

Versatile Hospitality Industry around the Globe A Case Study on Development and Challenges in Hospitality Industry - Taiwan

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Abstract: For the Following analysis of the purpose of coming to Taiwan, some tourism areas worth developing (such as medical treatment and leisure) are also presented in the research results. Based on these results, and according to the sustainable development goals, specific recommendations for the sustainability strategy of operation are made as a reference for the government and relevant industries. This research also increases the scope of application of DEA and points out a different direction for future research. The term smartness has been discussed in academia for many years, prior research has listed a number of advantages and encouraged business entities to implement smart technologies. However, stakeholders' knowledge level, support intention and barriers to smart technology have been under investigated. Without the support of stakeholders, smart projects can hardly be implemented. This paper aims to explore the above-mentioned under-explored area and identify the gaps between academia and the hotel industry in Taiwan. Design In-depth interviews were conducted with nine hotel stakeholders in Taiwan with investors, owners, managers, technology suppliers and information technology consultants. Three key areas were focused on: smart hotel definition, expectations from smart hotels and known barriers for implementing smart technologies. Findings The definition of smart hotel among all stakeholders was inconsistent. Stakeholders defined a smart hotel according to their role in the organisation: revenue boost, service customization, operations effectiveness and in-room automation. However, the key functions of smart technologies, such as interconnectivity with business partners' application (e.g. online travel agencies) and linkage to external Big data for accurate revenue forecast, were not mentioned by the interviewees. In addition, social media monitoring, robots and artificial intelligence were not mentioned during the interview. Originality/value This study attempted to identify Taiwanese hotel stakeholders' perspective on smart hotels and to compare the outcome with academic research. The result indicated that there is a big gap in the definition of "smart hotel" among stakeholders and academia and reflected several barriers that prohibit hotel owners and investors in implementing smart systems.

Keywords: Result, Stake holders, Implementation, Customization.



I. INTRODUCTION

[1] Since the outbreak of a new coronavirus (COVID-19) around the world, many countries have had a large number of people infected by this new virus. By January 3, 2021, the number of confirmed cases reached more than 84 million globally and deaths numbered more than 1,834,000. Many governments have had to lock down cities so as to prevent the virus spreading to more people. Most flights between countries have been cancelled, too. The global economy has suffered hugely, and the unemployment rate is increasing quickly. In the United States, the unemployment rate reached 14.7% in April 2020, compared to 3.5% at the end of 2019. It warned that 100 million people in the global tourism industry might be unemployed this year. The [1] survey indicates that there are now restrictions on nearly 100% of destinations, of which 83% of regions have implemented limits on tourism for more than four weeks. The WTTC also warned that the epidemic has reduced employment in the tourism industry by about 100 million, of which nearly 75 million jobs are located in G20 countries.

Many industries are unable to continue production due to work stoppages, resulting in worker unemployment. Tourism is among the worst-hit industries. Most people around the world have stopped travelling or dining out. Taiwan has done a good job of epidemic prevention, with only a small number of people infected. However, because most of its income depends on international tourists, Taiwan's tourism industry has still been greatly affected. We do not yet know when this pandemic will end. After the epidemic is over, the tourism industry will want to attract international tourists to visit Taiwan as soon as possible. At that point, how to focus on the tourists who will be most helpful to economic recovery, so that the industry can recover in the shortest possible time, is a very important question. Currently, many studies are focusing on COVID-19, including medical aspects and political and economic influences. Only few researches are focused on the impact of the tourism industry.



II. SUMMARY

From the analysis of the results in the previous section, it can be seen that the major tourists to Taiwan are from Asia and the Americas and the numbers of tourists from Southeast and Northeast Asia are growing particularly rapidly. Most of the tourists visit Taiwan for leisure, while the second-largest group is "others".

Unsurprisingly, travellers spend the most on hotel expenses and shopping. Japanese tourists have the most, followed by Chinese and Singaporean tourists. It is worth noting that the number of tourists for medical purposes is not large, but their total consumption amount is the highest. The Taiwanese government has done a very good job of containing the COVID-19 epidemic, so there are even surplus medical supplies that can help other countries. This is a good publicity opportunity. If the government and related industries take advantage of the good reputation the country has for its handling of coronavirus, we should be able to increase the number of tourists coming to Taiwan for medical treatment, which should be of great help to the overall medical and tourism industry.

In terms of shopping, tourists from all countries spent at least US\$34 on “Famous products or specialty.” Chinese tourists spent the most money on “Jewellery or jade,” which was also a favourite sub item for all tourists; they spent more than US\$20 on it on average. However, tourists from Japan, Korea, and the New Southbound countries spent less than average on this sub item. “Cosmetics or perfume,” “Souvenirs or handicrafts,” “tea,” and “Clothing or related accessories” also attracted tourists’ interest. Especially in 2015, the average amount tourists spent on clothes reached US\$40.45. Relevant units can investigate and see if this particularly high amount is due to the influence of Chinese tourists, or of tourists from other countries who also like to buy this sub item.[2] The industry can try to increase its product advantages to attract international tourists. After all, tourists who revisit the same place may not want to buy the same product twice.

According to the Sustainable Development Goals, a sustainability strategy of operation should make good use of existing resources to get the most rewards and should be able to operate sustainably. Therefore, without wasting resources or doing unnecessary construction or investment, we should analyse the preferences of existing and potential consumers to take better advantage of the existing tourism environment. In order to attract international tourists to Taiwan, we need to provide better service quality. The pursuit of growth that is beneficial to both industries and tourists is the goal of this study. The results of the principal component analysis show that travellers have some particular norms to their shopping behaviours, in that the items and sub items they bought show some correlations. From the above analysis, we see that this study provides several suggestions for relevant government units and industry operators.



[3]Focus advertising on foreign tourists, mainly on young and middle-aged customers (20–49 years old), because they have higher spending power and autonomy.

The Tourism Bureau must add more items to their investigation of tourists with the purpose of “others,” so as to understand in more detail their reasons for visiting in the future.

From the data envelopment analysis (DEA) results, for Japanese, Chinese, and Singapore travelers with high spending power, we must develop more options, and produce souvenirs with local characteristics to increase their purchase intention. Aiming at Chinese tourists, we should develop more high-quality, high-unit-price products in the areas of

“Jewellery or jade,” “Famous product or specialty,” “Clothing or related accessories,” and “Cosmetics or perfume” with Taiwanese characteristics to increase their purchase intention.

Dealing with the coronavirus pandemic will involve cooperating with other countries and letting people know about Taiwan’s medical environment and successful cases. This could increase the willingness of foreign tourists to come to Taiwan for medical treatment.

Tourists in Southeast Asia have different dietary requirements from those of ordinary people in Taiwan. Relevant industries must focus more on their needs so that these tourists feel more at ease and willing to travel to Taiwan.

From the principal component analysis (PCA) results, operators in different industries can make different and diversified combinations of their products, so that passengers can buy products that are more valuable for less money, thereby increasing their purchase intention.

III. CONCLUSION

The outbreak of a new coronavirus (COVID-19) has caused great damage to the global economy. [4]The tourism industry is among the worst-hit industries. Currently, many countries are focusing on developing a vaccine to control the epidemic. I hope that the pandemic may be contained in the near future, but we do not know if global consumer behaviour remains the same. Therefore, how to focus on the passengers who are most helpful to Taiwan’s tourism industry is a very important question.

So far, most of the research related to COVID-19 has focused on patients’ symptoms, transmission, treatment and prevention, etc.. Some focus on the political and economic impact or simply the impact on the tourism industry. With “The 2030 Agenda for Sustainable Development,” this study tries to find a sustainability strategy for Taiwan’s tourism industry. Using two-stage data envelopment analysis and principal component analysis, this study investigates past statistics and explores the behaviour of tourists who travel to Taiwan. Specific recommendations for a sustainability strategy are made with reference to relevant industries, especially for tourists from China, Japan, and Southeast Asian countries. As mentioned in the previous section.

This study not only discusses the economic impact of COVID-19 on Taiwan’s tourism industry, but also tries to find a way forward for Taiwan’s tourism industry from a sustainable development perspective. [5]The bottom line is this: Do not overinvest; make good use of existing resources to maintain a competitive strategy.

From the perspective of the global tourism market, Taiwan’s tourism industry still has considerable room for growth. Under the sustainable development goals of the United Nations, how to use resources effectively without increasing waste and pursuing sustainable management is a hugely important question. This research proposes some suggestions by investigating shopping behaviour. In theory, to make the application of the DEA model broader, subsequent researchers can expand this concept. In practical applications, combining the concepts of DEA and PCA can be an effective way to determine tourists’ consumption patterns. Such a finding can help related businesses to develop their products, find ways to cooperate with each other, and increase their sales. However, follow-up researchers can still do more in-depth research on how to operate sustainably from different perspectives.

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