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Abstracts of Presentations at the 2019 Annual iAHFME Research Symposium

F&B Performance in the United States Hotel Industry

*Evidences from Time and Location Types*

Michael Lin, InHaeng Jung, and Amit Sharma

**ABSTRACT**
Competitive environments warrant hotels to diversify products and services. Diversification is necessary to reduce the risks associated with revenues and profitability. This study explored whether food and beverage (F&B) activities have the potential to create a diversification of revenue sources for hotel businesses. The current study used STR hotel performance data from 2007 to 2016 and conducted panel regression analyses and time trend analyses in the pre- and post-2008 recession period to investigate the impact of diversifying revenue and profit sources through F&B activities. The results indicate that F&B activities can be a source of diversification for upper upscale hotels. Results further suggest that F&B was a supplementary income source at the beginning of the recovery phase of the last recession. Theoretical contributions and managerial implications are discussed.

Impact of Employee Meals on Employee Satisfaction and Hotel Financial Performance

*An Experimental Study*

Luana Nanu, Anudari Munkhtuya, Cihan Cobanoglu, Jay Schrock, Ibrahim Hakan Yilmaz, and Timucin Dis

**ABSTRACT**
Hotel employees commonly receive several benefits tied to their workplace; in some cases, these benefits are in a non-monetary form. Several hotel companies in both developing and developed countries offer employee meals as a non-monetary form. By using secondary data on employee satisfaction prior to and post-staff cafeteria renovation, this study looked into the impact of employee meals on employee satisfaction and hotel financial performance. The findings show a strong and significant correlation between employee satisfaction and financial performance of the resort.

The Price Momentum Strategy to Target Better Returns, or Not?

Frida Bahja and Murat Kizildag

**ABSTRACT**
This paper discusses an overarching theme of the intuition and evidence underlying price momentum investing styles/strategies stemming from dividend policy (dividend yields, dividend payouts, etc.) of service-oriented companies listed in the major benchmarks. The opportunities for nudging firms’ return momentums and payment structure are examined. Lastly, this paper aims to provide compelling empirical evidences of firms’ dividend policies, payouts, and yields along with the stock return momentums on the before and after effects of the recent 2007 recession.
On the Short-Term Effects of the Deregulation of Sports Gambling

Mark Johnson, Michael McCall, and Sukesh Patro

ABSTRACT
This paper discusses and empirically examines the economic implications of the recent deregulation of the sports gambling industry that occurred as a result of the Supreme Court’s decision in *Murphy v. National Collegiate Athletic Association* (NCAA). This lawsuit was the second filed by the NCAA and other plaintiffs against the state of New Jersey to block New Jersey’s efforts to legalize sports gambling by lifting existing statewide bans. Unlike the first lawsuit, the Supreme Court agreed to hear the case this time. In May 2018, the Supreme Court passed its ruling that the existing federal law that regulated sports gambling, the Professional and Amateur Sports Protection Act (PASPA), was deemed unconstitutional. Consequently, protections on sports gambling were lifted and it was no longer the protected preserve of Nevada, Oregon, and Delaware. In June 2018, New Jersey passed legislation that legalized sports gambling in the state.

The Effect of Economic Uncertainty of Hotel Operating Performance in the United States

*The Mediating Effect of Consumer Confidence*

Ozgur Ozdemir, Wenjia Han, and Melih Madanoglu

ABSTRACT
This paper examines the effect of policy-related economic uncertainty on hotel operating performance by testing the mediating effect of consumer confidence on the economy. Hotel products are typically regarded as luxury goods/services. Therefore, we predicted that their consumption is highly dependent on consumers’ confidence on the health and stability of an economy and consumers’ tendency to keep up spending rather than revert to a saving psychology. This prediction is consistent with the economic notion that under uncertainty, consumers will be inclined to cut their spending on goods that are not of paramount necessity to a greater extent compared to goods that are regular necessities of living. Hence, the focus of this study was to examine whether this rationalization is prevalent in the hotel industry. More precisely, we explored whether the hotel demand (i.e., occupancy) and revenue per available room (RevPAR) are affected by the policy-related economic uncertainty in a country, and if the level of consumer confidence on economic stability is the underlying reason for the predicted decline on hotel demand and revenue. We used STR hotel performance data in select US states to collect property level occupancy and RevPAR, the economic policy uncertainty (EPU) index to measure the level of economic uncertainty, and the Consumer Confidence Index® (CCI) by The Conference Board to measure consumer confidence on economic outlook. The preferred data analysis method was panel data analysis and an appropriate estimation method given the panel structure of the dataset. We anticipated that the study will provide support for the proposition that under economic uncertainty/instability, consumers would be more conservative in spending and would give up more of the consumption of hotel rooms, and this would be reflected in demand and revenue of hotel companies. We also expected that the extent of decline in demand revenue would vary across different hotel segments. The study aims to reveal significant insights for the hotel industry in regard to how hotel demand and revenue fluctuate as the economic uncertainty increases/decreases in a country, the length of the effect (time lags), and how different hotel segments are affected by the uncertainty.
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