Foolproof
a zensar company

Will AI change how we book travel?

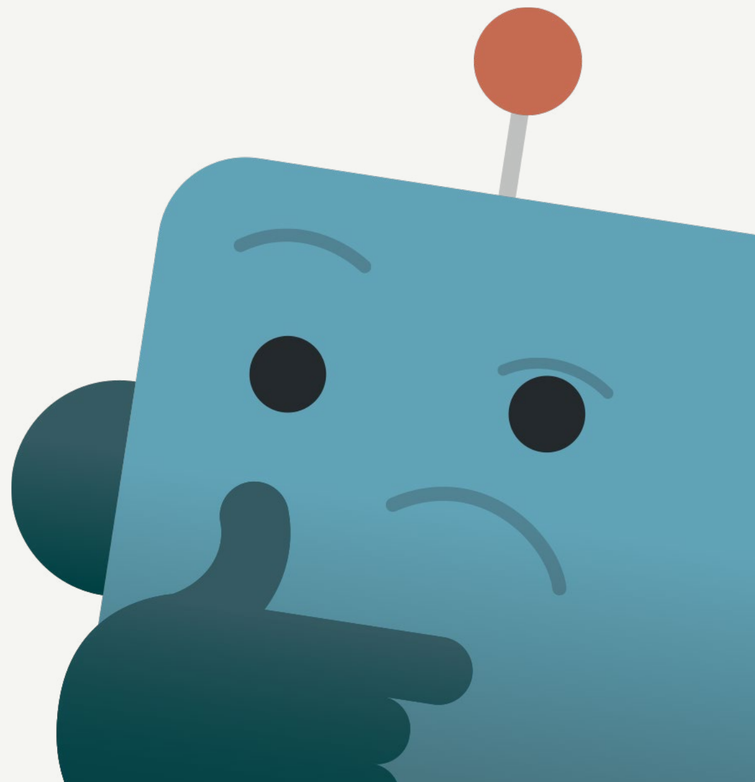
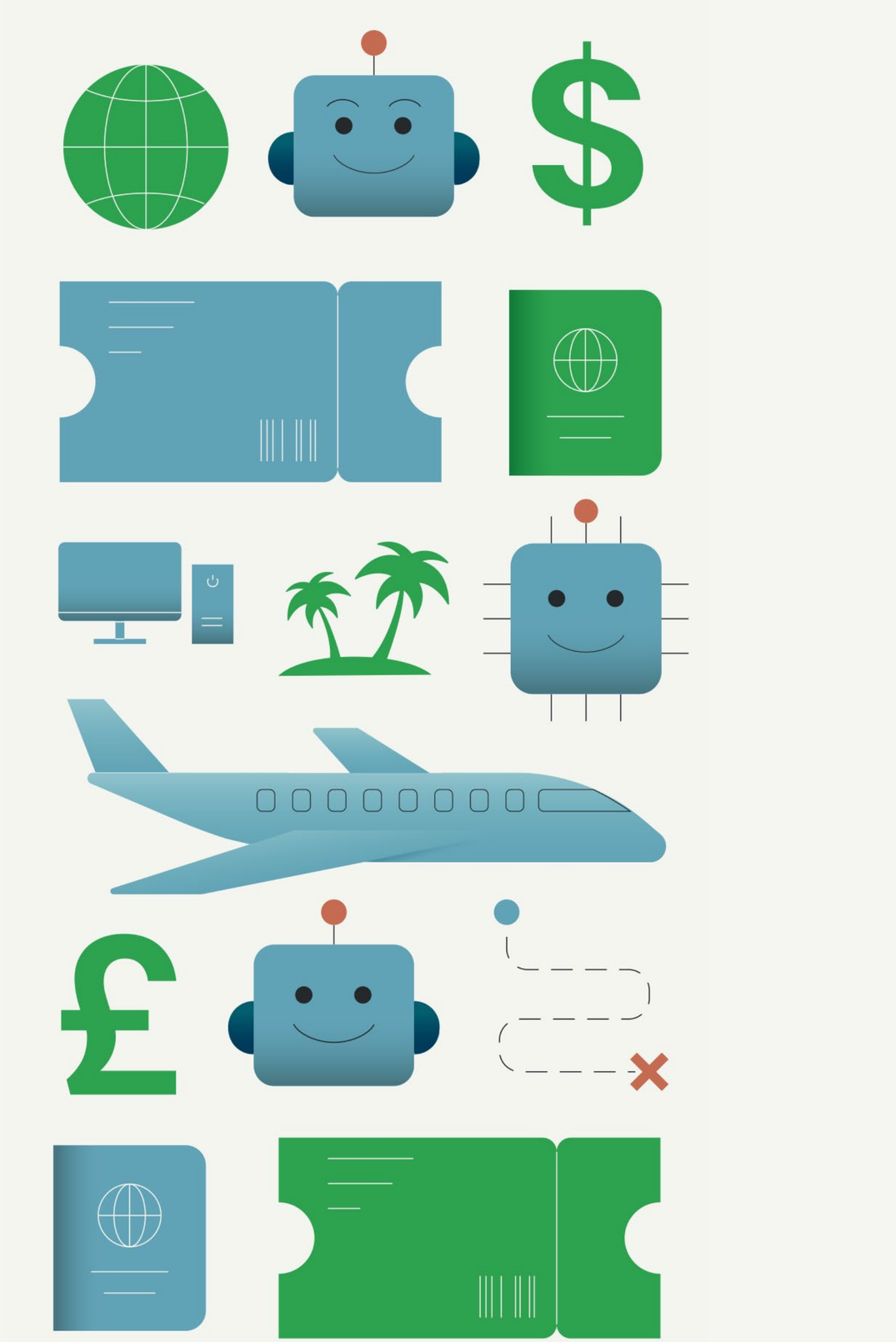


Table of contents

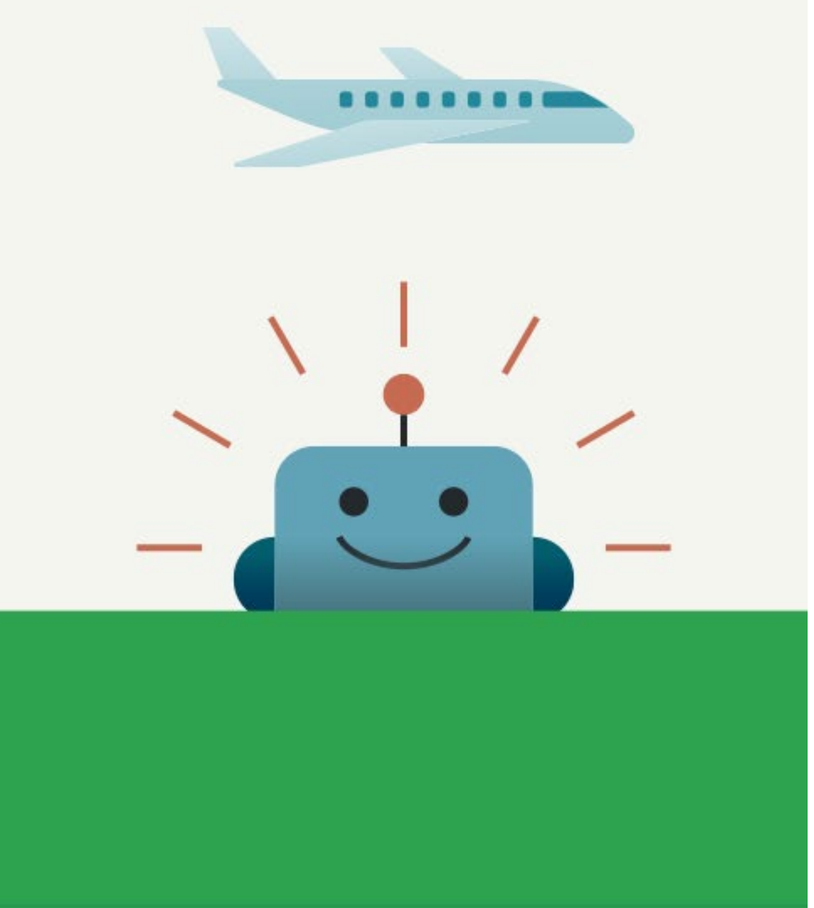


The travel industry has big questions on the horizon with AI. Its implications on the travel industry seem boundless; from providing tailored experiences, improving efficiency in planning and booking trips, to more easily receiving travel assistance.

Given this, it's clear that AI has the potential to unlock customer value that has otherwise lived behind seasoned travel agents, paywalls or endless search and filtration. Travel companies, with a customer-first mindset, would be wise to use AI to empower their customers — offering them greater value in the process.

It's worth remembering that improvements can be made across a customer's travel lifecycle through using AI — exploration, planning, itinerary creation, transportation, accommodation, the stay itself, and even extending into the post travel experience; how travel is recommended and remembered.

Generative travel: a new dawn



The two primary options for travel customers looking to have a high quality holiday is to use travel agents and pre-planned packages, or become mini-agents themselves through exploring travel websites, blogs, social media and recommendations from family and friends. With the former, there is an additional financial cost but greater ease, with the latter, there is the potential of choice-paralysis, lots of time and effort on the part of the individual, but potentially better outcomes from investigating and deciphering through the perfect travel plan. Both options demonstrate how there is currently no easy way to book and manage a trip without incurring some cost.

With AI's ability to process large amounts of data, customers could receive curated recommendations based on their preferences, such as whether they prefer leisure or active breaks, local or international trips, or top tourist sights for a given city amongst countless other uses.

Where travel customers might have spent hours filtering through search engines, AI could point customers to the precise travel experience that would entice them to travel. This could bring in a new dawn of travel — generative travel.

As acknowledged by Expedia Group CTO Rathy Murphy "AI needs large data sets to feed off, and we have over 70 petabytes of travel data on booking patterns and traveller behaviour powering our platform... With this in place, it's easy for me to imagine integrating generative AI into our platform to further personalise how travellers search for a trip, going beyond creating trip itineraries that have been heavily highlighted as a great example of what this next generation of AI can do."

Expedia has already been able to leverage specific customer data in an AI assistant which can review more in-depth details, such as preferred breakfast options and verifying venues' wheelchair accessibility in order to best match customers with what they are looking for.

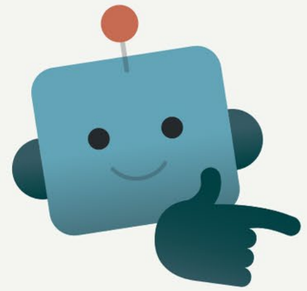
However, it's important to note that when leveraging data, the quality of data is paramount to ensure that results are accurate and valuable to customers. With bad or unusable data being a common issue across many organisations with countless data authors, the move to AI may be a challenge, although the trajectory is an interesting and promising one.

ChatGPT the travel itinerary whizz

In order to gain first-hand sense of how AI responds to travel questions, we tried OpenAI's ChatGTP to plan a trip in London and New York. As residents and seasoned travellers of London and New York, we were skeptical about what the results may be. Despite this, we found that the AI did a great job of suggesting a list of activities or restaurants that matched our criteria. We asked for a list of cheap tourist destinations in both cities and found that the lists produced contained suggestions that we would happily recommend to friends and family.

To increase the difficulty of the task, we asked for the AI to recommend a road trip itinerary in Canada. Again the results were impressive and well planned. We provided additional constraints and challenged the tool with accessibility requirements around wheelchair access, and the results reflected these changes well. All of the back-and-forth of a typical booking process took seconds to complete, rather than the hours we might have spent searching more traditional sources.

Despite our initial success with ChatGTP, the tool is currently limited by not being able to use monetary value to assess suitability and compatibility based on an individual's requirements, which often influences a decision when booking travel. Without this, the tool could not suggest the most affordable time of year to visit a location, or how much a trip would cost. These limitations are significant, but could be mitigated if managed and owned by a travel supplier, who could supply and manage the data source. Although, taking this approach risks limiting the AI to a single source of data, when its strength is in its ability to scour many sources to provide a prioritised and condensed list. This could indicate some pressure to decentralise travel further with the future of travel brands functioning more as deep aggregation and comparison tools.



AI in action: will AI replace the travel agent or website search?

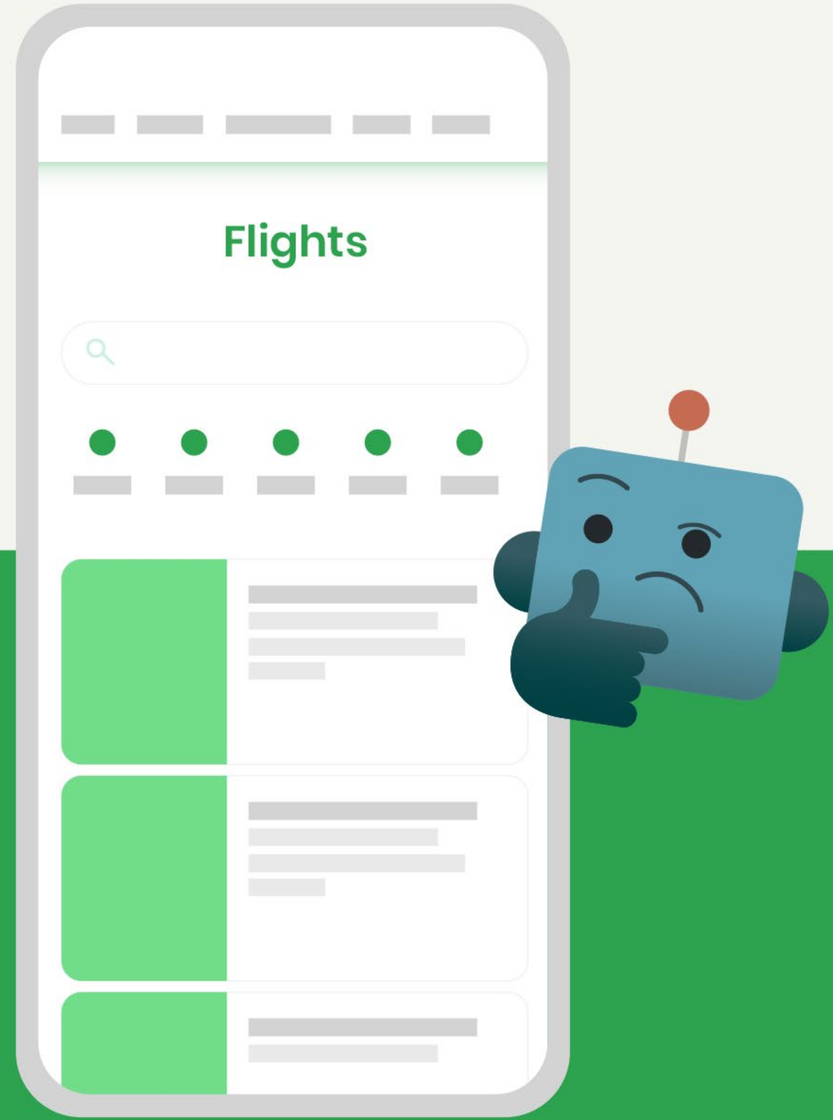
AI already plays a role for some of the big players in travel; Hilton Hotel's Connie uses AI to check-in customers, and Swiss International Air was said to have saved $5.4 million last year through increased operational efficiency by using AI. However, the current applications feel outside of the general experience of booking travel, traveling ourselves or recommending travel to others.

For the general travel experience, travel agents bring a unique set of skills and expertise that AI cannot currently fully replicate. Being a travel agent is often a creative endeavour, with agents offering a human touch to travel planning — taking into account individual preferences, special requests, and complex itineraries that may require human judgement and intuition. They can often use their expertise to access unique trips for their customers. Moreover, they can handle unforeseen circumstances or changes in travel plans, offering immediate assistance and alternative solutions, which may be challenging for AI systems to handle seamlessly.

While AI can automate certain aspects of travel booking and provide information, it's the combination of human expertise and AI technology that could deliver the most comprehensive and customised travel experiences.

Therefore, rather than replacing travel agents, and people's own attempts to become their own personal travel agent through digital experiences, AI is more likely to augment their existing capabilities, empowering them with tools and data-driven insights to enhance their service and provide more tailored and efficient experiences to travellers. Moreover, if certain low-value activities can be automated, this can free up the ability to focus on augmenting trips and adding the most value i.e. based on the needs and desires of an individual and the trip they want, from the sedentary to the thrilling.

An additional application could be in AI-powered human resolution i.e. arming people with all of the information to resolve their challenges, both foreseeable and unexpected — whether at the point of booking, or at any stage during or after the trip. This emphasises AI's ability to add value by saving time and cost throughout the travel lifecycle, on behalf of both agents and customers.



Implementing AI in travel? Here's what you need to consider

While AI brings different ways of looking at the travel industry it also presents potential challenges and drawbacks.

Despite advancements in AI, achieving true personalisation can still be a challenge. While AI algorithms can analyse data and make recommendations, development is needed to understand nuanced individual preferences and to deliver the same level of tailored service resolution as a human. Currently, the lack of this can lead to generic and impersonal travel experiences. This means the service needs to extend beyond a flow diagram, producing a limited set of results. It needs to ask valuable and detailed questions to understand key customer needs and requirements, with a wider variety of options and tailorability built in to offer superior outcomes.

Put systems in place now to regulate and manage your data inputs in your digital ecosystems. Any discrepancies or drop in data quality will be exaggerated in an AI model and could lead to bad outcomes, such as biased recommendations or pricing or access issues for travellers. It's crucial for travel companies to continuously monitor and address biases and data discrepancies within their AI systems to ensure fair and equitable treatment for all customers.

Travel companies need to ensure the accuracy of data that their AI systems leverage. Imagine a situation where a hotel was recommended to thousands of customers by an AI, due to the hotel being highly rated, only for customers to find out that the location doesn't exist (as has been an issue recently with Booking.com). High quality, verifiable and validated data is paramount for useful results, and companies would be wise to get this right from day 1, instead of trying to fix data issues as they arise.

Start small, do it well, provide transparency and build trust: according to a recent study by travel pulse "81% of travellers would want to double-check all the information given to them if they used AI to help them plan a trip" and "77% of travellers are also not willing to let an AI service access important travel documents such as passport information or visas". These attitudes currently mean a lot of duplication of work, or inconsistent journey flows due to a lack of trust in new and emerging AI-powered travel assistance. These stats are supported by behaviour and attitudes that we have seen in relation to the implementation and usage of chatbots for customer service. Providing an initially poor service early on had a big impact on trust that we're still trying to overcome today. AI must be used in small, meaningful ways and its usage should be communicated clearly to build trust. Once trust has been established, companies will have more flexibility to use AI for higher risk, or more sensitive activities.

AI and travel: the next big thing or flop?

While AI has the potential to minimise or remove the need for travel apps or travel websites — by providing users with the perfectly curated single option for their travels — people's natural curiosity may mean they still want to validate the options presented to them to ensure they meet their needs. Moreover, previous unpleasant experiences with AI, related to poor quality results or difficult chatbots might cause friction and prevent users from feeling comfortable enough to fully adopt AI in their travel experiences.

The emergence of fake or paid reviews to boost ratings/ rankings for properties, venues, or locations may also rise rapidly in an effort to alter AI results. Therefore, it's important for travel companies, venues, and properties to have tighter restrictions on their content management and moderation now to minimise misuse before it's too late.

AI is here to stay but don't rush to scale immediately.

AI in the travel industry has huge potential for innovation and value creation, however we advise against rushing to implement at scale. In order to successfully deploy AI in the travel business, a clear and thoughtful strategy must be agreed to align how AI can be integrated in an ethical and useful way. Privacy concerns, data protection and striking the right balance between automation and human touch is crucial to ensure a positive customer experience.

Each travel company will need to evaluate their specific needs, resources, and customer preferences to determine if AI integration aligns with their goals and can provide a competitive advantage in the market, whilst keeping customer needs at the heart of their business.