

Hospitality innovation: An oxymoron?

By [Dr. Christine Demen-Meier](#)

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Innovation. It's the lifeblood of many industries. But in our industry, hospitality, innovation tends to be incremental rather than radical. That's not to say there have not been new and innovative practices, but by and large it's a conservative and traditional industry, which focuses on best practices and processes. In an ever-changing corporate landscape, the need for continuous innovation has become a prerequisite to stay competitive and conduct business in a new way.



Dr. Christine Demen-Meier (Image Source: [ITB Berlin](#))

Overcoming organisational resistance to innovation

Collaboration between business and academia could bring something new but at present it seems many in the hospitality industry are basing their efforts to be innovative on trial and error, and are relying on staff to come up with new ideas, which – at best – tend to be small-scale, incremental initiatives.

In the US, there are few barriers between academia and business, but in Europe such barriers are hindering progress. Perhaps the time has come for industry and educational institutes to work together more closely than we have in the past.

Notwithstanding, the reasons behind the limited inclination to innovate in many hospitality organisations are only marginally addressed in academic research. More systematic and applied research is needed to analyse the relationship between different forms of innovation and organisational effectiveness, and to help hospitality firms overcome organisational resistance to innovation.

At a roundtable event held at the Ecole hôtelière de Lausanne (EHL) earlier this year, we heard from a number of prominent industry professionals and practitioners on the topic of sustainable innovation in hospitality. From the session, it is clear that many businesses do not have the time or the money to explore how they can truly become innovative – and even major hotel groups are struggling with this, focusing on developing new products, rather than on being 'innovative' as that can be difficult to pin down.

A focus on creativity

Three-star Michelin chef, Anne-Sophie Pic, one of the few women to have risen to the top of the restaurant business, spoke extensively at the EHL workshop about creativity and how she had developed "my own style, my own identity", learning from

her father's chefs. She and her husband went on to open several restaurants including one at the Beau-Rivage Palace in Lausanne.

"I believe that, today, creativity is what drives me the most," she said. "It's true that to reach the creative stage you have to go through many stages such as learning the trade, learning specific techniques in general and then, after that, you don't just understand cooking from one day to the next. It's also a question of maturity before you can get creative, you have to go through all the steps I just mentioned. It's something that you feel deep down inside and your own cooking progresses over time but you have to be very sincere in what you're doing."

"I think focus is really synonymous with creativity. It's also a lot about isolation. And you need to be able to dream in this line of work. It's not about productivity: creativity is a very singular and unique thing. It inspires emotion in people. For me, my professional life is entirely focused on that one word."

Innovation is always about challenging yourself, she said. "Technique underpins continuous creativity. You have to be on the look-out for new techniques and challenge the techniques you are using and find new ones. Challenging yourself will lead you to innovate."

"A workplace must be conducive to creation, dialogue and friendliness. It also allows me to be more innovative as I continue to learn new techniques. I also make the team use other techniques, which is not without its share of difficulties but this is what challenging yourself is all about. That said, the change can be slower over time; innovation doesn't mean making a clean break with the past all the time."

New product development

Frank Lavey, senior vice president of global operations at Hyatt Hotels Corp, took a somewhat more pragmatic approach to innovation and hospitality. "This is a very mature industry but the aim of everything that we do is about taking care of our guests and so we can do it in a better and more efficient way without losing the personal touch, while making good progress."

He said Hyatt had set up an innovation council to explore ways in which the experiences of guests – and colleagues – could be enhanced. However, the council had been renamed as the new product development committee. The rationale for the move was, he said, "because products can come in all shapes and sizes. Some are technological solutions and some are innovative changes."

"We deliver service but really again it's about infusion, creativity, and allowing people to bring their ideas to the table and implement them, test them, try them out and find out what the customer likes. So, I believe it boils down to a very simple concept."

Standards, the enemy of innovation

Alain Kropf (EHL, 1990), the General Manager of the Le Royal Savoy in Lausanne, concurred, saying that the term “innovation had been overused”. He added that, looking back on his career, “if I look at the products back then and the products now, I don’t see huge amount of innovation really.”

“Very often in our traditional way of doing business, we don’t encourage people to innovate. Just because we have standards, I myself come from standardised hotels like the Intercontinental, Hilton, Shangri-La and so on. We operate very often within a number of constraints, because those are the standards and I think sometimes this is the enemy of innovation.”

Think of Uber or Airbnb, and clearly digitalisation has resulted in disruption and innovation. But in the hospitality industry, he argued, “it is very dangerous to believe that emotions can be digitalised.” “Human relationships are at the very core of our success,” he added, a view shared by several of the panellists.

Kropf said that on a trip to Paris he booked into a hotel run by his main competitor and was impressed by the way he was treated from the booking process until his departure. “Why innovation is interesting in this case is that when I booked the hotel, a couple of days before I arrived I received an e-mail, proposing that I should book a couple of products, which were super-innovative.” For example, he could discover shops where they sold different kinds of products. “And there were a lot of different proposals which were really innovative and which we in the booking reservation department usually don’t offer. We are very conservative in terms of that. I think we can learn a lot from this.”

Lavey added that, because so many new tools were available, these were “driving the competitive edge of the industry.” For instance, the group had launched a new guest reception tool which allows reception agents to access information about guests much more quickly. “So it’s a really great tool and it’s helping us.

The biggest thing is that it simplifies the process and we are trying to encourage our colleagues to get away from the scripted welcomes and be more authentic. And it gives them more time to engage with the customer, find out a little bit more about them, and start to document what are those personal preferences they have and we are find that is very helping us elevating our guest satisfaction scores. We are really seeing great success.” The system had just been launched but “we are pretty excited about it”, he said, adding it was scheduled to be rolled out globally at the end of 2016.

Never lose sight of the fundamentals of hospitality - guest experience

Whether you call it true innovation or creativity, “everybody wants to be the first to the market with a new product,” he said, “but everybody is driving towards the same goal: to create greater convenience for our guests.”

He went on: “But I think the fundamentals of what we do are still intact, as they were 30 years ago. It’s about personalising the experiences for our customers, making them feel that we understand what their wants and needs are, and delivering on the brand promises. So innovation, I think, is part of the process but we should never lose sight of the fundamentals of hospitality.”

For Oscar Herrera, the Corporate Director of Systems and Communications at the Lopesan Hotel Group, innovation represents changing processes, so workshops had been launched to initiate ideas. Out of nearly 200 ideas put forward, a handful of suggestions were carried forward – including a smartwatch to make housekeeping operations more efficient, and a proposal to build a restaurant under the sea. “We are always listening to our employees and we are always listening to our customers, because we have to touch our customers.”

Lopesan had staged workshops with other industries – for example, airlines (“it’s a good example because airlines are always innovative about processes”) and it had also teamed up with chocolate manufacturers to inspire new ways of thinking.

Size and scale matter

But when it comes to innovation, size – and scale – matter. Large hotel chains will likely have budgets for developing new processes and tools which would be beyond the scope of individual, small hotels. “For small companies like us, it’s more complicated to do these big, technological innovations because we do not have R&D, nor sometimes the financial support,” said Marie Forestier (EHL 2010), who runs the Hostellerie Bon Rivage near Vevey. “However, I think we can still innovate.”

“It’s good to trust people and also push your own people, your own staff, to give you ideas to create a better experience for the guests.”

She gave as an example an art competition staged by her hotel, which resulted in paintings being displayed in the restaurant for several months. “The revenue of the restaurant actually increased because more people were coming and they would say to their friends: ‘You know, I have a painting in the restaurant you should go and take a look.’” Small-scale innovation maybe, but it was, she said, “quite a good idea.”

Several other ideas which were touched on in the session were also relatively small-scale or incremental. For instance, a breakfast improvement team, or an initiative to enhance the guest experience at the time of arrival and departure.

Freedom to be creative and innovative

Hotels may be looking to empower staff to come up with new ideas but – as one of the panellists candidly noted – hotels also ‘steal’ ideas that others have introduced and then try to improve on them. Feedback from guests obviously plays an important role when it comes to making improvements here and there.

In short, innovation involves investing time and money. So does creativity, but the difference between the two is that creativity is less process-driven. As a result, the benefits generated by creativity can be less direct and tangible.

“I sincerely think that a three-star restaurant is not necessarily intended to be profitable,” said Anne-Sophie Pic. “If chefs want to keep their three stars, in my point of view, they have to be creative and innovative all the time and that entails spending money and not hemming themselves in, while trying to please themselves and, more importantly, please customers.”

“For each product, you can’t look at the price tag if you want to be free; that is the price of being free. That’s the reason why our establishment has developed other activities, although we pour a lot of our energy into the three-star restaurant, which remains our showcase for haute cuisine. But developments around this restaurant enable us to be more serene about the future and continue to be innovative and creative. This is all very demanding, of course. But these developments are enriching for us, which remains very important.”

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