

# HOTEL PROFESSIONALS ESTIMATE AI IMPACT ON THE HOSPITALITY SECTOR



A recent report from Canary Technologies reveals that many hoteliers believe artificial intelligence is already influencing the hospitality industry or will do so within the current year.

The study surveyed 327 hotel professionals and found that 61% of respondents anticipate the sector's impact will be felt this year. In contrast, 39% are more cautious, stating that AI will not significantly affect the industry for two years or longer.

A recent report reveals that 73% of hoteliers believe artificial intelligence (AI) will significantly transform the hospitality industry; the main question is when and how this change will occur.

**The report highlights how much of their information technology (IT) budgets responding hoteliers plan to allocate to AI.** Among the 61% of hotel professionals anticipating an impact this year, 42% indicated investing between 10% and 25% of their total budgets in AI.

Overall, 36% of all respondents plan to invest between 10% and 25% of their budgets in AI, while 16% intend to allocate between 25% and 50%.

Unsurprisingly, the report found that AI investment tends to be higher among larger hotels. For instance, two-thirds of hotels with 150 rooms or more commit at least 10% of their IT budgets to AI. Additionally, 26% of hotels with 500 or more rooms plan to invest half of their IT budgets in this technology.

Furthermore, 60% of brands, management companies, and ownership groups believe that AI is either already making an impact or will do so within the following year. This confidence is likely linked to the economies of scale they anticipate, compared to just 49% of individual properties.

Key concerns for hoteliers regarding implementing AI include whether it will add value to their operations and the costs associated with implementing the technology. Overall, hesitation often arises from the need to balance the expectations of innovation with the realities of cost, risk, and readiness.

Respondents in the study identified several areas of the business where they believe AI will have the most significant impact. According to 89% of participants, AI will have a medium to high impact on pre-booking guest engagement, while 83% indicated it will similarly affect guest communications.

**Furthermore, 83% believe AI will have a medium to high impact on revenue optimization,** and 80% agree it will significantly influence reputation management. Additionally, 82% highlighted fraud detection as another area where AI will have a medium to high impact.

In more general terms, regarding IT purchasing, one-third of respondents were sole decision-makers. Additionally, 24% of respondents made the final decision with input from their staff, 25% contributed to reaching the final decision, and 17% provided input for the final decision.

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