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Artificial Intelligence (AI) - The New Frontier in Travel

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Calling it a shift would be an understatement. On many fronts, the travel industry is going through a complete revolution. Driven by customers' increasing demands for digital, hyper-personalized and seamless experiences, the industry faces a total transformation from a human-assisted and technology-enabled way of gathering information to a technology-assisted and human-enabled personalization of experiences.

In few years
89%
of businesses will compete mainly on customer experience.

Source: Gartner

A Customer Spread that Invites Cognitive Intelligence

Today's traveler profile is an interesting multi-generational mix of millennials, Gen-Xers and baby boomers – each being formidable customer segments that requires intelligent understanding.

90 percent of the millennials book their travel online, and almost all of them use digital tools and apps to compare, select and share their experiences.[1] This booming generation is adding another chapter of possibilities of unexplored back-pack adventure, bundled offerings, closing on best deals through digital options of decision-making and immediate responsiveness of the human value-add.

Gen-Xers and baby boomers show an almost equal penchant for online purchases (mostly through OTAs) and leveraging apps. Gen-Xers look for new but safe destinations, customized and comfortable travel experiences with flexible schedules, and efficient booking services (direct or through online travel agents). Baby boomers are fine with value-filled packaged and group tours, prefer well-planned schedules with minimum surprises, and opt for direct travel bookings but look for the 'personal-touch' communication (direct or telephone).

AI can provide a two-pronged advantage for the travel industry. Its extensive reach to a wider audience, combined with its capacity to store critical data points can help travel companies to personalise their offerings and enhance the purchase experience. AI also enables optimization of product development by imparting high customer intelligence, adding further to the quality of customer experience.

1. https://www.sabre.com/insights/what-stats-reveal-about-travel-behaviors-by-generation/

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Leveraging the Intelligence of Insights in Data for Travel

Data sits at the convergence of domain, channels, analytics and technology that are redefining customer experiences across diverse segments. It is what keeps customers informed, aware, alerted, empowered, engaged and delighted. Along with machine learning, AI powers this convergence to transform data into a valuable knowledge asset that enables disruptive concepts and models – such as connected ecosystems, shared economy models, mega-meta-OTA-hybrids and dynamic personalization of user experiences.

For example, United Airlines uses AI to provide personalized user interfaces for its website. As does Airbnb, based on geolocation and tagging. Dabble and BonAppetour offer interesting and personally hosted local experiences, including food. Google, TripAdvisor and Kayak allow users to initiate purchases directly from search results. **Kayak** on Facebook Messenger and **Hipmunk** on Slack are examples of collaboration between virtual assistants, payment technologies and social media platforms. Connie, Hilton's AI concierge understands natural language and responds to guest's queries, while **Mario** the robot at Marriott (in Ghent, Belgium), speaks 19 languages and hands out room keys, and explains dinner menus to guests.

Personalization acquires a new dimension with Airbnb and Uber, as they allow millennials to lead an asset-light life, while earning from under-utilized assets and opening avenues to interact with people globally.

How AI can Transform Travel Experiences

By itself, AI can simulate intelligent behavior in machines. When combined with machine learning, it can supervise machine learning to perform specific tasks and achieve specific goals. Together they can achieve voice, speech, text and image recognition, and vision system in the area of perception. Cognitively, they can be used in

- Pricing intelligence, purchase and disruption prediction
- Determining a customer's propensity to buy and conversation analysis
- Developing chatbots for helping customers find products or content
- Content generation and curation, including intelligent recommendations
- Social listening for sentiment analysis
- Providing smarter loyalty and sales insights to run optimized campaigns and personalized marketing

This is what Mezi's Travel-as-a-Service (TaaS) platform does. Powered by AI, it enables travel providers improve their workflow, automate travel bookings and act like a personal travel concierge using chatbots and travel dashboards for an end-to-end booking and data insights. In short, AI can bring remarkable customer experience at optimal costs through cross-channel synergies. It can contextualize across all customer touch points and eliminate repetitive queries and validations. Through proactive transaction support and 'intelligent' recommendations, it can achieve high conversion rates. And by unerringly capturing every 'moment of truth', it can provide continuous insight into the voice of the customer to increase loyalty and retention.

The Rise of "Artificial intelligence as a Service"

Api.ai

A platform for conversational voice interfaces for mobile devices, web interfaces, and embedded systems.

Wit.ai

A natural language platform for developers that can used to build chatbots and apps for mobile devices, home-automation systems, wearable devices and robots.

AgentBot

Understands natural language and has the memory to maintain coherence during long conversations. It clarifies intent and demonstrates continuous improvement.

Other platforms include **Twyla, DigitalGenius, Semantic Machines**.

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Building the 'I' in AI

Already industries like retail and CPG are finding strong common ground with travel. And with technology purposefully advancing and being tailor-made for travel, AI's partnership is all set to be an inevitable conclusion. A recent PricewaterhouseCoopers' study of traveler attitudes to AI seems to suggest that close to 56 percent of respondents were willing to accept an artificial travel agent in the next five years. While front-end interaction with a traveler may be some time away, there is little doubt that AI offers tremendous advantages to boost operational efficiencies within all areas of the travel industry. Sharper data insights and automation can raise the innovative levels of travel products and services to provide 'wow' experiences. To that extent, AI is all set to be a vital aspect of a travel enterprise's digital strategy.

AI's successful foray into travel will however hinge on thorough domain understanding and knowledge of the travel value chain. Domain expertise is the true fulcrum of strong business outcomes as it provides the critical in-depth and functional understanding of the customer journey – and on which technology and analytics reside. Travel businesses will therefore need to further expand their domain capabilities and remodel their businesses to channelize the growing sophistication of AI. Only then can they recognize and identify opportunities to deliver differentiated and outperforming growth and revenues.

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