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Innovation must remain the heartbeat of hotel industry

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With hotel industry survival at the forefront of thinking and guests more conscious of sustainability and carbon footprints, innovation will be the key focus going forward.
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LONDON—Hoteliers are adamant innovation must be the principal focus if there is to be a healthy future for the sector, despite the pain of the moment, according to sources.

Speaking during the online conference Hospitality Tomorrow 3 on 15 December, Wolfgang Neumann, chairman of the board of trustees at Hotelschool The Hague and former executive with Radisson Hotel Group and Hilton, said hoteliers realize the critical role they played in the general economic revival.

“We are the tipping point, and we have to adapt the way we work and operate. We certainly want to drive responsible hospitality for a better world,” he said.

Paul Stoltz, CEO of business consultancy PEAK Learning and a member of the board of business mentors at Harvard Business School, said Airbnb’s initial public offering of early December has added impetus.

“Look at what the customer has done with Airbnb. Yes, there is value in hotels, but maybe there is a different way of doing things, and now Airbnb has a stock valuation (https://www.hotelnewsnow.com/Articles/305557/Airbnb-valuation-would-put-it-near-top-of-lodging-space) of $100 billion,” he said.
Michael Levie, COO, CitizenM (https://www.citizenm.com), said his firm’s mantra is to continually make inroads and reach what he called “some new blue oceans.”

“Initially, we felt some hotel firms tried to please everyone, rather than one group, and (on deciding the group CitizenM would target) we needed to see what the end-product was that group needed.

“What is the current requirement, and what should we change? We changed the way we finance hotels, use technology, as two examples, and we had the end goal in sight,” he said.

Levie said hoteliers should not rush to accept every innovation in the general panic that is survival during the pandemic.

“No’ is a very nice word to introduce into your life, so we do not say yes to everything,” he said.

**Scything silos**

Terry Jones, who now presents on innovation and adaptability, and who was the co-founder of Travelocity and Kayak.com, said while hoteliers are in a tough space at the moment, it remains vital to challenge long-held assumptions.

“It is only a disruption if you do not do it. Otherwise it is innovation,” he said, adding that strategy should not be at the expense of staff.

“Kill projects, not people,” he added.

A lack of communication and the presence of silos and middle management often are the barriers to innovation, conference speakers said.

“We thought only experienced people could run hotels, but the verticals have become narrowed, and we have to now attract everyone, or we will become so antiquated we will not be there to enjoy the result,” Levie said.

“It is the impenetrability of middle management that does not allow good ideas to reach the top. And allow people to fail, as if the rest of the team sees someone does get to have a second chance, they will be innovative,” Jones said.

Jones said decisive leadership allows middle management not to have to wait for permission to instigate ideas.

“Put together a glass-half-full team (that) wants positivity. Hire builders,” he said.

Jones said at Travelocity all ideas were approved by the manager of the team who devised the idea and two managers of unassociated teams.

Speakers said different companies have pivoted in different ways during the pandemic, with Marriott International partnering to attract the drive market and Airbnb pushing rural stays, but both know this is not where success will sit in the long term.

Levie said CitizenM has spent much of 2020 perfecting its app that allows guests full control over everything the hotel has to offer via their mobile phone, innovation that used to have to go through an iPad.

Jones said this is where hoteliers have to put their efforts.

“Travel is dead last in terms of anything (artificial intelligence),” he said, adding AI had to be developed to allow guests to find the hotels they want, not just the ones they are shown by Internet searches and social media.
Innovation also needs to be environmentally based, speakers said, especially coming after a year where guests have become more conscious of the fragility of our species.

Neumann said it was heartening to see hotel firms moving from having a net-zero carbon impact to a net-positive one.

“The healthiest place you could ever be, the best place in which to work and be collaborative in, is a hotel. The mandate must be that your hotel will make the world even better after your stay,” Stoltz added.

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