

ARTIFICIAL INTELLIGENCE BECOMES ESSENTIAL TO HOTEL MANAGEMENT



The increase in travel in the summer brought up the problem of labor shortage in the tourism sector. Hotel management had prepared for such a situation; however, the crisis turned out to be more serious than expected.

The lack of qualified professionals in the sector became visible with great negative consequences: service problems, negative reviews on online platforms, and loss of customers... among many other issues that, despite the enormous support of automation and technology, are not enough for the performance of a hotel.

The behavior of hotel guests is rapidly changing in the post covid period. This is the new normal for the hotel industry, which travelers show in the following ways:

Potential guests are overwhelmed with so many search options, booking channels and ads, and therefore, brands need to automate all channels to simply manage content and rate distribution.

With so many options, many potential guests suffer from buyer's paralysis and will seek to resolve their research via live chat or by calling a hotel to quickly secure a booking and get their questions answered immediately rather than perusing the website.

This buyer's paralysis is later mirrored by in-house guests who are more likely to call the front desk or use the two-way messaging platform to have their service requests fulfilled instantly. The summary of this post-capitalism, considering how this new normal impacts the industry, is speed and simplification.

The speed and simplification could be considered by the hotel management as an adequate reaction to these impacts on the industry.

Leveraging Artificial Intelligence in the Hospitality Industry

Speed and simplification are the main values of today's consumer era. So much so that, if we take even the slightest time to answer a booking query, the customer will have already moved on to another hotel website capable of answering their query instantly.

If we use a multi-option or multi-step telephone answering machine as a way to assist the customer, it is also very likely that they will abandon the booking process instantly.

At this point, it is clear what may be the most effective solution to save this type of situation: artificial intelligence (AI).

The options offered by AI not only contribute to guest retention and engagement, but also to the brand's reputation as a hotel at the forefront of customer needs.

One of the main advantages (or rather, the main advantage) provided by these digitalization systems is to cover the labor shortage in the sector, where the last thing a hotel employee needs is to answer

messages asking about the hotel's address or whether the restaurant is open for lunch.

The implementation of these conversational bots, designed with AI, is just a first glimpse of what intelligent automation will bring to hotel management and the sector as such.

While we emphasize the more direct benefits, such as labor savings and minimizing query abandonment, conversational AI also has an indirect effect on team productivity.

In this over-demand that the industry is experiencing, largely as a result of the travel appetite that the pandemic has retained, the least returnable action for a hotel, with the lowest ROI, is for managers to spend excessive time training staff or attending to simple issues.

In conclusion, hotels can prioritize innovation and optimize more profitable tasks, thanks to the time and effort saved by AI systems such as a trained chatbot.

Conversational Artificial Intelligence in Practice

Artificial Intelligence (AI) scans social networks, movies and TV shows to learn the use of language, integrating slang and colloquialisms typical of fluent communication.

Through this intelligent process, a virtual assistant is designed to cater to any voice channel and is capable of handling an infinite number of trained questions and answers, including foreign languages, hard-to-understand accents or sounds.

Most guests understand the use of AI as the typical chatbot that responds in seconds to basic questions, or as calls that do not require many steps or much typing to finally be routed to a human figure.

Hoteliers, however, see in this revolutionary digitalization process the opportunity to retain the customer more easily and therefore save costs, since the virtual assistant is able to filter calls and answer the most basic questions.

One reason that makes us prioritize the implementation of conversational AI bots, before other technological launches related to the user experience on the web, for example, is the baby boomers' preference to communicate by voice.

While millennials and centennials are more prone to text-based communication, and it's not an aspect that any hotel should neglect in what will be the next generation of consumption, it's the boomers who are the most liquid today.

In short: Boomers are the ones who are most financially able to spend on travel and increase their hotel stays with more ancillary spending (what we call TRevPAR or total revenue per guest). And, as boomers prefer voice communication, it is a channel that should be leveraged by the hotel.

Hoteliers' Interest in Conversational Bots

Experts emphasize that hotel management usually does not believe in the potential of conversational AI or the use of bots. **The argument is quite simple - guests will always prefer a real person to meet their needs.**

In a market test conducted with the Anette conversational bot, two results were found: some hoteliers seemed not to care about its implementation, and in other cases, it was significantly

demonstrated that AI can be better than an agent, as it avoids calls on hold or misunderstandings.

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