

# AI'S ROLE IN THE TOURISM TRANSFORMATION



Artificial intelligence (AI) has been discussed in various industries, including tourism. In the travel sector, AI enhances customer satisfaction and increases operational efficiency. For instance, Airbnb employs AI to bolster profile security and dynamic pricing. Booking Group uses machine learning algorithms to develop marketing campaigns, while Expedia has a virtual agent that answers travelers' queries. Many companies in the industry recognize the benefits of artificial intelligence, especially generative intelligence, as it saves time.

Many small players in the tourism industry, such as independent hotels or travel agents, lack the necessary resources and training to compete with more prominent companies. However, experts suggest that generative artificial intelligence could bridge this gap and help them make better decisions. Tools like ChatGPT can assist these small players without a background in marketing or tourism, making AI a valuable asset for their growth. The aim is not to enrich medium and large companies but to help smaller players succeed. In doing so, AI can support regenerative tourism, prioritizing ecosystem and local community well-being while minimizing negative impacts.

## **No action is without data analysis**

For artificial intelligence to function effectively and offer relevant solutions, it requires accurate and qualified data. According to Misa Labarile, who is in charge of tourism policy at the European Commission, data plays a critical role in tourism's ecological transformation. However, many firms and destinations are unaware of how to utilize it properly.

She confirms that only a few players in the industry possess a vast amount of data. This is why the European Commission is developing a public data infrastructure that enables players in the sector to share information. This entity will be distinct from EONA-X and will take several years to come to fruition.

By structuring a sustainable offer through this data sharing, consumers will be more inclined to book environmentally friendly stays. 80% of customers say they want to book a more sustainable property but don't know where to look. It's the human side that changes consumers' minds. A person will be more willing to offset their stay's carbon footprint if the hotelier explains the process to them than if they have to click on a button on the site.

## **Is AI good or bad for the environment?**

As artificial intelligence evolves, it increasingly relies on data centers that consume significant amounts of energy and water. In 2022 alone, Open AI's data centers emitted 550 tons of CO<sub>2</sub> while using ChatGPT, equivalent to the emissions from 550 round-trip flights from New York to San Francisco. This accounts for roughly 3% of global CO<sub>2</sub> emissions. Moreover, these data centers consumed approximately 190 billion liters of water in the United States in 2021.

On the positive side, AI is helping develop software promoting clean energy. It is also enabling the implementation of solutions for capturing CO<sub>2</sub>, reducing CO<sub>2</sub> emissions, and minimizing food waste in hotels.

However, it remains to be seen whether generative AI is ultimately beneficial or harmful to the environment. Only time will tell, and the next few years will be critical in determining the true impact of this technology.

Date: 2023-10-23

Article link: <https://www.tourism-review.com/ai-contributes-to-tourism-transformation-news13848>