

Hospitality and tourism in a global digital economy – new models, services, and performance

Ulrike Gretzel
Netnografica, LLC
ugretzel@gmail.com

Elin Wihlborg
University of Linköping, University West
elin.wihlborg@liu.se

Karin Högberg
University West
Karin.hogberg@hv.se

Abstract

As we have moved into a post-pandemic phase, the hospitality and tourism industry faces a new era where conditions are reshaped through new realities like labor shortages, new work models (digital nomadism, work-from-home), inflation, political uncertainties, new leisure and travel patterns, and increasing tourismphobia among local residents. In addition, the growing awareness of sustainability and climate change are adding new demands and challenges. Thus, there is a need to develop practical and conceptual knowledge on the role of digital transformation in meeting these challenges and for developing an industry that is resilient, sustainable, and responsible in its technology use.

Keywords: digital disruption, digital transformation, travel distribution, technology adoption, digitalization.

1. Introduction

International tourism arrivals reached 84% of pre-pandemic levels during the first half of 2023 (UNWTO, 2023), suggesting that the sector is recovering quickly despite rising prices, labor shortages, and ongoing and newly emerging threats caused by wars and natural disasters. Much to the detriment of many travelers, destination residents, and industry practitioners, the pandemic times of reflection, caution and calmness are over, and everything seems to be back to ‘business as usual’.

Tourism demand is not only proving to be incredibly resilient but is also increasingly flexible and dynamic because of widespread technology adoption and use by an ever-larger portion of the traveling population. Such demand-driven pushes towards digitalization in combination with disruptive innovations in artificial intelligence are currently creating a new wave of digital transformation in hospitality and tourism that represents a major opportunity for digitally savvy industry players and a critical challenge for technology adoption laggards. Understanding the facets and dynamics of contemporary

drivers and effects of such digital transformation in hospitality and tourism is the focus of this mini track.

2. Digital Transformation in Tourism and Hospitality

The intricate relationship between technology and the hospitality and tourism industry has been well established (Werthner & Klein, 1999). While the core offerings of this industry are location-based and mostly involve embodied experiences that are carefully staged and managed by human service professionals, the significance of digital experience components before, during and after the trip has drastically increased in recent years. The emergence of digital-only industry players and increases in virtual value creation are causing dramatic shifts in the power dynamics of the industry. At the same time, the effects of this digital transformation have very real implications for carbon footprints, landscapes, neighborhoods, and livelihoods.

Survival of the ‘technologically fittest’ has been a long-standing trend in hospitality and tourism. Yet, increasingly concentrated digital power makes competition ever more difficult and places more emphasis on innovation instead of simple technology integration into organizational processes. Survival of the ‘digitally savvyest’ seems to be the new mantra. Using technology to understand value dimensions and to rethink processes is key to shaping demand and outsmarting competition in a platform-based economy.

Considering the many growing global crises, this mini track moves beyond survival to explore the idea of regenerative tourism and its assumptions of a thriving and responsible hospitality and tourism industry in which the ethics of technology adoption and use are brought to the forefront. Consequently, platform-based power, biases, and behavioral consequences of platform use are some of the topics discussed by this mini track.

3. Summary of Papers

The mini track presents three papers that focus on digitalization in the increasingly platform-driven accommodations sector. They are briefly introduced to

highlight the important facets of digitalization discussed in this mini track.

Digitalization drastically heightens competition and can constitute a major threat for existing players. In their paper, Nan et al. (2024) explore how hospitality and tourism organizations can turn such a threat into a positive outcome of successful adaptation and thriving. Using the case of a hotel chain in China, they find that strategies involving digital fortifying of assets, data-driven innovation, and continuous exploitation of digital opportunities across the platform-based ecosystem allow incumbents to outperform their competitors. The authors conclude that the reconfiguration of resources in an agile manner is the key to success in a digital context.

Platform-related biases and discriminatory user behaviors are unfortunately a reality that also affects hospitality and tourism, and specifically Airbnb (Farmaki & Kladou, 2020). This topic is explored by Liang et al. (2024) in their paper on location bias exhibited by Airbnb hosts. Thankfully, the research finds that Airbnb guests recognize and actively punish biased hosts through their ratings. The important takeaway from the study is that bias towards non-local guests is something that Airbnb hosts need to eliminate to be successful.

Platforms and their affordances shape travel demand in profound ways. Previously well-understood concepts, such as behavioral loyalty when choosing accommodation during travel, can therefore change in significant ways. In their paper on Airbnb listing repurchase behaviors, Xie et al. (2024) investigate the drivers of behavioral loyalty in the peer-to-peer accommodation sector and find that the relationship of listing scores and host evaluations with repurchase is complicated. However, overall, they find that the evaluation of the Airbnb host matters the most, suggesting that human connections remain an important

component of travel experiences, even in the highly digitalized hospitality and tourism industry context.

Together, the three papers highlight different stakeholders in and perspectives on digitalization in hospitality and tourism. The unifying theme is the increasing mediation by digital platforms of processes and relationships that form the core of hospitality and tourism experiences. Reflecting on the consequences of this technology mediation for the industry and beyond is, thus, a major goal of this mini track.

4. References

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