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# ACADEMIC WEEKLY DIGEST

School of Hospitality & Tourism Management

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## HOW DO COVID-19 RELATED INNOVATIONS INFLUENCE HOTEL PERFORMANCE?

In order to cope with the unprecedented crisis, hotels have had to devise a number of impromptu innovations to safeguard health and safety of all parties involved. **Dr Hakseung Shin** and his collaborators adopted a market value-based approach to investigate the impact of COVID-19 related hotel innovations as reflected in market value, and, in turn, firm performance.



# COVID-RELATED HOTEL INNOVATIONS INCREASE CONSUMER CONFIDENCE IN ABILITY TO CREATE A SAFE ENVIRONMENT

**DR HAKSEUNG SHIN**

The hospitality industry has been affected severely by the COVID-19 pandemic, with reductions in household and business travel having direct implications for hotel performance. Even hotel companies that survive likely face a highly difficult and in many ways, unprecedented operational environment for which few might have been prepared. To navigate the uncharted terrain that has resulted from the pandemic, there is a palpable need for hotels to re-assess current business practices, and quickly devise new and innovative strategies that safeguard the health and safety

of guests as well as employees and, consequently, restore consumer confidence. The objective of this article is to assess the utility of these new innovations by looking at shareholders' perceptions. The empirical application shows that the innovations implemented are seen as effective, although differential effects exist among innovation types. For example, this study found the stronger impacts of product and process innovation than other types of innovation.



## **FURTHER READING:**

Sharma, A., Shin, H. S., Santa-María, M. J., & Nicolau, J. L. (2021). Hotels' COVID-19 Innovation and Performance. *Annals of Tourism Research*.  
Link: [bit.ly/3mpdXqX](https://bit.ly/3mpdXqX)

This indicates that innovations for ensuring safe service delivery (e.g., enhanced cleaning procedures, new technologies for reducing guest interactions, etc.) are more significant than organizational and marketing innovations that mainly focuses on broader managerial actions during the pandemic. The results should help hotels sustain and expand the innovative responses that work and discontinue those that are less effective.