



Article Title

Hospitality innovation strategies: An analysis of success factors and challenges

Citation

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Abstract

Innovation in hospitality has attracted considerable interest, partly because its processes and activities are so diverse, and partly because its impact on performance is still a puzzle. This study proposes a comprehensive theoretical model that reviews combinations of technological and non-technological innovation and the interrelation between different innovation strategies that contribute to generating competitive advantages. Using data from 2010 and 2012 CIS, it empirically examines different innovation strategies, analyzes their role in organizational performance, and thoroughly researches sectoral variation in innovation strategies between hospitality and other service subsectors.

Comparative analysis suggests that hospitality is the least innovative service activity. The findings also show that in hotels sales turnover is positively related only to complex innovation strategies that emphasize both technological and non-technological innovation. The study concludes that the level of innovation varies from sector to sector and that innovation strategies can have different effects on performance depending on the sector.

Conclusion

Shortcomings of CIS-based studies resulted in several limitations. Innovation results are moderated by country. Within the industry of hospitality services, a limited number of countries were present, therefore, an increased number of participating countries would make the results more robust. Third, in order to offer a more robust model, output variables other than total market sales of goods and services should be included in the model. Future research will benefit from examining multiple interactions between different innovation strategies and their effect on different financial and non-financial performance measures, for example, innovation performance. Finally, the large impact of firm size, which was only briefly discussed, needs to be further analyzed to come up with solutions for smaller companies whose innovation activities might yield a smaller effect on firm performance.

In conclusion, despite the pervasiveness of innovation in the service and hospitality industry, surprisingly little is known theoretically and empirically about the determinants of service firms' innovation strategies. Research on hospitality innovation needs to be expanded and there is a need for better empirical and quantitative evidence (Gomezelj, 2016; Hjalager, 2010). Only a handful of studies have been devoted to disentangle the interaction between innovation strategy, forms of innovation and organizational performance. Furthermore, there is still a lack of knowledge on the effects of less-traditional innovation initiatives on firm results. This paper aims to fill these gaps to

better understand the relationship between innovation strategy and total turnover in the hospitality industry, and so contribute to the extant literature on the subject.

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