotel stay profiles; 2) choice experiment selection; 3) attitudes on technological advancements and contactless services; and 4) demographics.

Results

Average respondents' WTP was ¥25.10 for contactless front desk services, ¥48.66 for smart room devices, ¥100.90 for robotic services, ¥111.75 for contactless elevators, ¥122.55 for contactless payment services, and ¥138.05 for contactless room entrance. China's contactless service providers focus on contactless front desk, smart room devices, and robotic services. However, customers indicated lowest WTP for those amenities. Their highest WTP was for room entrance because they prefer contactless services for simple, straightforward tasks. For complex, interactive tasks, customers still prefer humans. With contactless service technologies still in the developing stage, customers have less confidence in machines and doubt their functionality and ease of use. Customers still prefer the convenience and warmth of human-to-human contact in parts of their hotel stay. Contactless front desk services feature the most exposure to customers' personal information. Low WTP for this amenity could reflect that concern.

Customers perceive contact with other customers poses higher infection risk, while contact with travel companions and hotel staff poses lower infection risk. Customers prefer contactless service in public spaces over those in private spaces and customer-staff interaction. This explains their low WTP for smart room devices. Considering the high investment in smart room devices, more affordable investments in

contactless room entrance, payment, and elevator services should be prioritized. For every contactless amenity, a few respondents had negative WTP. Some have a phobia against technological innovation and would demand compensation if their hotel implemented it. All hypotheses were supported except H4b, as lower variance was observed among respondents with different travel frequencies.

Conclusions

In the current turbulent environment, a paradigm shift is underway in the hospitality industry. Contactless technologies are a means for enhancing consumers' trust and sustaining businesses in the post-COVID-19 world. However, customers' preferences for contactless services in hotels and the relevant latent variables have not been fully investigated. Findings of this study provide three key takeaways.

First, most respondents had experienced two contactless amenities, room entrance (63.2%) and payment (78.9%), which had the highest WTP. In contrast, the lowest WTP items, contactless front desk and smart room devices, were experienced by less than half of respondents. Robotic services were a unique case, as customers had very limited experience with robots but generally showed favorable attitudes. Investments in preferred contactless services (room entrance and payments) would help hotels boost revenue. Meanwhile, hotels need to pay more attention to improving customer awareness of less common, less preferred contactless services. For organizations pioneering new service delivery models, user training facilitates acceptance of contactless service. Hotels can also benefit from their customers' cumulative experiences by designing delightful contactless service delivery.

Second, analysis of individual characteristics of customers and their attitudes on contactless service identified several factors. Seniors showed higher WTP. Marketing to seniors can reduce their

technological inhibitors and improve acceptance. The heterogeneous WTP according to the prices of previous hotel stays is another noteworthy finding. Budget hotel customers are less likely to pay more for contactless service, whereas luxury hotel customers are willing. Efforts to balance budget hotel customers' price sensitivity with technology engagement are required. Findings show hotel customers' attitudes for contactless service consist of technological enablers and inhibitors. Their readiness is determined by technology-infused services in hotels and is related to technology acceptance or resistance in their everyday lives. Connecting technologies from their lives to hotel stays makes contactless service more acceptable. The paradigm shift in value creation and contactless services delivery generates competitive advantages for luxury hotels. Customers' needs and concerns regarding technology (discomfort, insecurity, performance expectancy, and trust) should be considered when delivering high-quality contactless service. Despite overall higher WTP of luxury hotel customers, their WTP for contactless front desk was significantly low. We also found a wider WTP variation among luxury customers, implying their high heterogeneity in preferences. Luxury hotels can provide multiple options. Contactless front desk services should not entirely eliminate the physical front desk but enlarge its spatial area. A lounge with contactless front desk services can combine customers' desire for embracing technology and receiving a warm welcome.

Third, WTP for contactless services was only marginally affected by COVID-19 concerns. Hotel customers considered contactless service a technological advancement rather than a pandemic response. Advanced technologies could not completely substitute for human input in service encounters. Hotels should establish a holistic strategy to satisfy customers' desire for interpersonal linkage and technological efficiency by offering contactless technology that augments human contact in service delivery.

POINTS TO NOTE:

- Contactless hospitality service is expensive and has uncertain returns on investment.
- For complex, interactive tasks, customers still prefer humans.
- Hotels must guard against mismatches in supply and demand of different contactless amenities.
- Connecting technologies from guests' lives to their hotel stays makes it more acceptable.

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Travel Inspiration in Tourist Decision Making

COVID-19 bottled up many world travelers and made them dreamers of future trips to far off lands or even nearby places, anywhere that would scratch their travel itch. In their recently published study, Fengwei Dai and Dan Wang of SHTM and Ksenia Kirillova of Institut Paul Bocuse, examine dreaming and inspiration with a dash of serendipity as part of travelers' decision-making process.

Introduction

Dreaming about travel is an important phase when prospective travelers are looking for inspiration. Travel inspiration is part of the dreaming phase positioned at the start of the travel process. This is the logic behind the content marketing strategy of many Online Travel Agencies (OTAs) that intervene in customers' decision-making process from the beginning. Industry players adopt various nudging tools to inspire tourists. For example, EasyJet, a UK-based airline, has a website section of inspiring travel ideas. EasyJet also closes the gap between inspiration and action via the mobile application feature, Look&Book. When users are inspired by a photograph from social media (Instagram), they can run a screenshot through Look&Book which identifies the destination and highlights Easy Jet flight information. Despite the importance of inspiration in travel, theoretical development lags behind practical application. The conceptualization of travel inspiration is essential for a more comprehensive understanding of tourists' decision making and content marketing strategy formulation. This study aims to conceptualize travel inspiration and strategically position it within the tourism consumer journey.

Inspiration in Psychology and Customer Inspiration

Inspiration is a motivational state that drives a person to transform a newly obtained idea into action. The conceptualization of inspiration covers three main theoretical premises.

First, the core characteristics of inspiration are evocation, transcendence, and motivation. Evocation is an innate feature of inspiration which means that inspiration is passively triggered by external stimuli rather than by an individual's active response. Transcendence means obtaining awareness of better or new possibilities that the individual may not have known before. Approach motivation implies that the individual is impelled to put these ideas into action.

Second, unfolding over time, inspiration undergoes two distinct stages: 1) inspired-by and 2) inspired-to. Inspired-by means that one is prompted to gain awareness or perception of values of the triggering object which is the process associated with evocation and transcendence. Inspired-to, on the other hand, means that one is motivated to realize the idea, to extend, or to express inspiring qualities of the triggering object which relates to motivation. These two states are causally linked to create a specific episode of inspiration.

Third, the valued qualities are transmitted from elicitor objects into future actions or new objects, underscoring the unique function of inspiration. This transmission can take the form of replication, actualization, or expression.

As an infusion of general inspiration into the marketing context, customer inspiration is proposed as a customer's temporary motivational state that facilitates the transition from the reception of marketing-induced idea to the intrinsic pursuit of a consumption-related goal. Customer inspiration has a unique position at the beginning of the customer journey; it influences need recognition by providing something new (ideal states) that consumers may desire. Evocation is in line with the idea of external stimuli, while transcendence is linked with the ideal states. Through evocation and transcendence, inspiration can instigate a prospective traveler's need recognition process.

Previous studies have examined how customer inspiration mediates the relationship between consumers' cultural orientation and citizenship behavior within a fast-food restaurant context, whether experiencing green hotels inspires customers' pro-environmental behavior, and the ability of a travel vlog to positively affect word-of-mouth. These three studies have revealed antecedents and consequences of inspiration, but having directly adopted this concept from marketing, they did not present a clear conceptualization and scope of inspiration in hospitality and tourism settings. Interested in the structural relationship, other studies have considered inspiration as a phenomenon that happens to tourists during or as a result of a trip and investigated antecedents (tourism experience) and consequences (intention to revisit). However, this is inconsistent with customer inspiration in marketing in which inspiration is positioned at the beginning of the customer journey. Most importantly, none of the existing studies tackled the main question of how and why consumers start dreaming about a destination.

Travel Inspiration

Tourism is a special consumption context; the experience itself is the industry's core product. In contrast to the rational problem-solving and utilitarian functions of other industries, experiential consumption in tourism involves pursuing fantasies,

feelings, and fun. Beyond hedonic values and through the lens of positive psychology, eudaimonia (meaning, growth, self-realization) is increasingly recognized in tourism. From this perspective, inspiration may have far-reaching impacts in tourism that go beyond initial momentary stimulation and superficial entertainment. Dreaming is an important phase for the travel process, including looking for inspiration and fantasizing about future vacations without immediate travel needs and plans. Compared with trip planning, the dreaming phase has received little attention. Inspiration is supposed to have a vital position in this stage, as it arouses people's interest and imagination, initiates tourism consumer journeys, and motivates them to realize their travel dreams.

Given the unique nature of tourism contexts, travel inspiration can be understood based on several characteristics of general and customer inspiration. Evocation refers to the passive inspiration that is spontaneously evoked by external elicitors. As a platform for sharing and connecting, social media is a major source of travel inspiration. Drawing from information encountering studies, we introduce serendipity to describe the unexpectedness with which inspiration occurs beyond people's planned agendas. For example, people can get inspired unintentionally from social media without it relating to a specific travel plan.

Transcendence refers to cognitive arousal. After one's attention is captured, one's horizon is extended and imagination is stimulated which encourages travel idea generation (destination, attraction, activity). For instance, inspired by a friend's Instagram post, one learns about a new destination previously not considered.

Approach motivation involves travel intention. The inspired person is motivated to try out new travel ideas resulting in immediate or future action. Driven by this motivational state, they may demonstrate favorable attitudes through engagement behaviors (liking/pinning, commenting, sharing actions), searching for additional information, dreaming about future vacations, making plans, and actualizing travel dreams step-by-step. They could realize their own creative travel ideas (actualization), or replicate others' experiences by traveling to the same places or doing the same activities (replication). By serendipitously encountering stimuli that draw one's attention and gain the awareness of new travel ideas, one can be inspired to actualize new travel ideas. Thus, we conceptualize travel inspiration as a motivational state that drives a prospective tourist to bring the obtained new travel ideas into realization.

Today's digital era with its information-abundant environment is the nourishing ground for travel inspiration that could convert a casual browser into a tourist. Not only firm-generated content, but more importantly, user-generated content provides inspiring sources, resonating with people's diverse tastes. New technologies facilitate the creation of inspiring content, such as live-streaming, virtual reality, and augmented reality. Also, personalized recommendation systems enable people to discover something new that is relevant to their interests and beyond expectations, increasing the chance of serendipitous encounters of inspiration.

Travel Inspiration in Tourist Decision Making

The inspired-by state is part of the deliberation phase, while the inspired-to state marks the transition to the implementation phase of decision making. When inspired, the person's mindset shifts from the fluid state of deliberation into a firm commitment to the chosen goal. Since inspiration is present when the by and to states co-occur, the prospective tourists are enabled to make a fast decision, mainly focusing on how, rather than whether, to realize the travel idea. Therefore, we propose that travel inspiration can provide a potential shortcut in the tourist decision making process.

Tourist decision making has been dominated by utility theory which postulates that tourists are rational decision makers who try to maximize utility through logical reasoning. However, tourists as human beings are not always rational. Dual-system theories indicate two distinctive but complementary processes behind decision making: System 1 is rapid, intuitive, heuristic, and affect-driven which generates intuitive responses, while System 2 is slow, rational, analytic, and reflective which generates deliberate responses. Due to information overload, cognitive limitation, and time/costs constraints, tourists cannot evaluate all possible alternatives. They may rely on affective intuitions as mental shortcuts to simplify the rational decision process.

Tourism consumption is more relevant to pleasure-seeking rather than utility maximization; thus, travel inspiration that instigates imagination and dreaming is more likely to influence decision making through System 1. For example, destination images projected through reality shows can trigger the audience's travel desire and visit intentions which serve as heuristics in subsequent decision making. Films and TV programs are representatives of inspiring sources;

transcendence is shown by the significant changes in tourists' perceptions of both cognitive and affective destination image. Hence, it exemplifies how media-induced travel inspiration positively impacts pre-visit destination image formation, thereby forming a mental shortcut in tourists' decision-making, and leading to increased visitation.

Destination choice illustrates the shortcut provided by inspiration. A destination choice process starts with destination awareness, preferences, visit intention, and ends with final choice. Before forming destination preference, travelers undergo the cognitive and emotional appraisal of destinations and categorize them into four mental sets: 1) consideration set, 2) inert set, 3) unavailable and aware set, and 4) inept set. This process is influenced by two exogenous variables: 1) marketing variables and 2) traveler characteristics. The inspired-by state is in line with gaining new destination awareness stimulated by a marketing strategy. The inspired-to state marks the successful transition into an individual's intention to visit. Hence, inspiration influences the early destination awareness stage and links it with the visit intention stage, thereby providing a mental shortcut.

A choice-set structure shows a funnel-like multistage narrowing down among choices: 1) awareness set, 2) evoked set, and 3) final choice. The unawareness set is excluded from the decision process in the beginning. The inspired-by state is in line with the early belief formation about destination attributes obtained through passive information catching or incidental learning before forming the awareness set. The inspired-to state is congruous with the evoked set when travelers consider destinations as probable choices. As an intermediate stage between awareness and action, it marks the

successful transition into individuals' intention to visit. As such, inspiration can reposition a destination from an unawareness set to an awareness set, evoked set, and even the final choice, depending on the intensity of inspiration.

Conclusion

This paper conceptualized and situated travel inspiration within the dreaming phase of consumer journey, and it also proposed serendipity as a new characteristic of inspiration. It further explored the role of travel inspiration in providing a shortcut in tourist decision making. While this paper is purely conceptual, it provides practical implications for tourism marketing against the backdrop of COVID-19. Inspiration can convert casual browsers to future tourists. Although the global tourism industry has stalled due to restrictions on mobility against the backdrop of COVID-19, this period is an opportunity to reach prospective tourists in their "dreaming about travel" phase. By getting prospective tourists "inspired-by", they can be "inspired-to" travel to their dream destinations. Hospitality and tourism marketers should co-create inspiring content with tourists to discover lesser-known destinations/attractions, novel experiences, and leverage video or live-streaming to create immersive content and support imagination. Additionally, companies can facilitate the decision-making shortcut by providing a seamless consumer experience from inspiration to booking. Future research should include a valid and reliable measurement scale as the basis for further empirical research on travel inspiration.

POINTS TO NOTE:

- Inspiration is a motivational state that drives a person to transform a newly obtained idea into action.
- Inspiration arouses people's interest and imagination and can convert casual browsers to future tourists.
- User-generated content (text and photos) provides inspiring sources and resonates with people's diverse tastes and interests.
- Serendipity describes the unexpectedness with which inspiration occurs beyond people's planned agendas.

Dai, F., Wang, D., and Kirillova, K. (2022). Travel Inspiration in Tourist Decision Making. *Tourism Management*, 90, 104484.

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Understanding Residents' Attitudes towards Tourists: Connecting Stereotypes, Emotions and Behaviors

One of the most memorable joys of international travel is supposed to be cultural exchange. But when worlds collide - East meets West, or even East meets East – the resulting cultural interactions can range from delightful to disgusting. In their recently published article, Serene Tse of Ningbo University - University of Angers Joint Institute at Ningbo University and Vincent Wing Sun Tung of SHTM examine the numerous components of tourist behaviors and resident attitudes and provide practical implications.

Introduction

Residents are valuable place ambassadors and co-creators of place branding. Their attitudes, displayed through behavior, affect host-tourist interactions, tourists' experiences, and destination image. They also influence the destination's attractiveness and tourism support. While residents' positive behaviors foster tourists' emotional attachment and satisfaction, their negative behaviors spark discrimination and discontent.

Residents' attitudes reflect their stereotypes of and emotions and behaviors towards tourists. Stereotypes are people's preconceptions of members of another social group which affects their affective reactions and behavioral responses. Social groups are two or more individuals interacting with each other, sharing similar characteristics and a collective unity. Stereotypes, emotions, and behaviors are induced by group memberships. Tourism research has explored these three concepts independently, but examining their interrelationships is crucial for understanding resident-tourist dynamics.

Concepts of stereotypes, emotions, and behaviors were adopted and refined from mainstream sociopsychology. The Stereotype Content Model (SCM) was extended to include residents' preconceptions of tourists as rude, bossy, and undisciplined. Researchers also identified anger and hate. Residents' awareness of stereotypes against tourists amplifies their negative emotions and feelings of disgust. Meanwhile, residents' behaviors were conceptualized as a matrix with dimensions of valence (attractiveness) and intensity. The matrix is constituted with respect to the Behaviors from the Intergroup Affect and Stereotype (BIAS) Map. It indicates the presence of facilitation or harm and active or passive simultaneously in respect to resident behavior towards tourists.

Previous studies revealed tourist stereotypes and the evolution of residents' emotions and behaviors. This study investigates the interrelationships among stereotypes, emotions, and behaviors (tripartite model) in residents' attitudes from Singapore, Malaysia, and Thailand, three ASEAN countries with different economic dependencies on international tourism per their GDP: Singapore (4%), Malaysia (15.9%), and Thailand 20%). Research suggests destination's dependencies on international tourism affects residents' attitudes: higher dependencies result in positive attitudes. Therefore, our findings should reveal Thais with the most positive attitude towards Mainland Chinese tourists. This study provides opportunities to show how residents in different countries with different degrees of socio-economic dependencies on tourism view the same dominant tourist market; plus, insights into how stereotypes against tourists, either positive or negative, elicit emotions which cue residents' behaviors.

Literature Review

The BIAS Map measures residents' behaviors, stemming from their attitudes toward tourists. The examination of residents' attitudes involves three interrelated components: cognitive, affective, and behaviors. Residents' cognition represents their biases or stereotypes towards a group of tourists. Their affective emotional reactions and behavioral responses are consequences of those perceptions. Stereotypes, emotions, and behaviors form a tripartite view of attitudes among different social groups. This view represents our study's focal framework.

Stereotypes are one's cognitive biases of other's characteristics, resulting in group categorization. Residents often hold tourist stereotypes given their close interactions. The Stereotype Content Model (SCM) extended stereotypes Hong Kong residents hold towards Mainland Chinese tourists. SCM considers two dimensions: warmth and competence. Warmth represents another's sociability and sincerity, while competence refers to their general abilities. These two dimensions intersect to form a matrix of highs or lows: univalent: high warmth and high competence, or low warmth and low competence; and ambivalent: low warmth and high competence or high warmth and low competence. The Tourist Stereotype Model (TSM) was based on SCM and the Princeton trilogy which uses personal traits to describe others. TSM includes two positive and two negative dimensions of stereotypes residents hold towards tourists: approachable and competence, and boastful and rude.

These dimensions support studies reported on biases of Mainland Chinese tourists held by Hong Kong residents. Mainland Chinese tourists were associated with negative attributes: impolite, outdated, rude, ill-behaved, and low-educated based on their speaking loudly, ignoring environmental protection and being disorderly and money-oriented. Hong Kong residents also argued Mainland Chinese tourists exploited their public resources and interfered with daily life. Fortunately, recent research indicates residents hold more positive stereotypical views (polite, outgoing, friendly) which connect with

favorable views of tourists as approachable and competent.

Emotions refer to feelings elicited by cognitive evaluations (pleasant or unpleasant) that individuals experience at a point in time. Studies suggest emotions are group-based phenomena associated with social identity. Therefore, individuals may react emotionally to members of outgroups and their stereotypes. Scholars identify four distinct emotions: admiration, contempt, pity, and envy, with respect to stereotypic low versus high warmth and competences. Admiration, which includes respect, pride, and inspiration, is positively stereotyped with high warmth and competence. These individuals are the ideal reference groups in society as they are associated with one's ability to attain positive outcomes. Conversely, contempt, which includes disgust, hate, and resentment, is negatively stereotyped as low warmth and competence. These individuals (drug addicts, welfare recipients, and homeless) receive the greatest condemnation. They are viewed as responsible for their own actions and loss of control.

The other two emotions, envy and pity, are ambivalent, between warmth and competence. Envy is characterized by individuals' high competence but low warmth and a simultaneous sense of superiority and coldness. Research reports Asians and Jews elicit reactions of envy and jealousy from Americans. Pity (and sadness and compassion) is elicited when individuals are perceived as high warmth but low competence which may be beyond their control. These individuals are either disrespected or receive sympathy. Recent studies report negative emotions associated with Mainland Chinese tourists (anger, despise, disgust, and hate) resulting from inappropriate manners and behaviors.

Behaviors are actions performed by one individual towards another and are often influenced by the individual's identity and stereotypes. These behaviors can reflect discriminatory actions and harassment. Residents' positive stereotypes lead to pro-tourist behaviors that enhance tourist's perception of residents as friendly and welcoming. Psychology research evaluates valence and intensity of behaviors between social groups using the BIAS map. Valence reflects prosocial or anti-social behaviors and represents facilitative or harmful actions. Intensity discerns behaviors produced in maximal deliberative efforts, purposive intention, direct and high risk (active) and behaviors produced with minimal deliberative efforts, possibly unintended, indirect, and avoidant (passive). These dimensions form a matrix with four quadrants: Active–Facilitation, Passive–Facilitation, Active–Harm, and Passive–Harm.

The BIAS Map was adopted to derive a model of residents' behaviors towards tourists. It categorizes residents' approach and avoidance behaviors into behavioral quadrants. Behaviors in Active-Facilitation include initiatives taken by residents, while behaviors in Passive-Facilitation involve residents' accommodative actions. Behaviors in Active-Harm reflect residents being represented intimidating, while actions in Passive-Harm reflect residents being neglectful.

Methodology

Part 1 of this two-part, multi-national research examines the tripartite model of stereotypes, emotions, and behaviors from residents in Singapore which relies heavily on tourism for its economic development, with Mainland China as a major source market. However, increasing complaints by both Singaporeans and Mainland Chinese tourists appear on social media platforms. Singaporeans complain about low language abilities and disrespectfulness to their values, while Mainland Chinese tourists share negative experiences with harmful resident behaviors. Data for Part 1 were collected via online questionnaire to a targeted sample of 250 Singaporeans at least 18 and residing in Singapore. Response rate was 94.62% with 246 surveys retained for analysis.

Part 2 provides further empirical evidence with data from Malaysia and Thailand. A total of 497 valid responses were collected: Malaysia (249, response rate of 95.77%) and Thailand (248 and 95.39%). The same measurement scales as Part 1 were used. Giving their close proximity to China, both countries have been hosting Chinese tourists since the early 1990s. However, they differ in dependencies on international tourism for their economies. Part 2 investigates how different dependencies on tourism affect interrelationships in the tripartite model.

Discussion

Results across the three ASEAN countries found admiration as the only emotion influenced by all four dimensions of stereotypes and affected residents' active and passive-facilitative behaviors. Admiration was strengthened by positive tourist stereotypes (approachable and competent) but weakened by negative tourist stereotypes (boastful and rude). Findings corroborate existing studies suggesting admiration fosters assimilative and pro-social behaviors in host-guest relations. Singapore and Thailand residents do not respect the massive spending of Mainland Chinese tourists despite their economic importance. Results for all three countries

found rude (when tourists violate social norms) as the only stereotype that elicits intentions to perform passive or active harmful behaviors. Malaysians show their disapproval of rude tourists by mocking, being unfriendly, and even threatening them.

This research found stereotyping tourists as being competent elicits positive host-guest relations through admiration and facilitative behaviors. Residents perceive tourists as competent if they demonstrate knowledge and understanding of the destination and are willing to learn more about it. Competence elevates social status. Opportunities exist for DMOs to provide 'insider-experiences' for tourists. Studies suggest tips and recommendations about tourists' safety and insights about the destination will reduce disparity between residents and tourists, contribute to positive interactions, and facilitate bonds with each other. DMOs can offer experiences where tourists learn local slang, so they feel closer to residents when they interact, such as Singlish, the English-based creole language utilized among Singaporeans in everyday life.

Rudeness damages host-guest relations. Rudeness is based on tourists' inappropriate behaviors and cultural indiscretions which exacerbate residents' negativity. Tourists could be unfamiliar with values and customs of destinations, leading to deviations from social norms. Both DMOs and tourists need to make efforts to reduce possibilities of unacceptable behaviors. Tourists can search the DMOs website or posts by previous tourists about social norms and local customs. Booklets on norms and customs can be produced by DMOs. In 2006, Chinese officials offered a one-page guideline for Mainland Chinese tourists about social rules they should not violate. In 2013,

CNTA issued the 64-page "Guidebook for Civilized Tourism" with "dos" and "don'ts" for travels in Japan and some European countries. In 2017, Singapore's Chinese embassy officials provided a pamphlet with travel guidelines and etiquette for Mainland Chinese tourists visiting Singapore. Named "Safe and Civilized Travel for Chinese Citizens in the Lion City", it featured over 100 "dos" and "don'ts". Material such as these can distributed pre-departure through travel agencies, tour companies, and embassies, or as an electronic copy attached to an airline ticket.

Simplified versions of guidelines can be distributed in-flight. Leaflets with guidelines can be given to tourists together with the arrival card. DMOs could also produce a promotional video which is a more active approach. While DMOs typically utilize videos to promote the destination's heritage and attractions, its social norms (values, customs, traditions) are often neglected. This content could serve as basic, informal knowledge to create awareness and understanding of acceptable and unacceptable tourist behaviors. The video could be broadcasted on in-flight video entertainment or personal TVs as an advertisement. Furthermore, it could be shown at ports of arrival (airports, train stations, bus terminals). DMOs are also encouraged to endorse residents as destination ambassadors to educate inbound tourists on the destination's social norms. This increases their destination knowledge, reduces friction between tourists and residents, and enhances resident-tourist interactions and experiences. A similar approach takes place in the village of Moreno Valley, California, whereby a Resident Ambassador Program was launched to help new residents adjust and settle in the community.

POINTS TO NOTE:

- Residents' attitudes reflect their stereotypes of and emotions and behaviors towards tourists.
- Residents' positive stereotypes lead to pro-tourist behaviors that enhance tourists' perception of residents as friendly and welcoming.
- Admiration was the only emotion influenced by all four dimensions of stereotypes and affected residents' active and passive-facilitative behaviors.
- Both DMOs and tourists need to make efforts to reduce any possibilities of unacceptable behaviors and increase friendly interactions.

Tse, S., and Tung, V.W.S. (2022). Understanding Residents' Attitudes towards Tourists: Connecting Stereotypes, Emotions and Behaviors. *Tourism Management*, 89, 104435.

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What Drives Cross-border Acquisitions of Hotel Companies Based in an Emerging Economy? A Study on Chinese Hotel Corporations

Mammoth hotel corporations based in emerging economies, including China, are rapidly acquiring properties in countries around the world. In their recently published article, Fan Zhang of Macau University of Science and Technology, Qu Xiao of SHTM, and Seoki Lee of The Penn State University examined this multifaceted and intriguing topic.

Introduction

Emerging economies (EEs) are the main contributors to foreign direct investment. In 2016, EEs made 56% of all CBAs. China is the world's largest EEs, and Chinese hotel corporations initiate the most cross-border acquisitions (CBAs). Between 2013-2017, China spent US$227 billion on CBAs. EEs characteristics are low income, lack of well-recognized brands, inadequate exposure to international competition, accelerated economic growth, and economic liberalization as their primary growth engine. CBAs by EEs companies are complicated due to talent shortage, uncertain regulatory policies, insufficient protection of legal and intellectual rights, and lack of transparency.

The hotel industry is characterized by high FDI, international chain dominance, and financial and human capital needs. Its competitiveness determinants are brand image and operational capabilities, features that influence acquisitions. Institutional conditions reflect a country's fundamental structure which promotes or constrains company behaviors. Institutions are classified as formal (policies, regulations) and informal (cultural values). Institutional conditions affect CBAs, and institutions of acquiring company's home country affect CBAs performance.

CBAs by Chinese hotel corporations (Jin Jiang Hotels' acquisition of France-based Louvre Hotels Group and HNA Group's acquisition of USA-based Radisson Hospitality) significantly impacted the hotel industry. This study selected Chinese hotel corporations to examine driving forces and objectives underlying CBAs of EEs companies, roles played by institutional conditions of EEs, hotel industry characteristics, and types of acquiring companies.

Literature Review

Mergers combine two or more companies into one, wherein the companies lose their identities. Acquisitions are one company gaining majority interest in another. Mergers and acquisitions are used interchangeably because results are the same: one company takes over another. CBAs occur amongst companies headquartered in different countries. CBAs are FDI and the fastest method widely utilized to expand internationally.

Researchers identify resource-based and transaction cost theory for addressing CBAs' objectives in EEs, as companies seek strategic resources abroad (natural resources, technology, brand, talent) or cost reduction. UNCTAD identifies four driving forces of CBAs for EEs companies: three push factors (high labor costs, intense local and global competition, supportive government policies) and one pull factor (liberalization opportunities). Market timing is an important driver for EEs companies, particularly in developed economies (DEs) during financial crises because valuations of target companies are typically lower.

CBAs, especially involving China, are driven by economic development of DEs and economic advancement and institutional transitions of EEs. Economic development refers to high stock market valuation, low costs of debt financing and beneficial exchange rates, growing GDP, high inflation rates, and sufficient money supply which stimulate companies in both DEs and EEs to initiate CBAs. Institutional transitions include benefits from incentives and administrative support as well as institutional voids and escape responses to institutional constraints which are main determinants of CBAs by EEs companies.

Hotel companies' CBAs objectives vary. American hotel companies initiate acquisitions to accelerate growth, increase shareholder value, expand capacity, and achieve synergies. UK hotel companies maximize value (economies of scale, market share). EEs companies pursuing CBAs commonly seek markets, resources, strategic assets, and efficiency. Diversification is the main objective of Chinese hotel corporations which focus on obtaining well-established brands, managerial expertise, and greater market power. In Jin Jiang Hotels' CBA of USA-based Interstate Hotels, the main objective was accelerating internationalization.

The strength of company-specific resources is CBAs most influential factor, and resources (assets, capability, information and knowledge) represent company-specific advantages. The DEs company-specific advantages refer to sophisticated technologies and advanced management know-how, while EEs company-specific advantages are based on ability to expand scale of operations and access to natural resources. CBAs are important strategic decisions. They do not occur in isolation. This study explores CBAs from three strategic dimensions: institutional contexts, industrial features, and company-specific characteristics.

Numerous hotels and hotel management companies were recently acquired by Chinese hotel

corporations via CBAs. In addition to hotel and tourism companies and real estate companies, many diversified acquiring entities were involved. In this study, "Chinese hotel corporation" comprises hotel-management-oriented (HMO) companies; plus, investment-oriented (IO) and real estate-oriented (REO) companies which own hotel properties. In mid-2018, 15 hotel corporations conducting 22 hotel CBAs operated in China. Amongst them were 5 HMOs (11 CBAs), 6 IOs (6 CBAs) and 4 REOs (5 CBAs). Per the 2019 global Hotels 325 rankings, 7 of the top 20 hotel corporations were Chinese. Jin Jiang Hotels ranked second due to its multiple mega CBAs.

Methodology

This study covers CBAs by Chinese hotel corporations since the first one in 2009 to present. It used purposive sampling and theoretical sampling for recruitment. Participants included 10 presidents/vice presidents, 6 chairmen/CEOs, and 4 senior directors from 7 companies (3 HMOs, 2 REOs, and 2 IOs). Examples of interview questions were: "Why did you/the company you served acquire hotels abroad?" and "What prompted you/the company you served to undertake cross-border acquisitions?" Data collection lasted from November 2017 to July 2018.

Findings

The main host market economic factor was the 2008 Financial Crisis which severely damaged US and European economies and companies. Chinese companies' losses were lower due to weak links with the Western capital market. Low prices of foreign hotel companies and properties encouraged Chinese investment. The only political/legal (push) factor was China's supportive policy toward FDI. The government's "Go Global" policy encouraged hotel corporations, especially SOEs, to acquire overseas companies with competitive brands using government capital and approval.

ROI, favorable exchange rates, and abundant capital were three main economic driving factors for Chinese hotel corporations' CBAs. During 2010–2016, the Chinese renminbi's exchange rate increased, resulting in low foreign investment costs for Chinese companies. China has the world's second largest sovereign wealth fund (US$3 trillion in foreign exchange reserves) to support CBAs, enabling corporations to make megadeals. Booming outbound tourism and consumption upgrade trends were other push factors. As China's economy developed, outbound tourism exploded. This further stimulated

CBAs for mature leisure brands and improved domestic products.

Chinese hotel corporations had three objectives: economic, strategic, and personal. Economic objectives are creating value by increasing ROI. Strategic objectives are efficiency, brand, asset, management, and market objectives. Assets are capital and land. Market and synergy seeking are primary objectives of hotel corporations based in developed countries, whereas brand and efficiency seeking are main objectives of Chinese hotel corporations' M&As. Personal objectives were those of the chairman, not the company.

The ROI gap between home and host market is a driving force of CBAs. Chinese hotel corporations obtained higher returns by purchasing undervalued foreign hotels. Some companies had no prior hotel businesses. They launched CBAs to expand into the industry and pursue internationalization hoping to catch up with peers in DEs and gain competitive advantage domestically. Another objective was creating overseas networks for future investments. CBAs influence the brand image of acquiring companies in overseas markets. Chinese hotel brands are comparatively less developed than brands in DEs and are not internationally competitive, so Chinese corporations pursue well-known brands.

Hotel assets in first-tier cities are premium for value maintenance or appreciation. Because hotels are commonly part of Chinese commercial complexes, hotel corporations acquire hotels to obtain land for development. Asset transfers, such as Anabang's acquisition of Waldorf Astoria Hotel in New York, are drivers of CBAs. Acquisitions of prestigious assets worldwide transfer money from China into safe assets. Since 2016, the government has closed capital outflow loopholes, reducing CBAs. EEs companies are latecomers globally and backward in hotel management. The primary management-seeking objective was gaining advanced management systems and talents. Second was acquiring hotel management companies for use as management platforms. Because China's domestic hotel market is nearing saturation and competition is increasingly fierce, corporations expand overseas through CBAs.

ROI was a common objective of all three types of Chinese hotel corporations. Management objectives applied only to HMOs which focused on market objectives through CBAs. HMOs needed well-known brands to raise brand awareness. IOs spread smoothly into the hotel and tourism industry abroad and negotiated with governments to access land at low

prices with help from acquired brands. IOs focused on efficiency and industry expansion by acquiring advanced tourism brands. Most REO CBAs were iconic hotels in first-tier cities in DEs (New York, Melbourne) where hotel values are expected to increase from operations and real estate appreciation, another important objective.

Discussion and Conclusions

CBAs of Chinese hotel corporations are stimulated by home market push factors (economic growth, "Go Global" policy, and expansion of middle class), but host market pull factors are even stronger. Compared with building new hotels in foreign countries, acquiring existing hotels is more cost effective. The resource-based view (RBV) contends CBAs empower businesses to exchange resources not easily redeployed. Famous brands and their operational procedures and management knowhow are important intangible resources. Chinese hotel corporations use CBAs to accelerate internationalization, acquire strategic resources, and catch up with global competitors.

Institutional conditions of EEs affect Chinese hotel corporations' CBA decisions in three ways. First, EEs experienced rapid economic and political reforms. The Chinese renminbi has become a leading currency, encouraging Chinese companies to "invest global". Chinese residents' income increased, the middle class expanded, and consumption upgrades increased outbound and domestic tourism demand. China's economy generated large foreign currency reserves to fund CBAs. Second, formal ("Go Global") and informal ("guanxi" and "mianzi") institutions have a stimulating effect. Some Chinese hotel corporations pursue network and international brands over earning profits. Third, the government has an invisible hand over companies, especially SOEs. Some corporations acquiring overseas hotel companies receive government support to meet strategic national goals. Government support helps

SOEs become world-class companies, such as Jin Jiang Hotels, the largest state-owned hotel company and second largest hotel management corporation in the world.

Chinese hotel corporations eagerly acquire brands through CBAs. Popular brands with long histories and stellar reputations are valuable resources and keys to competitiveness. The hotel industry is closely related to the real estate industry, and hotel assets are often seen as premium assets with low investment risk, making them attractive to Chinese hotel corporations for optimization of asset allocation. Chinese hotel corporations also obtain land through CBAs.

Each type of Chinese hotel corporation plays a different role in CBAs. HMOs initiate hotel CBAs, REOs pursue speculative objectives, and IOs expand into the hotel sector. These three types of Chinese hotel corporations focus on different objectives. HMOs and IOs focus on strategic objectives. REOs focus on economic and personal objectives. HMOs and IOs manage their hotel businesses now (or soon). REOs view hotel CBAs as real estate investments, focusing on economic objectives.

CBAs are outward internationalization, while hotel management (with hotels acquired in the Chinese market) is inward internationalization. HMOs demonstrate both outward and inward, REOs demonstrate outward, and IOs demonstrate inward. HMOs acquiring foreign hotel management companies, bring brand and management expertise back to China and run Chinese hotels. REOs acquire hotels and recruit the original management company to operate them. IOs, with no prior hotel management experience, rely on acquired teams and systems. They prioritize improving hotel management in China rather than operating acquired hotels overseas. As for consumption upgrades, HMOs adopt a follow strategy for middle class outbound demand, IOs focus on domestic leisure tourism and cultivate Chinese middle-class tourists. REOs do not follow any of these trends.

POINTS TO NOTE:

- Strength of company-specific resources is the most influential factor of CBAs.
- ROI gaps between home and host markets are a driving force behind China's CBAs.
- Acquiring existing hotels is more cost effective than building new hotels in foreign countries.
- Acquisitions of prestigious assets worldwide transfer money from China into safe assets.

Zhang, F., Xiao, Q., and Lee, S. (2021). What Drives Cross-border Acquisitions of Hotel Companies Based in an Emerging Economy? A Study on Chinese Hotel Corporations. *Journal of Hospitality and Tourism Management*, 49, 481–493.

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Why are Smart Destinations Not All Technology-Oriented? Examining the Development of Smart Tourism Initiatives Based on Path Dependence

Advanced technology and digitalization seem to command the heart of smart destination development worldwide. But as Abbie-Gayle Johnson of SHTM examines, do historical events and sustainability also play vital roles in its final form?

Introduction

Rapid technology development and implementation has led to the formation of smart tourism and city developments. Technologies are deemed central for smart development, but with the increase in smart destination developments, scholars warn practitioners to gravitate to more human-oriented forms of smart tourism. The European Capital of Smart Tourism awards smart destinations based on sustainability, accessibility, and digitization; plus, cultural heritage and creativity. This suggests not all smart developments are based on digitization. However, it remains unclear how this is possible considering smart destinations mainly follow a technology-oriented model.

Although scholars have begun identifying core resources and conditions necessary for achieving smartness, feedback is needed from those involved in smart development. Tourism and technology-based processes have predominantly been examined from an ahistorical perspective which signifies social and historical factors do not influence development processes. For development to occur, one needs to understand underlying change processes that occur over time. Tourism scholars have long advocated for this process-based approach through application of path dependence. This study adopts a process-based approach and path constitution analysis (PCA) to explore development of smart destinations and why some smart destinations do not follow a technology path. By adopting path dependence, we argue destinations' transformations to smart are connected to established systems.

Literature Review

The smart concept has different meanings for various stakeholders. Europe focuses on destination competitiveness. Australia focuses on governance. Asia focuses on technology. Smart tourism scholars focus on technology with smart initiatives based on technological systems' interconnectivity and interoperability. This optimizes technological networks with a destination resembling its root concept: smart cities. Optimization focuses on creating the best solutions through maximization and minimization techniques, thereby finding the best resources and design for the solution, rather than that benefitting all stakeholders. Scholars argue smart initiatives require more human-centered designs which foster inclusion and diversity for all stakeholders. Little is known about smart tourism development. Key elements for smart tourism development are causal conditions, context

conditions, intervening conditions, interactions, and consequences. The smart tourism development model is based on destination resources, identity, vision, and local government support; plus, the smart ICT infrastructure layer which enables communication; and the tourism applications layer which enables user experiences. These components improve smart destination sustainability.

Path-dependent outcomes are not determined by any particular set of initial conditions, and smart development may occur due to technological lock-ins. Therefore, path dependence may be evident in previous studies. Resources serve as barriers to and facilitators of smart development, although historical occurrences affect innovations. This emphasizes the need to better understand contextual conditions which is significantly lacking in smart research.

A process-based approach is needed to explain changes within organizations or surrounding phenomena. The four ontological perspectives of process theorizing are: 1) process as activity, 2) process as witness, 3) process as narrative, and 4) process as evolution. Tourism and smart development research are mainly associated with process as evolution which illustrates how something evolves over time. Tourism scholars draw on path dependence which falls within process as evolution.

Path dependence is an evolutionary economic perspective. It acknowledges importance of connected and disconnected historical events in the adoption of new processes, mainly where more efficient pathways exist. Technologies are considered path-dependent when implementing viable technological alternatives is difficult. Due to positive feedback mechanisms, technological solutions become locked-in. Researchers found establishment of steering groups for tourism collaboration in the UK was a historical trend in other countries. Inclusion of multiple suppliers in the process also stemmed from a past culture of consultation. Current studies lack a methodological approach for analyzing paths. Scholars note current developments can be linked to historical occurrences but not all illustrate path dependence. Innovations resulting from path dependence, and those that do not, share commonalities such as type of resources.

Path constitution analysis (PCA) is based on path dependence. PCA incorporates level interrelatedness, triggering events, non-ergodic processes, self-reinforcing processes, lock-in, and multiple actors who contribute to producing the path. Level interrelatedness activities is analyzed at organizational and macro levels. Triggering events are

activities accompanied by self-reinforcing processes which decide future path trajectory. Self-reinforcing processes are aligned and overlapped sequential events. Non-ergodic processes signify the path is not random. Many paths are available but decrease over time. Lock-in is an outcome of self-reinforcing processes. Stakeholders only view one option as legitimate. Multiple actors are individual or collective groups of stakeholders.

Methodology

This paper explores Ljubljana, Slovenia, a smart destination named the 2019 and 2020 European Capital of Smart Tourism. Ljubljana has over 45 smart initiatives. Case study research was applied using semi-structured interviews with stakeholders in Ljubljana's tourism industry. Data were collected between February and September 2019 from 31 supplier organizations. Questions focused on participants' affiliation with tourism, general information about their organization, and Ljubljana's smart tourism development. The study used PCA as a guiding theoretical framework and thematic analysis. Emerging themes provided case-specific and generalizable data, resulting in novel insights on smart tourism.

Results and Discussion

One participant noted differences in the focus of smart developments both locally and globally, highlighting their contextual nature. Participants noted much of their understanding of smartness was associated with sustainability rather than digitization, to which many were opposed. This illustrates lock-in, where one path becomes dominant due to self-reinforcing processes. Features underlying this sustainability path include level of interrelatedness, destination lock-in and triggering events, self-reinforcing processes, non-ergodic processes, and multiple stakeholders. Sustainability is a key input driver, not an outcome, of smart initiatives.

This study found individual and organizational levels are tied to happenings at macro-environmental levels which significantly influenced smart tourism development in Ljubljana and is linked to practices associated with the sustainability path. One participant questioned Ljubljana's status as a smart destination noting it had become an active neoliberal destination within the EU. This indicates interplay between local and regional governance systems and notes the importance of local stakeholders.

In Ljubljana, restructuring of state-owned hotels and a proposed investment credit line for tourism companies was instituted to increase destination competitiveness. One participant acknowledged ongoing smart development as part of these developments and thought less attention would be given to execution of smart initiatives by those promoting smart development in Ljubljana. Instead, emphasis was on promotion rather than implementation of initiatives.

The economy has influenced Ljubljana's development as a smart destination. Individuals engage in the sharing economy. One participant thought Airbnbs were filling the shortage of rooms, as it had 300 listings, while another participant's property faced increased competition. "There is a lot of Airbnb. Capacity now, anyhow, competition. Yeah."

Ljubljana's development of smart initiatives is part of its long-term economic development. After seceding from Yugoslavia in 1991, Slovenia struggled to develop as an independent nation. One participant described an infrastructure development to aid connectivity and efficiency in Ljubljana during the 1990s. "Before, we did not even have a normal highway from M to Ljubljana…You had to come from the Austrian border, from G to Ljubljana. It took 2 hours. Now, you can get here in 1 hour."

Slovenia rebranded to erase the negative impact of wars of secession. "The Sunny Side of the Alps" demonstrated accessibility in summer and winter while realigning geographically with Central Europe. "The Green Piece of Europe" focused on environmental sustainability. Our findings indicate sustainability influences for smart development did not emerge from regional and global discussions (Kyoto Protocol) but were central to local and national efforts before becoming a smart destination.

A path, which ultimately leads to a destination lock-in, is initiated by triggering events. "Smart" first appeared in the Strategy for the Sustainable Growth of Slovenian Tourism for 2017–2021 under the heading 'smart mobility'. Therefore, sustainability existed on Slovenia's tourism agenda prior to smartness, contrary to it being an output in smart tourism. One participant agreed smartness played a supporting role, whereas sustainability was a lead character in the tourism plan. He also acknowledged smart initiatives did play a role for achieving sustainability. "Smart mobility – including public passenger transport in Slovenian tourism, developing urban smart cards, projects for calming traffic in tourist destinations, and development of alternative solutions."

The success of initiatives fostered Ljubljana's image as a test site for smart initiatives. The same participant stated: "Now we (destination management and service business) have one hundred million projects for the water supply. It's okay. But this is not typical." This feedback shows key decision makers lack the capability to limit the number of initiatives they receive. This is contrary to the assumption that developers usually control smart development trajectory through top-down management or strong political leadership. No smart plan development has taken place in Ljubljana since the sustainability tourism plan. Scholars suggest institutions and developments may co-evolve and ultimately become locked-in since other emerging structures are not deemed efficient and effective.

Smart tourism development drew upon existing tourism plans and Vision 2025, aligning with sustainability and illustrating the role of path dependence. Self-reinforcing processes are executed by individuals which ensure lock-in occurs following triggering events. Sustainability is a practice rather than a principle in smart destinations. Tourism suppliers are active integrators and value co-creators in smart tourism. In Ljubljana, residents are responsible for representing the city. "The most important ambassadors for Ljubljana are undoubtedly our residents, who immerse themselves in the mix of cultures and always ensure a touch of comfort and warmth with their openness, kindness, and hospitality." One participant mentioned their focus on environmental issues. "This [being smart] is important. I mean, if you just throw it (waste) somewhere in the woods, first it doesn't look nice, it does not belong there."

Ljubljana's residents are the most important stakeholders and beneficiaries in the smart development process. However, individual practices were not met with acceptance by residents, as the mayor emphasized difficulty in altering local habits. Individual and organizational behavior are complementary, as they increase lock-in to a sustainability path to smartness. Paths have multiple options. Lock-ins occur as options are reduced. After implementing numerous smart initiatives aligned with sustainability, Ljubljana's focus changed to digitization. In October 2019, Ljubljana received an award for digitization in the European Capital of Smart Tourism category. Smart tourism initiatives emerged from two stakeholder groups: city group (urban development, sustainability) and tourism businesses group (hotels, attractions). Ljubljana Vision 2025 has wide appeal. SRIP (Strategic Research and Innovation Partnership) Smart Cities and Communities Partnership brings together over 140 companies and research institutions throughout Slovenia.

Conclusion

Findings suggest past developments contribute to smartness. However, not all historical developments play an equal role. Ljubljana's smart development was underpinned mainly by its long-established sustainability path. Sustainability was an input rather than an output. A smart destination's trajectory is based on its leaders' mandates and the self-reinforcing processes of locals and specific events. By understanding the role of path dependence, smart tourism developers become aware of factors that enhance or prevent change at the destination level. Destination managers can better evaluate their current status and make improved predictions as to whether they can be recognized as being smart. Like organizations, destinations aim to achieve a return on investments. Decisions regarding future endeavors must be aligned with invested resources. This is even more important in high cost and risk environments such as the pandemic. Adopting smart destination initiatives must complement previous activities and changes.

POINTS TO NOTE:

- Rapid technology development and implementation have led to the formation of smart tourism and city developments.
- Smart development draws on resources and activities associated with the past.
- Path dependence enables smart tourism developers to become aware of factors enhancing or preventing change at the destination level.
- Ljubljana's smart development was underpinned mainly by its long-established sustainability path.

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