Study identifies most important factors in hotel guests' acceptance of AI technology

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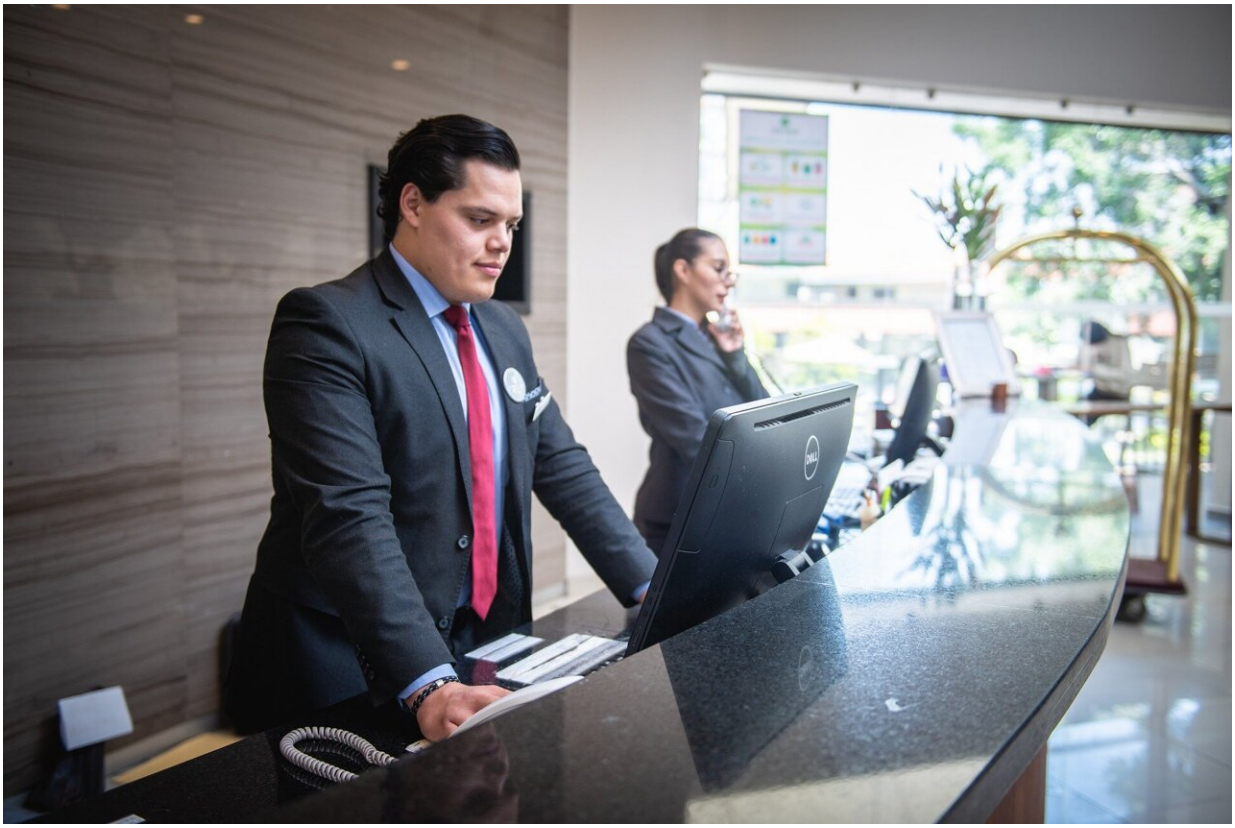

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Over the past couple of years, artificial intelligence (AI) has greatly improved hotel operations and efficiency by automating processes such as booking and contactless check-in, allowing staff to focus on providing

premium, personalized experiences to guests faster and at reasonable prices.

So, it is no surprise that AI has emerged as a transformative force in the hospitality industry. But the question of how hotel guests feel about AI has never been clearly answered, until now.

In a groundbreaking new study from the University of Houston Conrad N. Hilton College of Global Hospitality Leadership, Professor Cristian Morosan and his former doctoral student, Aslihan Dursun-Cengizci, are shedding new light on just how accepting hotel guests are of AI technology.

"We looked at a number of things that could influence customers when they delegate some of their decisions to AI," Morosan said. "And the most important factors were perceived ethics, followed by benefits. For instance, it is important for hotels to be accountable and transparent about data privacy and security to ensure AI is used ethically and responsibly."

AI technology is already having a massive impact on society, and a recent report from PwC estimates AI could add nearly $16 trillion to the global economy by 2030 and account for nearly half of all economic gains through product enhancements, increased consumer personalization and affordability over time. The research contends the greatest economic gains from AI will be in China (26% boost to GDP by 2030) and North America (14.5% boost to GDP) accounting for 70% of the total global impact.

As AI continues to reshape the hospitality landscape, hotels will be able to provide even more highly personalized services. With AI-powered data systems and chatbots, hotels can tailor their recommendations, anticipate preferences and provide more seamless interactions to

enhance guest satisfaction and loyalty.

"Imagine you arrive at the hotel, you've already checked in and got your mobile room key and you don't have to wait in line at the front desk," Morosan said. "And now, based on what it knows about you, the AI has already made a dinner reservation for you."

AI can also improve hotel revenue management by determining the best room rates in real-time to help maximize profits and provide in-depth data analysis to help operators leverage customer information to strengthen marketing programs.

But hotels must also be keenly aware of the risks of AI technology on the guest experience. According to Morosan, they want to know the AI is making the right decision for them.

"When guests perceive the AI decision as unethical or incompetent, it has a negative impact on their experience and willingness to engage with it," said Morosan.

"The bottom line is consumers are ready to accept AI technology in their travel experiences," Morosan said. "The more hotels focus on the ethics and benefits of the decisions the AI makes, the more likely consumers would use the technology and incorporate it into their entire experience. It just needs to be integrated with humans because they'll always want that personal touch."

More information: Cristian Morosan et al, Letting AI make decisions for me: an empirical examination of hotel guests' acceptance of technology agency, *International Journal of Contemporary Hospitality Management* (2023). DOI: 10.1108/IJCHM-08-2022-1041

Provided by University of Houston

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