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# Artificial Intelligence - 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 a few years,  
**89%**  
of businesses will  
compete mainly on  
customer experience.

Source: Gartner



## A Customer Spread that Invites Cognitive Intelligence

A traveler profile today is an interesting multi-generational mix of millennials, Gen-Xers and baby boomers – each a formidable customer segment that requires intelligent understanding.

It's estimated that 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<sup>1</sup>. This booming generation is availing unexplored back-pack adventures, bundled offerings, closing on best deals through digital options 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 prefer value-filled packaged and group tours, well-planned schedules with minimum surprises, and opt for direct travel

bookings but look for the 'personal-touch' communication (direct or telephone).

Artificial Intelligence (AI) offers 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 while enhancing the quality of customer experience.

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



## 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, a leading airline uses AI to provide personalized user interfaces for its website. As does an online marketplace and hospitality service based on geolocation and tagging. An online platform for hosting events and a food retailer offer interesting and personally hosted local experiences, including food. Different technology companies and platforms allow users to initiate purchases directly from search results. Online travel agencies are examples of

collaboration between virtual assistants, payment technologies and social media platforms. Top hospitality companies use chatbots to customize experiences for their guests within their facilities.

Personalization acquires a new dimension with leading hospitality service platforms 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

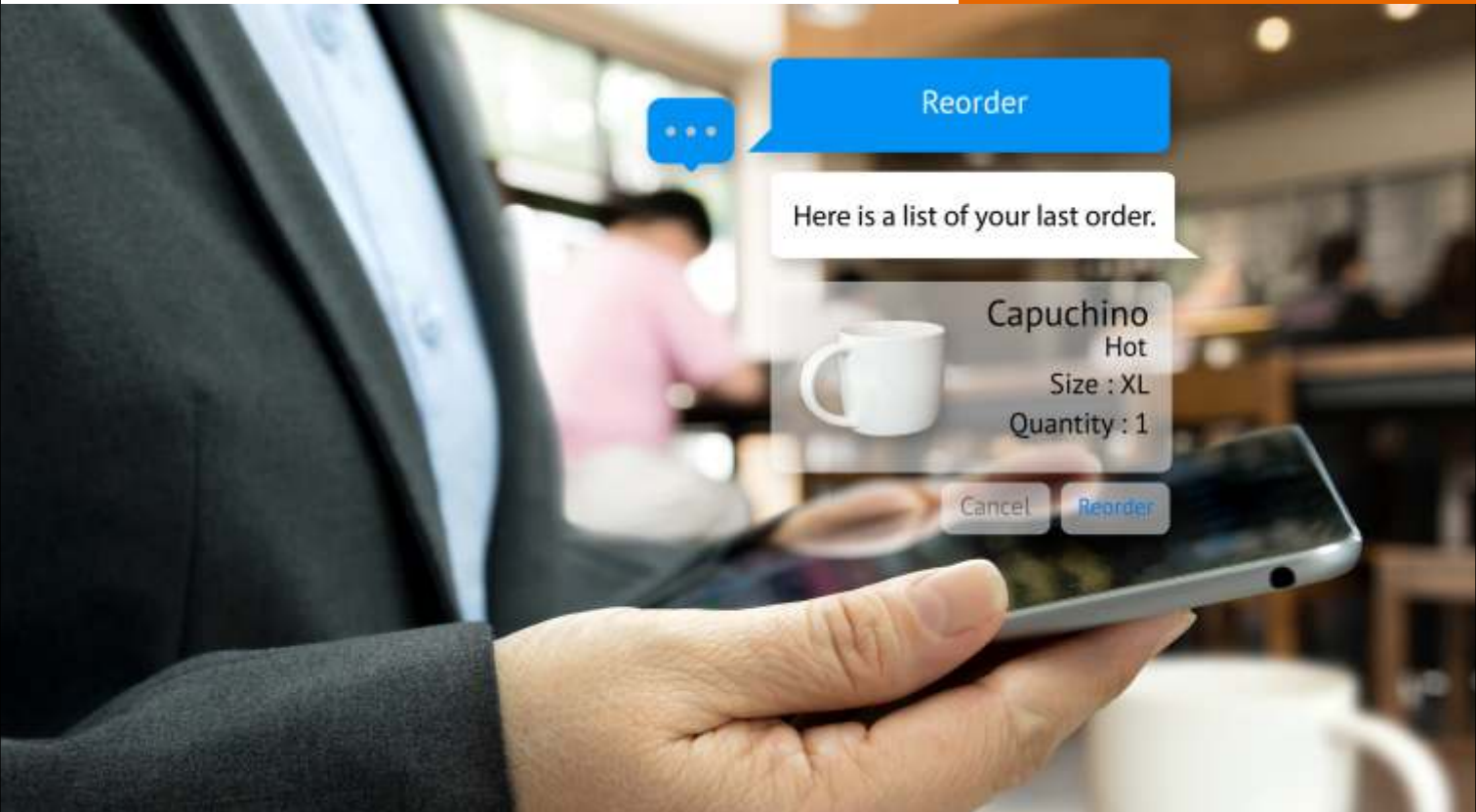
By itself, AI can simulate intelligent behaviour in machines. When combined with machine learning, it can supervise machine learning to perform specific tasks and achieve specific goals. Together they can achieve voice, speech, text and image recognition, and vision system in the area of perception.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



## Building the 'I' in AI

Industries like retail and CPG are already 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 suggests 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 in 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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