

AI and Hospitality: What's in store for the hotel industry in 2024



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Introduction: Emerging Technologies

The standout trend predicted for 2023 was the emergence of generative AI, a transformative development reshaping the hospitality industry. This shift is crucial for achieving **improved efficiencies, enhanced customer experiences, and innovative solutions**. For 2024, hotel guests will navigate a new landscape in their quest for information, moving from traditional search engines to advanced AI-driven platforms.

These platforms, featuring chatbots and virtual assistants, will revolutionize information discovery by offering **instant, personalized, and context-sensitive responses**. This shift extends beyond mere information retrieval methods to the very experience of interaction. Modern guests will not only expect immediate responses but also seek highly relevant content tailored to their specific preferences and needs. These collective developments will reshape traveler engagement with hotels, **redefining the guest experience paradigm** in the hospitality industry.



Changing Behavior to Find Information

The evolution of a search-based model...

The shift from a search-based to an answer-based model, particularly in the hotel industry, signifies a major change in the digital information landscape. Initially, let's examine the traditional search model, as seen with Google. Here, users input keywords or phrases, triggering a complex process of crawling, indexing and ranking a vast array of web content. The result is a **list of search outcomes** encompassing organic results, paid ads, and business listings. In this model, users must navigate through these results to locate their desired information. This task can be time-consuming and overwhelming, especially in sectors like hospitality with abundant and nuanced choices.

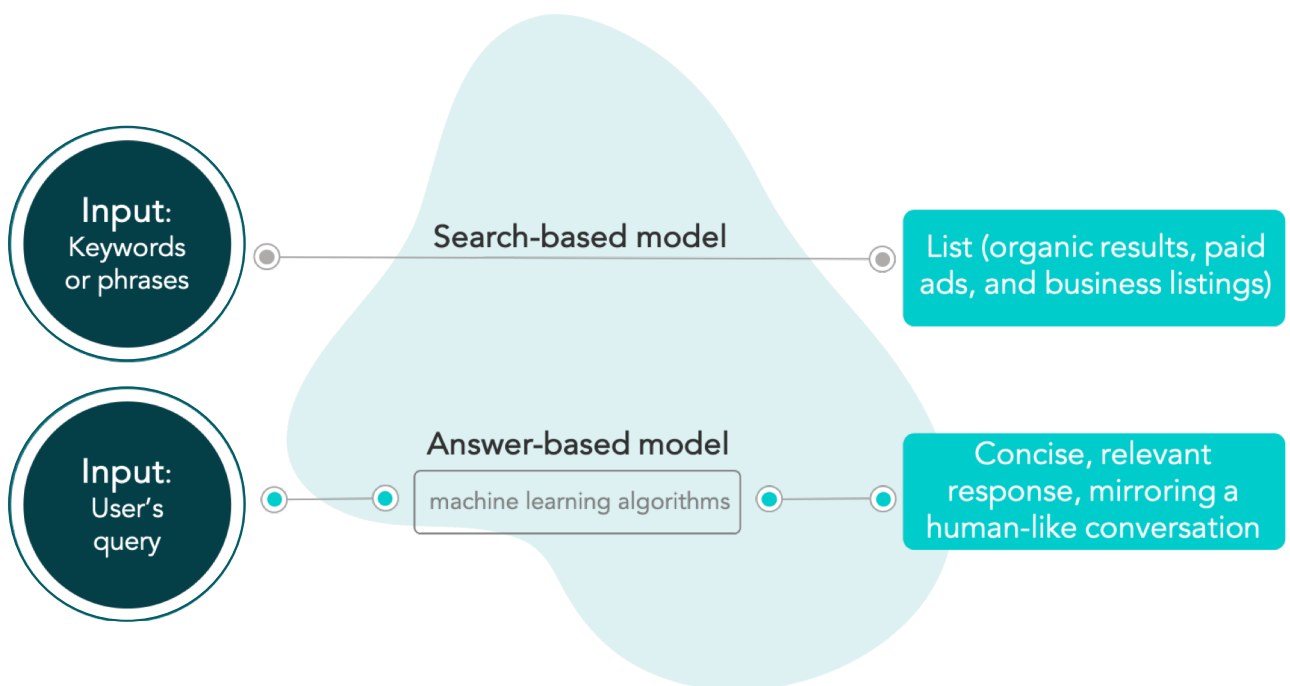
... to an answer-based model

Shifting focus to the answer-based model, exemplified by ChatGPT and similar chatbots, we observe a significant paradigm shift. Unlike presenting a list of links, this model directly addresses the user's query using advanced natural language processing and machine learning algorithms to comprehend the context and intent. It then generates a **concise, relevant response**, often mirroring a human-like conversation.



The key difference between the search and answer-based models is their core objectives and how they guide user interaction. Google's traditional search model aims to **drive users to click on links** and visit various websites, thriving on directing traffic to numerous online destinations. Users are presented with a list of links, each leading to a different website.

In contrast, the answer-based model, as seen in platforms like ChatGPT, focuses on **providing direct answers within the same interface**, often eliminating the need to visit external websites. Here, the user's journey typically ends with the chatbot's answer, without further steps to external sites. This represents a more streamlined, efficient approach, particularly beneficial for users seeking quick, specific answers.



A behavioral shift

For the hospitality industry, this evolution is significant. While the search model may direct potential guests to various hotel websites, review platforms, and travel blogs, the answer-based approach can directly offer information like hotel amenities, rates, or availability, greatly simplifying the search process. This development highlights a broader trend in digital interactions towards efficiency, directness, and user-centricity. [Research by Insights](#) predicts that this behavioral shift could lead to a 25% decrease in organic search traffic for websites. Therefore, it's crucial for hotel websites to adjust their strategies and **leverage marketing tools to convert the traffic** they receive either through organic or paid search.

Changing Ways to Access Information

The emergence of generative AI

Chatbots have evolved from basic rule-based systems to **advanced, generative AI-driven conversational agents**. Initially limited by script-based designs, they could only respond to basic queries with preset responses. This restricted their ability to grasp context or handle complex conversations.

The introduction of generative AI has revolutionized chatbot capabilities, bringing about a paradigm shift. Modern systems now generate **contextually relevant, real-time responses**, breaking free from scripted limitations. Advancements in natural language processing (NLP) and understanding (NLU) enable chatbots to accurately interpret and respond to human language. Consequently, today's chatbots engage in more natural, human-like conversations, significantly improving interactions across various industries.

Integrating generative AI to...

Voice assistants

Voice assistants like Alexa and Siri are evolving significantly, transitioning from structured interactions to leveraging generative AI for more fluid conversations. Originally limited to specific commands and preset responses, these assistants will soon be able to handle complex requests with generative AI. This enhancement, driven by advances in natural language processing (NLP) and understanding (NLU), will enable them to provide dynamic, context-aware responses in real time. This improvement will ensure more natural, human-like conversations, enhancing user experiences and expanding their utility in daily life and professional settings.



Wearable devices

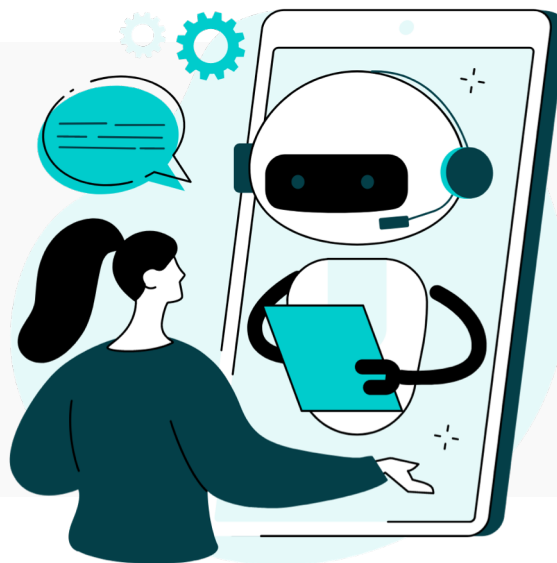
The assistants are evolving from devices that remain in one place to wearable devices with enhanced functionality. For example, the **Humane Ai Pin** is a groundbreaking device designed to seamlessly integrate advanced AI technology into daily life. It's a wearable device that offers users an intuitive, hands-free digital experience. The device can project text and images onto the user's palm using a laser and includes a built-in camera for identifying objects and capturing video.

AI Agents

An AI agent is a computer program autonomously performing tasks by interpreting and responding to its environment using artificial intelligence. Operating on data inputs and pre-defined objectives, these agents act on behalf of users, gathering information, making recommendations, and handling bookings. They interact with online platforms, chatbots, and databases to compile tailored information based on user preferences and history. This shift in approach to tasks like trip planning or hotel selection emphasizes the need for marketing to ensure AI agents access accurate information, utilizing their capabilities to deliver exceptional, personalized customer experiences in this new landscape.

Impact on the hospitality industry

Chatbots, Voice assistants, Wearables, and AI Agents pose a unique challenge for hotels: they provide answers and simplify information gathering but often fail to lead potential guests to hotel websites for bookings. As a result, hotels must urgently enhance their marketing technology to not only attract visitors to their websites but also to convert the traffic that makes it to their websites.



Changing Speed, Relevance, and Personalization of Answers



A new, quicker way to access information

The battle for limited attention intensifies as habits created by short-form videos become ingrained into social media consumers. Consequently, hotel guests are increasingly turning to technologies that offer quick and succinct solutions. The demand for speed in response has escalated significantly. In an era where answers are often a quick search or voice command away, **guests anticipate immediate responses to their inquiries**. This expectation goes beyond mere speed; it involves receiving relevant answers almost instantly. For the hospitality industry, this means providing real-time information on availability, pricing, and detailed hotel features as soon as they are requested.

Relevance of the responses

Guests now expect specific, current information that precisely matches their queries. (Keep in mind that this is now an answer-based approach, rather than a search-based one.) This might include details about room features, local attractions, or dining options at the hotel. AI's capacity to process and analyze extensive data ensures that the information provided is not only prompt but also **accurate and trustworthy**. This is challenging due to the hallucinations (providing misinformation) in some of the chatbots. These hallucinations can be significantly reduced by providing very specific fine-tuned training data to these chatbots.

AI-boosted personalization

Personalization, greatly boosted by AI, will become a key element for hotel guests in 2024. Contemporary AI systems can recognize the intent that each user has of completing a direct booking on a hotel website. This cutting-edge technology allows for an **unprecedented degree of response customization**. By harnessing machine learning techniques, user behavior can be predicted and allows hoteliers to effortlessly optimize the website user experience for each visitor to boost direct revenue.

A new process to reply to guests' queries

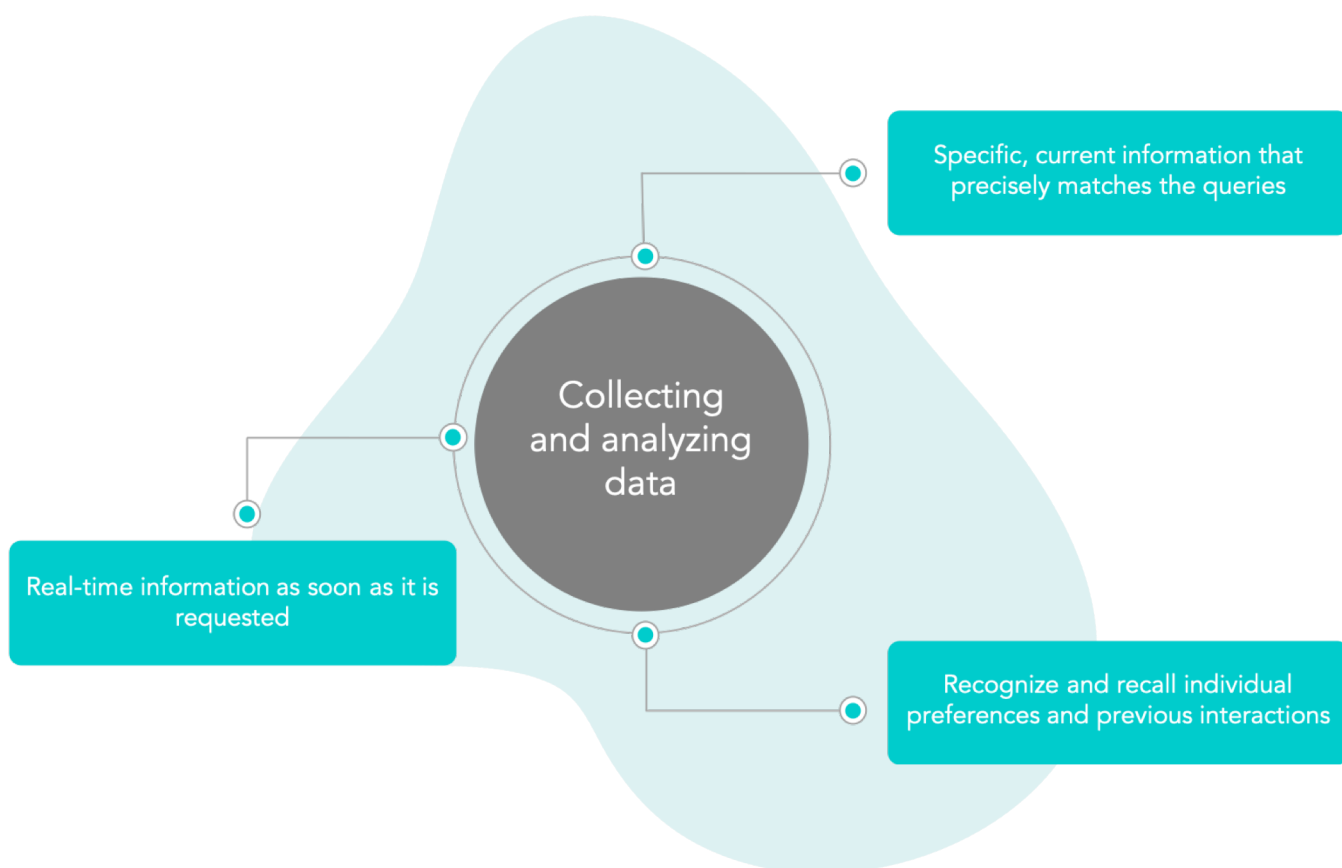
The integration of AI technologies, including chatbots and generative AI tools, is crucial for quick and relevant responses. Developing sophisticated AI systems is key, focusing on understanding complex queries, maintaining conversation context, and learning from interactions for improved future responses. Hoteliers need a **proactive approach**, adopting diverse AI-powered tools and enhancing chatbot functionalities to meet guest communication needs effectively. These technologies should provide fast and accurate information, utilizing various digital tools to meet today's advanced guest expectations. Creating engaging and informative content is essential to align with the AI-driven search landscape.



The crucial role of data

Recognizing the importance of data is crucial. Hotels must prioritize collecting and analyzing relevant data to inform strategies and decision-making, as data drives AI efficiency. Hyper-personalization goes a step further, using AI to finely tailor experiences and communications to individual guest preferences.

Hotel teams must adapt and evolve to stay nimble and responsive to rapid technological changes and evolving guest expectations. Embracing these strategies allows hotels to stay competitive, meeting and exceeding guest demands in this AI-driven era.



Adapting to Shifts in Organic Traffic and SGE

The rise of SGE

The hospitality industry is experiencing a significant shift in digital marketing with the introduction of **Search-Generative Experience (SGE)**. This innovative method utilizes advanced AI to directly answer user queries. Unlike traditional Search Engine Optimization (SEO), which focuses on enhancing a website's visibility and ranking, SGE crafts specific responses using AI. This technology provides direct answers and supports them with links to relevant sources. The main difference is that users receive immediate, AI-generated responses in SGE, as opposed to navigating through multiple links for information in SEO.

Adapting online content

Adapting to SGE requires hotels to transform their online content strategy. Unlike SEO, SGE focuses on creating content easily recognized by AI as direct answers to guest queries. This involves anticipating inquiries and presenting information concisely. While strategic keywords are important, **SGE prioritizes contextual relevance**. AI's impact on search behavior reduces organic traffic, emphasizing the need for hotels to optimize every visitor interaction on their websites. Implementing an AI-driven engagement strategy is crucial, but hotels must also concentrate on their websites for effective traffic conversion.

SEO

- Enhancing a website's visibility and ranking
- Multiple links
- Optimizing website elements
- Frequency of strategic keywords

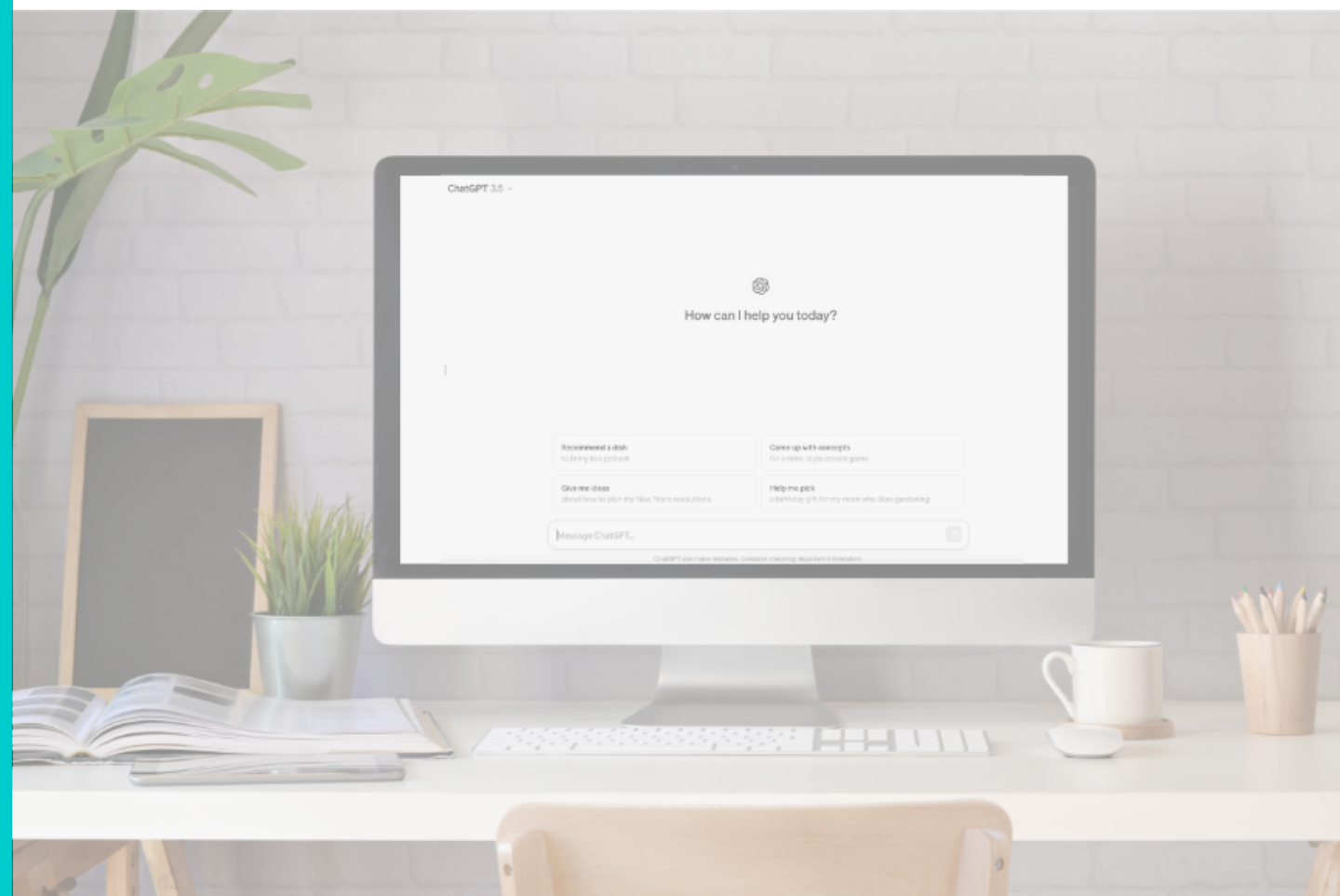
SGE

- Specific responses using AI
- Immediate answer
- Create content recognizable by AI
- Contextual relevance of certain keywords

Comprehensive Content Generation

The shift to content that thoroughly addresses questions, especially with the rise of Search-Generative Experience (SGE), highlights the need for hotels to create online content catering to various potential guest queries. Incorporating generative AI, capable of crafting responses in the brand's tone, is not just beneficial but almost essential for a comprehensive content overhaul.

This content creation approach involves **predicting and responding to all possible guest questions**, covering details like amenities, pet policies, accessibility, and local attractions. The goal is to offer detailed, accurate, and brand-consistent answers easily accessible by AI tools, ensuring uniformity across digital platforms. AI can also pinpoint content gaps and suggest new, relevant topics for potential guests.



Content & Data Strategy as the Fundamental Block

The importance of creating a strong content strategy

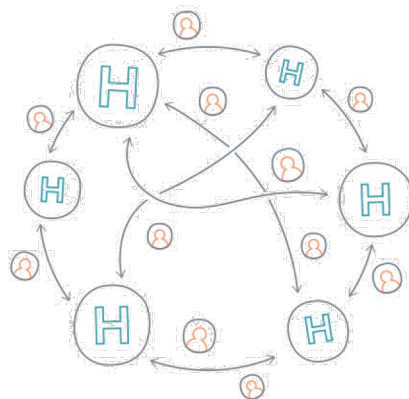
In the context of SGE, possessing an extensive content library is crucial. Since SGE aims to provide direct, AI-generated responses, the more comprehensive and detailed the content, the more accurately the AI can answer diverse guest questions. This ensures that hotels stay competitive in a market increasingly influenced by AI technologies and evolving guest expectations.

Hotels must develop a clear and comprehensive content strategy, central to which should be the implementation of a preference center.

Implementing a preference center as part of data strategy

A well-defined data strategy should encompass the collection, analysis, and application of guest information. This strategy is crucial for understanding and anticipating guest needs, preferences, and behaviors. The data gathered should be extensive, covering various aspects of the guest experience, from room preferences to dining habits and leisure interests.

The **preference center** is crucial, allowing guests to specify communication preferences, offer types, contact channels, and frequency. This center is not just a data repository; it's a dynamic tool that empowers guests to personalize how they want to be engaged. What sets this approach apart is its **omnichannel application**, extending beyond email to encompass web, SMS, and the increasingly popular chatbots. This integration ensures consistent respect for guest preferences across all platforms, creating a seamless and personalized experience, even if a guest prefers SMS for promotional offers.



Integrating an omnichannel preference center into a hotel's data strategy enhances guest satisfaction and improves marketing efficiency by targeting guests through preferred channels. This approach positions hotels to adapt to emerging technologies, meeting evolving guest expectations and staying at the forefront of the hospitality industry's digital transformation.

First-party data

First-party data, directly collected from guest interactions, is **more accurate and pertinent than third-party data**. It includes stay history, preferences, feedback, and interactions with marketing campaigns, ensuring greater accuracy and relevance for tailoring guest experiences and marketing strategies. Hotels should enhance first-party data collection through the following channels:

- Loyalty programs
- Direct bookings
- Surveys
- Website/mobile app interactions

This detailed database aids effective targeting and personalization, including identifying look-alike audiences for more focused marketing. Hotels should invest in advanced data management tools for segmentation, insights extraction, and customized marketing, while prioritizing data privacy and security.

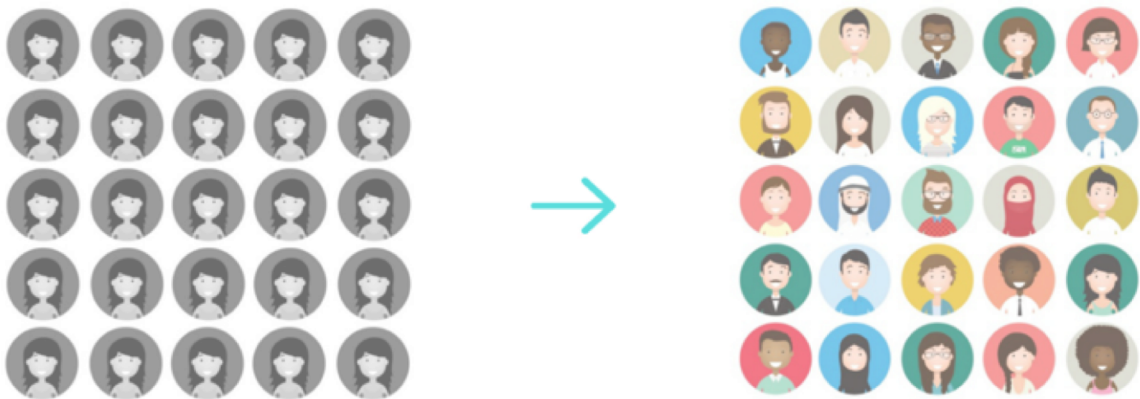


Hyper-personalization

Hyper-personalization, fueled by detailed data, marks a shift from traditional marketing in hotels, making personalized marketing the standard for converting website visits. AI systems utilize various data, such as past interactions and preferences, to customize website experiences.

For instance, a potential guest interested in spa services may be offered a jet-lag spa package if browsing from a distant location. This strategy enhances guest satisfaction, deepens the connection with the brand, and influences booking decisions, loyalty, and repeat business.

Implementing hyper-personalization requires a robust data strategy and advanced AI for analyzing diverse data sets, ensuring **engaging and distinct experiences for each visitor**. Targeting visitors with tailored preferences through the website enhances the overall guest experience, increasing the likelihood of bookings, visits, and referrals.



Rising Need of Contextual Advertising

The hospitality sector is adapting to changing digital trends, moving away from traditional link-based advertising to embrace **contextual advertising powered by AI**. Contextual advertising analyzes real-time guest data and online behavior, ensuring targeted and engaging ads.

Unlike conventional methods, it focuses on individual preferences, utilizing complex datasets like browsing history, previous bookings, and social media interactions. This personalized approach creates more relevant and engaging ads, departing from the generic one-size-fits-all strategy, ultimately increasing the likelihood of capturing user interest and achieving higher conversion rates.

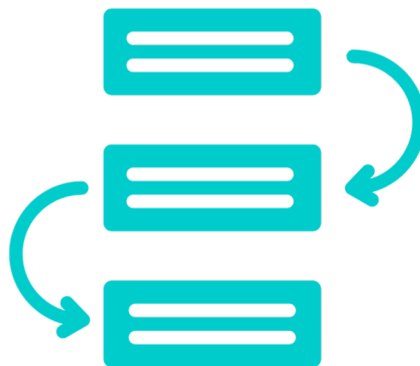


Comprehensive Change Management

Preparing for change

In the hospitality industry, the move towards Search-Generative Experience (SGE), AI in content creation, and AI-driven contextual advertising demands a thorough approach to change management. This shift is more than just adding new technologies; it's a fundamental change in how hotels operate, market, and interact with potential guests.

First, **updating internal processes** is critical. Hotels must adjust their workflows to effectively use AI. This means new methods for tasks like content creation, data management, and advertising. The technological infrastructure for this change is significant. Hotels need to **integrate AI tools into their existing systems**, ensuring they work with current customer relationship management (CRM) systems, booking engines, and marketing platforms.



The importance of trained staff

Training and managing talent is also key. Staff should **learn to use AI tools**, understand AI-generated insights, and apply these tools to improve guest experiences. Roles will likely shift towards data analysis, AI management, and digital strategies.

Effective change management is essential. This means preparing staff for changes, clearly explaining the benefits of AI, and **providing support and training**. Staff should see the value of these changes in their roles and the overall guest experience.

Moreover, these changes should always align with guests' evolving needs and expectations. The ultimate goal of AI in hospitality is to enhance guest experiences, offer personalized services, and engage guests more meaningfully.

Conclusion

The pace of change is accelerating, necessitating that hotels not only recognize this transformation but actively embrace it. Hesitating or delaying the adoption of these technologies is not merely a missed opportunity; it poses a risk to maintaining relevance in an increasingly digital world. Hotels should **proactively engage with AI-driven changes**, utilizing AI as both a tool and a partner in their journey toward success.

This AI revolution in the hospitality industry represents more than a technological shift; it signifies a fundamental change in business practices. AI has become an essential component of a hotel's strategy for success, not just a luxury. Looking ahead, the effective adoption and integration of AI will be crucial for hotels to provide outstanding experiences, boost revenue growth, and maintain a competitive edge in the ever-evolving hospitality industry.



About The Hotels Network

The Hotels Network is an inventive technology company working with over 20,000 hotels around the globe. Boasting an international team of specialists with deep expertise in hospitality, product design and consumer marketing, the company offers clients a full-stack growth platform to power their direct channel. By leveraging a series of integrated tools and analytics, hotel brands can attract, engage and convert guests throughout the user journey.

In addition to price comparison, reviews summary, and a suite of personalization options, THN's Direct AI Suite is deeply integrated in their platform, from predictive analytics to generative AI. Predictive Personalization uses machine learning to predict user behavior and automatically tailor messaging and offers for each user. BenchDirect's benchmarking tool provides unmatched competitive data for the direct channel. Recent innovations include KITT, an AI-powered receptionist, and Loyalty Lite, a seamless guest login tool for personalized booking experiences.

[Contact us](#) today to find out more.

The leading growth platform for the direct channel

THN is proud to have been recognized for the company's product innovations, rapid growth, and unique workplace culture, most recently named the [Best Direct Booking Tool for 2025](#) for the third year in a row in the prestigious HotelTechAwards.



About Vivander Advisors

Vivander Advisors specializes in helping hotels adopt AI technology effectively. Their approach includes providing strategic and hands-on tactical guidance, expert consultations, and comprehensive education to support companies in navigating the complexities of AI integration. By partnering with Vivander Advisors, hotels can transform the challenge of adopting AI into a valuable opportunity for success.

Contact Vivander Advisors today.

About Michael J. Goldrich

Founder & Chief Advisor

Michael J. Goldrich, founder and chief advisor of Vivander Advisors, excels in digital and AI strategies, driving transformative growth. His expertise in generative AI establishes him as a prominent figure in this fast-growing field. He developed a five-step process to guide companies in AI transformation. Goldrich further extends his influence by serving as Chief Experience Officer at The Hotels Network, an organization driven by AI and data. His expertise in “predictive personalization” has established him as a sought-after consultant and a pivotal figure in shaping the future of customer engagement within the hospitality sector

Discover a unique exploration of Generative AI and its transformative impact on the business world in Michael’s latest book, *Too Many Hats, Too Little Time*.