

ACADEMIC WEEKLY DIGEST

YOUR WEEKLY DIGEST OF KEY RESEARCH FINDINGS



IN TECH WE TRUST:

Can Investment in Information Technology Save the Hotel Industry?

Dr Jihwan Yeon and researchers from the Chinese University of Hong Kong and University of Central Florida investigated the direct impact of IT investment on companies' financial performance in the US hotel industry.

In this study, the research team compared the effects of pre and during COVID-19 IT investment on the business performance of U.S. hotel properties.



INFORMATION TECHNOLOGY AS A BUFFER AGAINST COVID-19

Dr Jihwan Yeon

The hotel industry has undoubtedly suffered collateral damage from COVID-19 and continues to fight for its survival. Investment in IT has led to the development of various technological innovations and applications to combat COVID-19. Nevertheless, there is a mixed view regarding the effectiveness of IT investment by hospitality and tourism firms during the global pandemic.

In this respect, the research team aimed to examine the impact of IT investment in the U.S. hotel industry on property-level performance. The findings of this study suggested that while IT investment had positive effects on hotel property performance before COVID-19 emerged, the advantages gained were significantly reduced during the pandemic.

Still, continuous and increased IT investment during the pandemic continues to provide a performance advantage. Hence, the current study implied the importance of continuous IT investment by firms during external shocks, providing a better understanding of organizational technology adoption.

The research team suggested to hotel property management that a certain level of IT investment should be sustained or gradually increased and should not be affected by the weaker financial conditions resulting from an external crisis such as COVID-19.

RQ: Did IT investment by hospitality and tourism firms actually provide a buffer against the global pandemic?

Choi, S., Yeon, J., Song, H. J., & Hu, J. (2023). Information technology as a buffer against COVID-19. *Annals of Tourism Research*.

Link: bit.ly/3oFLblp