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TRAVEL & HOSPITALITY

Alexa, Book My Vacation

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Travel is becoming less of a hassle thanks to technologies like artificial intelligence and voice assistants.

You may not realize it — most people don't — but when you book travel, including entertainment at your destination, you're likely tapping into artificial intelligence (AI) systems. <u>Gartner estimates that 30 percent of web browsing</u> <u>this year will be done without a screen</u>, meaning it likely will be conducted using AI-powered interactions.

<u>Travel and hospitality (T&H) brands</u> are making bold investments in AI — including voice technologies and chatbots — to help their hotels, airlines, online travel agencies, and other companies stand out to acquire new customers and increase the loyalty of existing ones.

<u>Many travel needs are already served by AI</u>, including booking and reviewing

a customer's travel status with Expedia, booking hotels and flights with Kayak, checking how long airport security lines are, tracking flights, checking train schedules, and booking rideshare services. Before even starting a trip, travelers can ask Amazon's digital voice assistant <u>Alexa</u> to find attractions and restaurants near their destination.

Dave Bilbrough, manager of enterprise architecture and innovation at Adobe, says AI makes the travel experience more seamless.

"One of the biggest advantages AI offers that other technologies don't is, first and foremost, the convenience to the consumer," Dave says. "People like voice assistants from a simplicity perspective — they can use it when they're not necessarily focused on a screen or a device. It also provides more options, from both an input and an output perspective, for both the consumer and the marketer."

T&H brands experiment with voice technology on location

Once travel is booked, people will find that AI is powering better experiences at their destinations, too.

As of last fall, the voice-technology company Volara, which specializes in hospitality companies and provides guest engagement software for Amazon Echo devices, had <u>enabled Alexa in guest rooms at 25 U.S. hotels</u>. Guests primarily use Echo and Alexa to request items and services while hotel staff use the devices for hotel communications and operations. For every 1,000 occupied room nights, Volara automates an average of <u>240 item and service</u> <u>requests, and 700 guest questions</u> about the hotel and its neighborhood.

Marriott has <u>tested both Amazon's Alexa</u> and <u>Apple's Siri</u> in some of its properties, using Siri to allow guests to turn on lights, close drapes, control room temperature, and change TV channels. The brand also has used Alexa to improve customer service and personalize the in-room experience. Guest feedback, Marriott says, has been "overwhelmingly positive."

Rental car agencies have also hopped aboard the AI bandwagon. Last summer, <u>Avis became the first rental car agency to offer booking and</u> <u>managing car rental reservations through a voice-based platform</u>. Using Alexa-enabled Amazon Echo devices, customers can rent a car, review current and past reservations, and request e-receipts. Business travelers can book instantly, using simple voice commands such as, "I need a car at LaGuardia Airport at 10:00 a.m. this Thursday."

There are also cost benefits for hotels using AI, which means fewer staff — or freeing up staff for more important tasks.

"The hospitality industry should see AI as a supporting and valuable part of a hotel's service proposition, in many respects almost acting as a virtual concierge," says UP Hotel Agency's director Edward Prendergast.

More data means more privacy challenges

James Wilson, CEO of the Australia-based AI consulting and technology company <u>Eliiza</u>, says there are significant advantages to airlines, hotels, and online travel agencies (OTAs) shifting away from the global distribution system model (GDS) — which agents use to book travel provided by companies like Amadeus — to a direct, online model that uses AI.

"While traditional <u>email marketing</u> has been used to understand preferences and segmentation, machine learning provides the ability to analyze big data sets and provide more accurate outcomes," he says.

But while AI gives T&H brands greater access to data, they do need to balance that access with privacy concerns and deal with the challenges of natural language processing.

Echo and Google Home devices record and store nearly all their users' communications — partly to improve the devices' natural language processing capabilities and provide actionable data for hotels — but there are concerns about privacy issues.

But hotels that have experimented with AI in voice-based technology say few guests complain or ask for the devices to be removed, indicating that consumers are willing to trade a bit of privacy in exchange for convenience and a better travel experience.

The fact that collected data is anonymized probably also helps hotels clear the privacy hurdle. New rules around data protection, like the <u>European</u> <u>Union's General Data Protection Regulation (GDPR)</u> — which includes guidelines around technologies like AI that facilitate automated decisionmaking — also will force global companies to take steps to better protect consumer data.

But companies must be laser-focused on data security, both within their own proprietary systems and those of third-party vendors they use to process and analyze customer data. This includes an emphasis on <u>"privacy by design"</u> in how these systems are built, and a focus on encryption and rules-based

access of data that complies with both national and international regulations like GDPR. This way, businesses can offer more transparency, and consumers have more clarity about how their data is used, and the ability to opt-out if they feel uncomfortable with sharing their information.

Perfecting the language of AI assistants

Natural language processing also is an ongoing challenge for T&H brands that rely on AI. Kayak, Hipmunk, and Expedia, for example, <u>use AI-driven</u> <u>customer service chatbots to help customers search for and book travel.</u> Some experts say Kayak, which uses Facebook Messenger for its chatbot interactions, has one of the most effective AI-driven customer service tools. Its chatbot, though, is not yet skilled enough at understanding conversational language to easily decipher most customer requests. This should evolve as systems gather more data and become more intelligent. In the meantime, customers will have to grapple with these growing pains.

There are two types of chatbots, according to Johnny Thorsen, vice president of travel strategy and partnerships for the AI-powered personal travel assistant app <u>Mezi</u>. In the more basic version, responses are predefined and triggered by specific keywords. In the more advanced AI version, responses are generated dynamically based on "an advanced analysis of the semantics and sentiment of the conversation."

He says it's important that when the fairly <u>new technology</u> of AI fails to understand a traveler, the request is seamlessly transferred to a human travel agent "so that the service never fails, even if the AI fails."

And once brands fine-tune how the technology functions, the next step will be to create a great experience. Dave says although AI and voice assistants are innovative technologies, getting it right for T&H brands will require the same process they've used to navigate other digital transformations.

"It's all about shaping your experience, listening to your customers, giving them some options, and then refining the options based on the experience that the customers have — remarkably similar to how we do everything else," he says.

Read more in our blog series on creating a <u>destination experience</u> or learn about Adobe's solutions for Travel and Hospitality <u>here</u>. For more information about Adobe Sensei, visit <u>http://www.adobe.com/sensei.html</u>.