

From mass tourism to hyper-personalized travel: The role of Artificial Intelligence in tourism service

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ABSTRACT

The use of AI in tourism has transformed how tourism services are being made in recent years, resulting in better service quality, effectiveness, and personalization. AI chatbots and personalized recommendations have caused tourism to look more appealing to people with a passion for travelling. These changes are affecting not just the experience of travellers but also the way service providers work in recent years. This paper looks at how the use of AI is changing tourism from mass tourism to more personalized travel and how this affects travellers as well as service providers.

KEYWORDS- Artificial Intelligence (AI), Services, Personalized Travel.

INTRODUCTION

Tourism industry is extremely significant to the world economy because it allows sharing of cultures, economic development, and provision of work. Technology in the recent years has made it possible to transform how travellers book, plan, and even choice their destination. Technology has now been integrated in the tourism industry to the extent that the tourism cannot survive without technology. The trend is observed over the past several years, and there has been an increase in online booking sites, that simplify the process of learning information about the destination, comparing prices, reviews, booking flights, hotels, and so on. All that is possible by simply being at home working using mobile phones, tablets etc. This has led to the increased options, and openness, and has opened the horizons of businesses in the tourist sector because of this migration to the online platforms. The amount of social media and user-generated content usage has changed the way individuals show their experiences and seek recommendations. Applications such as Instagram, Facebook, and TripAdvisor help individuals in finding new locations,

learning about the experience of other people, and in meeting other like-minded people easily. All this has transformed the needs of the travellers as individuals want more personalized as well as authentic experiences that suit their individual preferences. Both have been enhanced by the use of mobile phones that have helped people to remain connected and informed during their travels. To live flight information, to online payments and all sorts, technology has indeed made traveling something unlike and simpler than ever before. Innovations such as augmented reality (AR) and virtual reality (VR) are also playing a role making on site-experiences more fun and enjoyable than ever with the ability to check destinations and attractions in their own unique and interactive ways. In conclusion, technology is transforming the tourism industry, and such aspects as digitalization, personalization, and others are playing an even more important role than before. As travellers keep embracing technology as an element of the travelling experience, the business of tourism will be forced to adapt and evolve to keep up with the movement and deliver as expected by the consumers.

LITERATURE REVIEW

The Change: Mass Crowds to Personal Trips

Mass tourism has been a long-standing model of the travel industry that is based on volume. It was a period of full-tour buses, strict time-tables, and standardized experience of all the travelers (Buhalis and Law, 2008). Although this model saw the cost of travel reduce and increased the world economy, it was soon saturated. The contemporary tourists have become tired of these processed holidays and mass tourist destinations.

Nowadays, the situation in terms of mentality is much different. Tourists will not be satisfied with any ready-written program, but they want to discover adventures at their own speed, and one that suits their particular interests. As a result, individualization is no longer a high-end feature that is purchased as a supplement but is a requirement in the travel buying journey (Gretzel et al., 2015).

What the Hyper-Personalization Really Means

Also hyper-personalization is much more than just referring a traveler by his or her name in an email. It means handling every traveler as an individual and not a generalized group, like the so-called Millennials or Business Travelers.

Conventional personalization usually depends on the fixed data such as age or income. By comparison, hyper-personalization leverages real-time data, i.e. the present search intent or current geographic location, to dynamically change suggestions (Tussyadiah, 2020). In case of a change of circumstances of a traveler during their journey, the system will modify the itinerary, which will make the whole journey more natural and appropriate.

Artificial Intelligence: The Change Engine

The technology that brings the shift to person-centered travel is Artificial Intelligence (AI). Without AI, the size of the amount of data needed to tailor it on an individual level would be uncontrollable. AI can help the companies to enter the realm of guesswork to accurate prediction.

With the help of machine learning and Natural Language Processing (NLP), these systems examine online activity and past trends (Bulchand-Gidumal, 2022). This enables the travel providers to be able to sift through vast amounts of data way beyond human ability to do so and give quicker and more precise recommendations that are actually what the traveler wants.

AI in the Tourism Industry in the Real World

The AI technology is now present in the industry by applying in various important applications:

- 1) Recommendation Engines: These systems, which have the ability to have a list of thousands of hotels or restaurants, are recommended to filter the list down to the hotel that aligns with a travelers particular vibe or history (Ricci, 2011).
- 2) Dynamic Pricing: Pricing is dynamically adjusted using AI technology (depending on demand and seasonal changes and competitor moves). This allows the companies to remain competitive and, at the same time, offers the traveler the best deals (Ivanov and Webster, 2019).
- 3) Smart Assistants: AI chatbots will be able to provide 24/7 services, such as simple flight notifications and providing the traveller with tips about the location he or she is.
- 4) Facial Recognition: it will be used to accelerate less exciting aspects of the traveling experience such as airport security or hotel registration to create a hassle free experience.

RESEARCH METHODOLOGY

How the Study Was Done

The study has an exploratory design to learn about the impact of AI on the shift between mass tourism and personalized travel. To obtain a clear and measurable view of the changes in the perceptions of both travelers and pros on the matter, I selected a quantitative approach.

Data and Sampling

I have collected primary data through structured survey in the form of five-point scale to evaluate the things such as satisfaction and efficiency. Due to time and budget, I employed convenience sampling, whereby 200 people were contacted in total. This sample was a combination of tourists, travel agents and hotel employees which was a good sample to get a clear picture of the existing trends. Everything was done voluntarily and I ensured that all responses were made absolutely anonymous.

ADVANTAGES OF AI IN TOURISM SERVICES

The AI inclusion in the travel services has many practical advantages contributing to the speed and quality of delivery in the following ways-

- 1) **Better Customer Experience:** AI chatbots and virtual assistants can offer 24/7 services to answer questions about booking, hotel facilities, and other attractions in the area with quick response rates.
- 2) **Personalization:** AI technology can suggest personalized vacation packages and entertainment based on the information on the traveler preferences, past destinations, and search history. Such a high level of personalization provides a high level of customer satisfaction and loyalty.
- 3) **Efficiency in Operations:** AI lowers the operating expenses through the automation of usual processes like scheduling, the cost of meals, and inventory management.
- 4) **Dynamic Pricing:** Dynamic pricing comes in where intelligent models can modify costs every minute depending on the seasonality, market trends and demand to enable companies maximize their revenue.

- 5) **Smart Trip Planning:** Artificial intelligence enables travelers to make effective itineraries and updates them on the cost and logistics of their travel in real time.
- 6) **Sustainability:** AI can encourage sustainable tourism by regulating the number of visitors to eliminate overcrowding and track resources consumption to minimize wastage in tourist spots.

CHALLENGES OF AI IN TOURISM SERVICES

Although it has benefits to it, there are a number of challenges in applying AI to travel services.

High Implementation Costs: The initial capital cost involved in setting up and running AI systems may be disabling especially to smaller tourism firms with small budgets.

Privacy and Security: Big Data: The application of AI systems demands enormous quantities of personal data to operate. This has brought up the issue of data abuse and cyberattacks and it is hard to ensure that companies establish trust with travelers.

The Skills Gap: Workers with the technical expertise to roll out and use AI in its proper ways are insufficient in number.

RESULTS AND DISCUSSION

The results indicate that a majority of citizens are highly informed of the AI use in their tour arrangements. Booking sites and customer service tools were identified by a massive majority. More to the point, the information indicates that personalization based on AI is indeed effective. Individuals dealing with these tools said that they were far more pleased with their trips due to the recommendations seeming made to them.

Nevertheless, obstacles still exist. A lot of the respondents are concerned about privacy and the extent to which their data is being monitored. There is also concern that excessive automation is going to kill the human touch that makes the hospitality industry special. To achieve true success in the long term, the industry would need to discover how to be efficient and not creepy or lose that personal, human touch.

CONCLUSION

Artificial Intelligence has become one of the critical elements of the modern traveling services. It improves customer experiences, simplifies business processes and promotes sustainable development by making decisions based on data. Nonetheless, issues like high setup expenses, security issues and the risk of job replacement are matters that should be managed with a lot of care. With proper use and application, AI can enable a total change in the industry. Put differently, it is important to students and experts in the profession to have knowledge of how AI works, because it will surely determine the future direction of the world traveling.

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