Leveraging SD Logic in Travel, Tourism & Hospitality

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Global Robot Clusters
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AI vs Human Intelligence

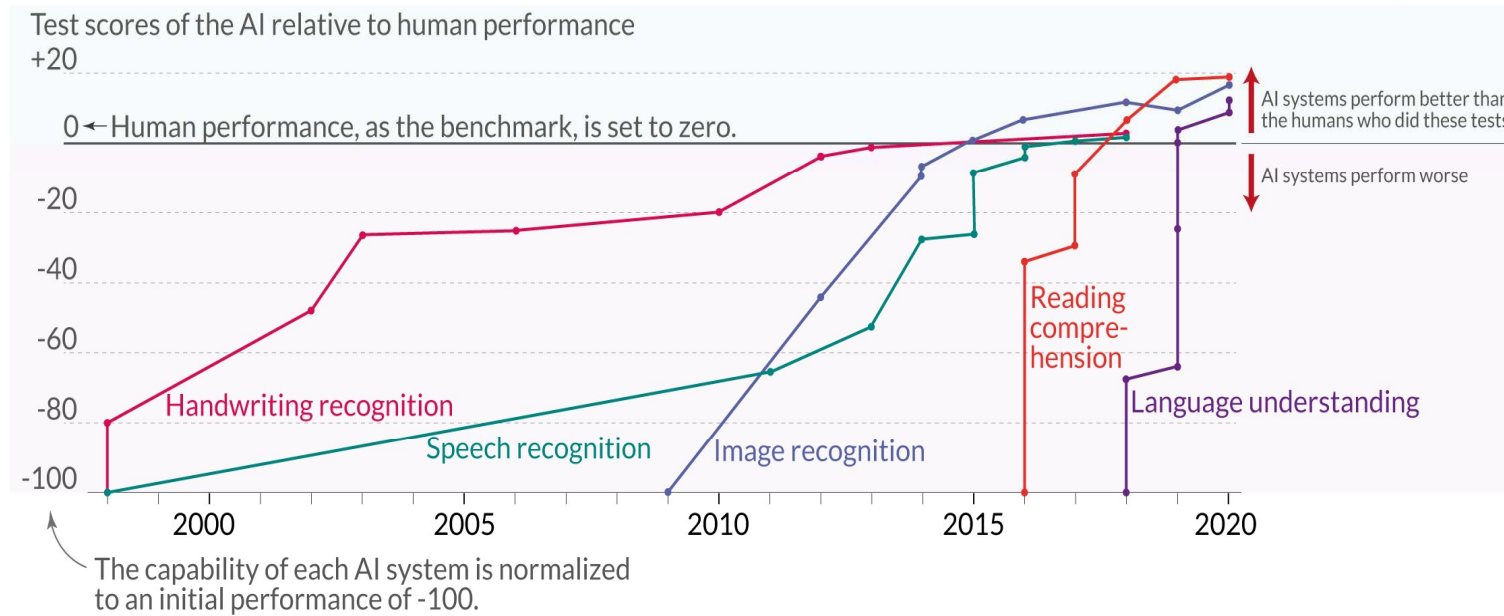

AI is the Future of Enterprise Technology

AI is not just part of the tech conversation anymore; it's dominating it. This year's technology vision builds on its disruptive momentum and potential to help companies navigate and leverage the changes to come.

Prepare yourself with the critical insights and proactive strategies from the leaders in Enterprise AI.
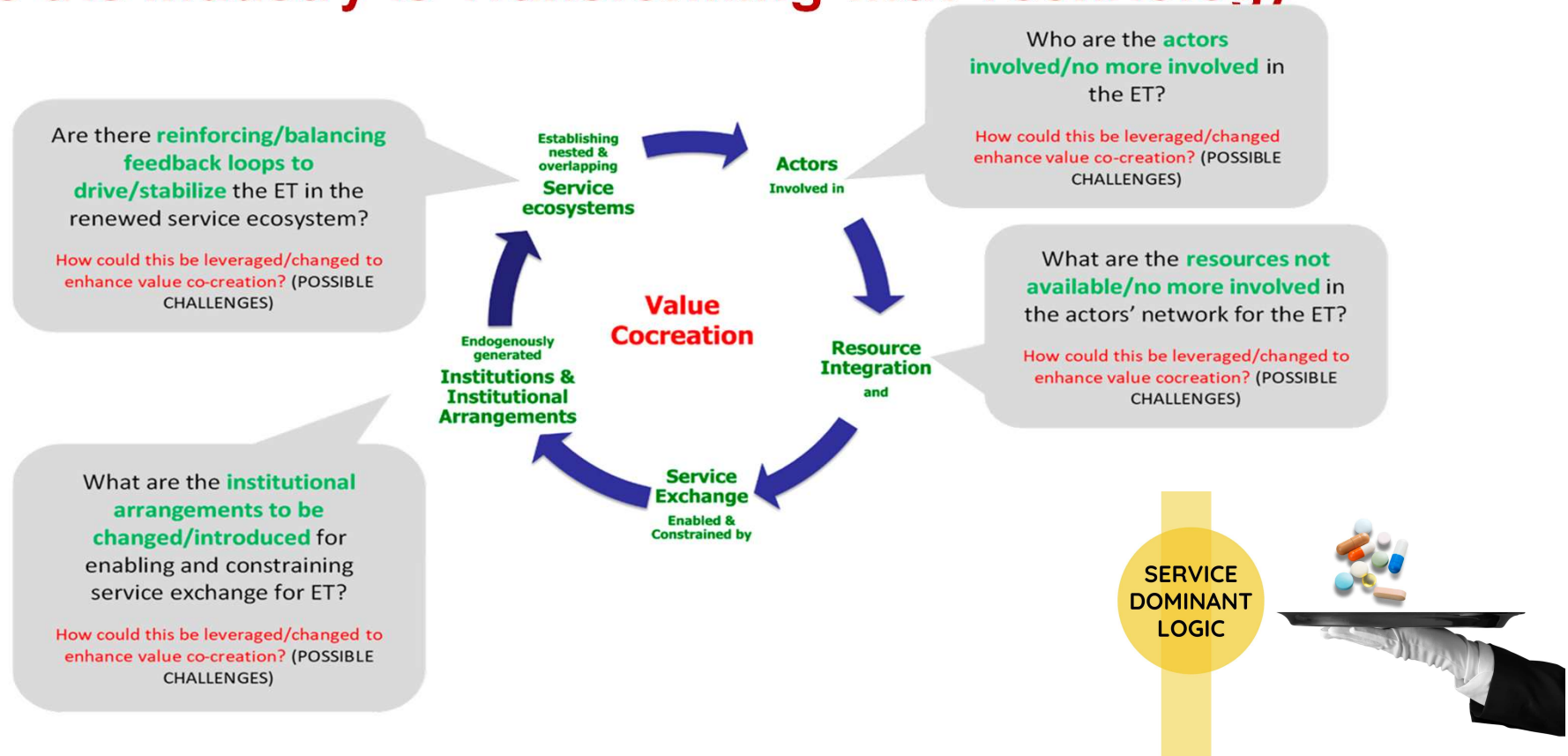
The Executive's Guide to AI:
From Buzzword to Bottom Line

Will AI Exceed Human Performance?

Language and image recognition capabilities of AI systems have improved rapidly

Our World in Data

Test scores of the AI relative to human performance

+20

0 ← Human performance, as the benchmark, is set to zero.

AI systems perform better than the humans who did these tests

AI systems perform worse

-20

-40

Reading compre-hension

-60

-80

Handwriting recognition

Language understanding

Speech recognition

Image recognition

-100

2000   2005   2010   2015   2020

The capability of each AI system is normalized to an initial performance of -100.

Data source: Kiela et al. (2021) – Dynabench: Rethinking Benchmarking in NLP
OurWorldinData.org – Research and data to make progress against the world's largest problems.

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As the Industry is Transforming with Technology

Who are the **actors involved/no more involved** in the ET?

How could this be leveraged/changed enhance value co-creation? (POSSIBLE CHALLENGES)

What are the **resources not available/no more involved** in the actors' network for the ET?

How could this be leveraged/changed to enhance value cocreation? (POSSIBLE CHALLENGES)

Are there **reinforcing/balancing feedback loops to drive/stabilize** the ET in the renewed service ecosystem?

How could this be leveraged/changed to enhance value co-creation? (POSSIBLE CHALLENGES)

What are the **institutional arrangements to be changed/introduced** for enabling and constraining service exchange for ET?

How could this be leveraged/changed to enhance value co-creation? (POSSIBLE CHALLENGES)

Establishing nested & overlapping **Service ecosystems**

Actors Involved in

Endogenously generated **Institutions & Institutional Arrangements**

Value Cocreation

Resource Integration and

Service Exchange Enabled & Constrained by
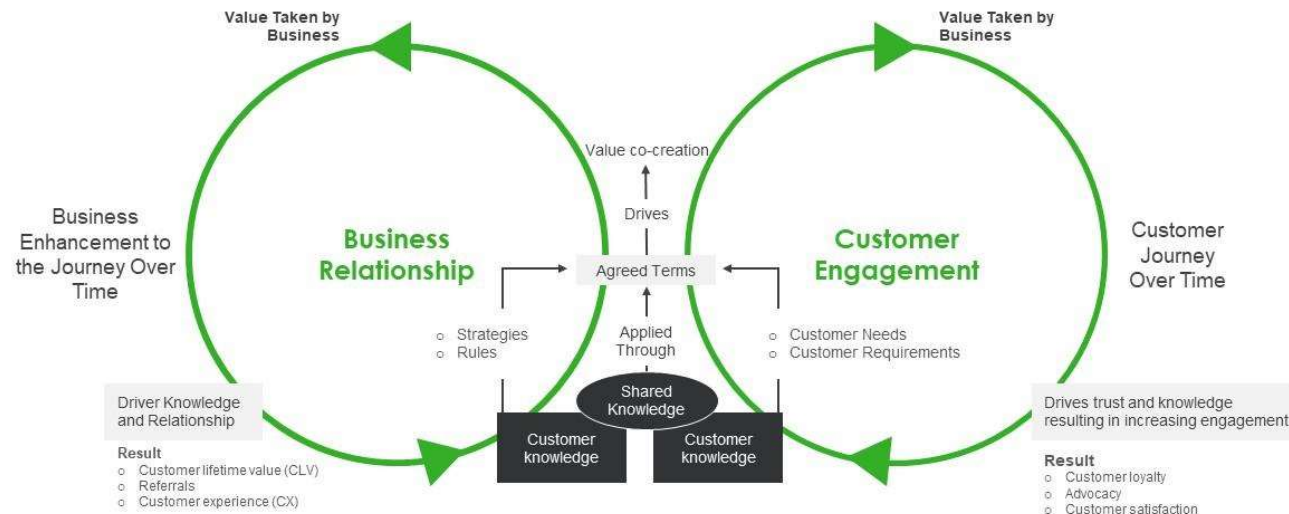
SERVICE DOMINANT LOGIC

Leveraging SD-logic in Travel, Tourism & Hospitality

Value Co-creation Customer Engagement Model

This slide represents customer engagement model showcasing dependency of business relationship and customer engagement to create value. It also illustrates outcomes such as CLV, loyalty, CX etc.

Value Taken by Business

Value Taken by Business

Value co-creation

Drives

Business Relationship

Agreed Terms

Customer Engagement

Business Enhancement to the Journey Over Time

Customer Journey Over Time

- Strategies
- Rules

Applied Through

- Customer Needs
- Customer Requirements

Shared Knowledge

Driver Knowledge and Relationship

Customer knowledge

Customer knowledge

Drives trust and knowledge resulting in increasing engagement

Result
- Customer lifetime value (CLV)
- Referrals
- Customer experience (CX)

Result
- Customer loyalty
- Advocacy
- Customer satisfaction

This slide is 100% editable. Adapt it to your needs and capture your audience's attention.

From Robot Cabin Crew …

Trends in Smart Tourism

1. More tourist organizations will probably use **AI-powered agents** to improve the consumer experience while also streamlining operations.

2. More customized travel experiences can involve giving **real-time information** on traffic and the weather based on a traveler's preferences, as well as **capture memories**.

3. AR and VR are already improving the tourist sector to **create fun and interactive travel experiences**.

4. AI may be essential in advancing **eco-friendly travel strategies.**

FUTURE TRENDS POWERED BY AI
IN THE TOURISM INDUSTRY

INCREASED USE OF AI CHATBOTS:
For improved customer service and reduced costs

PERSONALIZED TRAVEL EXPERIENCES:
Tailored travel recommendations based on AI analysis

AUGMENTED AND VIRTUAL REALITY:
More immersive experiences for travelers

SUSTAINABLE TOURISM:
AI helps optimize energy use and reduce waste

https://www.galagents.com/blog/embracing-the-ai-revolution-transformational-insights-for-the-tourism-industry/

Regenerative Tourism

Tourism must begin to fundamentally realign itself with the people and nature it claims to serve … **Tourism is more than just money: it can be an opportunity to protect nature and demonstrate its intrinsic value.**

Regenerative tourism has the potential to transform how we value the act of tourism through a shift from a "visitor economy" to a "resident economy", where the needs and values of local people are placed above that of temporary visitors.

Regenerative tourism seeks to place greater value on nature and human well-being than growth and profit through a whole-of-the-system, place-based, community-led, and environment-centered approach.
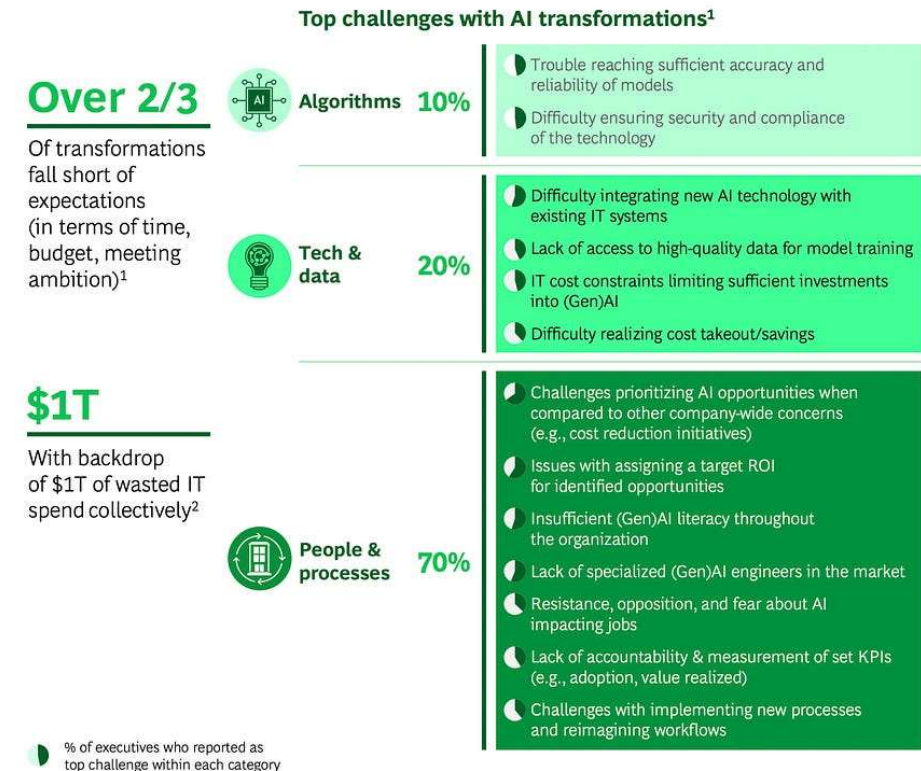

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Travel, Tourism & Hospitality

AI Challenges NOT about AI

➡️ **70% of the challenges come from people and processes.**

➡️ **Prioritizing AI amidst other business goals is a significant hurdle.**

➡️ **Resistance to AI due to job fears and insufficient AI literacy creates roadblocks.**

➡️ **IT cost constraints and difficulty accessing high-quality data limiting growth**

➡️ **Expecting AI be the "panacea"**

90% of AI challenges are not the AI

Top challenges with AI transformations[1]

Over 2/3
Of transformations fall short of expectations (in terms of time, budget, meeting ambition)[1]

$1T
With backdrop of $1T of wasted IT spend collectively[2]

Algorithms 10%
- Trouble reaching sufficient accuracy and reliability of models
- Difficulty ensuring security and compliance of the technology

Tech & data 20%
- Difficulty integrating new AI technology with existing IT systems
- Lack of access to high-quality data for model training
- IT cost constraints limiting sufficient investments into (Gen)AI
- Difficulty realizing cost takeout/savings

People & processes 70%
- Challenges prioritizing AI opportunities when compared to other company-wide concerns (e.g., cost reduction initiatives)
- Issues with assigning a target ROI for identified opportunities
- Insufficient (Gen)AI literacy throughout the organization
- Lack of specialized (Gen)AI engineers in the market
- Resistance, opposition, and fear about AI impacting jobs
- Lack of accountability & measurement of set KPIs (e.g., adoption, value realized)
- Challenges with implementing new processes and reimagining workflows

◖ % of executives who reported as top challenge within each category

Sources: BCG Experience; 1. 2023-24 BCG Build for the Future C-level (Gen)AI Survey(s), N = 735; 2. Across S&P 1200; Harvey ball fill represents the % of executives who ranked the challenge in the top 3 challenges when presented with a set of challenges for each of the categories.

AI Agents and the Age of the AI Team Member

Transformation with Agentic AI
A new Era of Autonomy & Intelligence

- **Autonomy** enables systems to initiate actions based on set objectives.

- **Adaptability,** allowing for strategy adjustments in dynamic environments.

- **Intelligence,** going beyond mere data processing to make decisions aligned with business goals.

Overcoming Challenges

"When you change the way you look at things, the things you look at change."

Max Planck,
Father of Quantum Physics
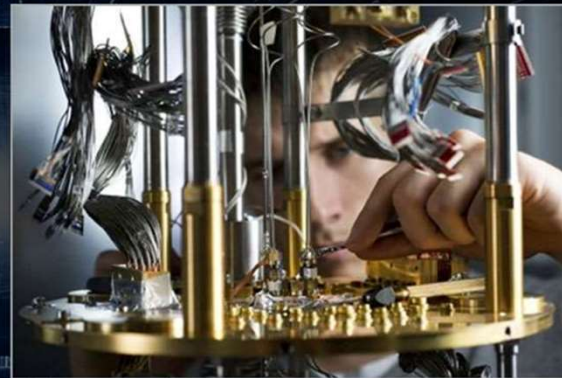
"Your scientists were so preoccupied with whether or not they could, they didn't stop to think if they should."

Dr. Ian Malcom (Jurassic Park)