Benefits of Chatbot in Hospitality Industry

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Abstract*: Chatbot technology, usually referred to as virtual assistants, is becoming more popular and is used extensively across a wide range of businesses. It is important to comprehend the use of chatbots, their benefits and drawbacks, and their implications going forward. This study's goal is to investigate chatbot usage in hotels. The results demonstrate that chatbot use is well- received and that the advantages outweigh the drawbacks. As a result, chatbots will be used more frequently in the sector and will need to grow in capability in order to realize their full potential*

Keywords: Chatbots, Virtual assistants, Technology, Hotels, Tourism

I. INTRODUCTION

When used on behalf of a hotel or other company in the hospitality sector, a hotel chatbot is a type of digital technology that can react intelligently to human interactions. A chatbot's goal is to simulate the kind of meaningful interactions that customers might have with actual staff members, typically over text.

A hotel bot of this type is typically utilized as a digital customer service representative, responding to inquiries, offering helpful information, and even replying to particular questions. The underlying technology and how it is used will typically determine the level of sophistication a hotel chatbot can provide.

There are two categories of chatbots.

Hotel chatbots with rules:

Basic chatbots for hotels are those that follow certain rules. These bots are capable of explicit rules-based communication, as their name implies. Typically, this will rely on "if/else" statements. Thus, a chatbot may be programmed to inquire, for instance, "Would you like to

view our special offers?" The user will be shown exclusive offers if they answer "yes" or choose a "yes" option on the screen. If not, a different message might be displayed.

The user can interact with this chatbot by clicking on the action buttons that are labeled on the screen to advance the conversation. More sophisticated chatbots, on the other hand, function by first identifying particular phrases in user input before presenting the subsequent pertinent message in accordance with predefined guidelines.

The key advantage here is simplicity, which makes it potentially very economical. It can be unsettling, though, if chatbot dialogue seems considerably less natural than human connection.

AI-Powered Chatbots for Hotels :

AI-based chatbots are a considerably more advanced alternative than rule-based chatbots. They can comprehend written communication, interpret it, and react properly thanks to artificial intelligence. This makes for incredibly lifelike chat exchanges that resemble those a user could have with a customer support agent.

This is taken a step further by some of the most sophisticated AI bots, which use machine learning to gather data as they go and modify their speech accordingly. This enables a hotel chatbot to learn about a user's preferences, compile the data, and provide a well-informed recommendation.

AI-powered chatbots facilitate more natural interactions and enable significantly more personalisation. Customers also find them to be more user-friendly, and machine learning leads to ongoing improvement.

Objective:

This study paper's goal is to examine the advantages of chatbots for the hospitality sector. The study will specifically look at how chatbots can be used to lower expenses, boost efficiency, and provide better customer service. Additionally, the presentation will address the difficulties in deploying chatbots in the hotel sector and offer suggestions for resolving these difficulties.

II. REVIEW OF LITERATURE

Chatbots for hospitality can be used on a variety of channels, including:

Messaging apps: These days, businesses are using messaging apps as a popular way to implement chatbots as part of their conversational commerce strategies. Particularly with the introduction of the WhatsApp Business API. Hotel chains use chatbots on WhatsApp.

Custom mobile apps: As the number of smartphone users rises, custom mobile apps are becoming a crucial means of communication for many companies. Hotels use chatbots on their apps and are not exempt from this modification.

Hotel chains' websites:Another place where hotels usually integrate chatbots is their websites.

Figure 1: An example of WhatsApp hospitality chatbot.
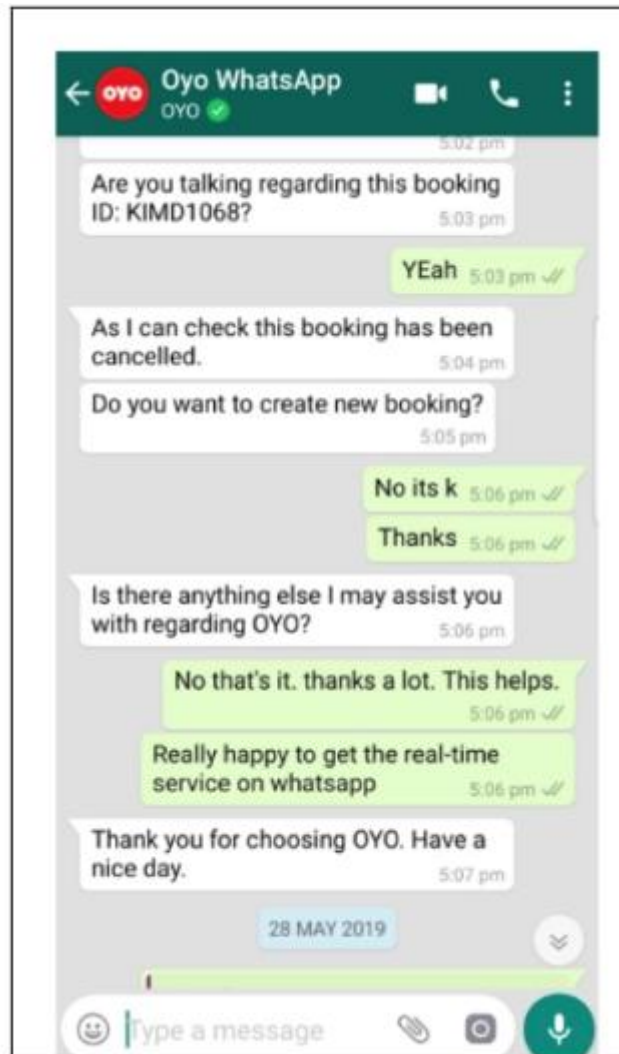
Source: Haptik

The reasons why chatbots are an integral feature of many hotel management practices.

Customer service available around-the-clock:

When it comes to customer service response time, modern customers have high standards. This can be particularly difficult in the travel and hospitality sectors, as clients from all around the world may have inquiries at various hours. Hotel chatbots can assist by offering round-the-clock customer support.

In other words, even in situations where you may not have customer care representatives on hand to actively assist consumers, they can still obtain a prompt answer at any time of day.

For example, Omar, the hospitality chatbot at the Equinox Hotel New York, responds to 85% of consumer inquiries (see Figure).

Figure 2: Omar answers questions from clients.
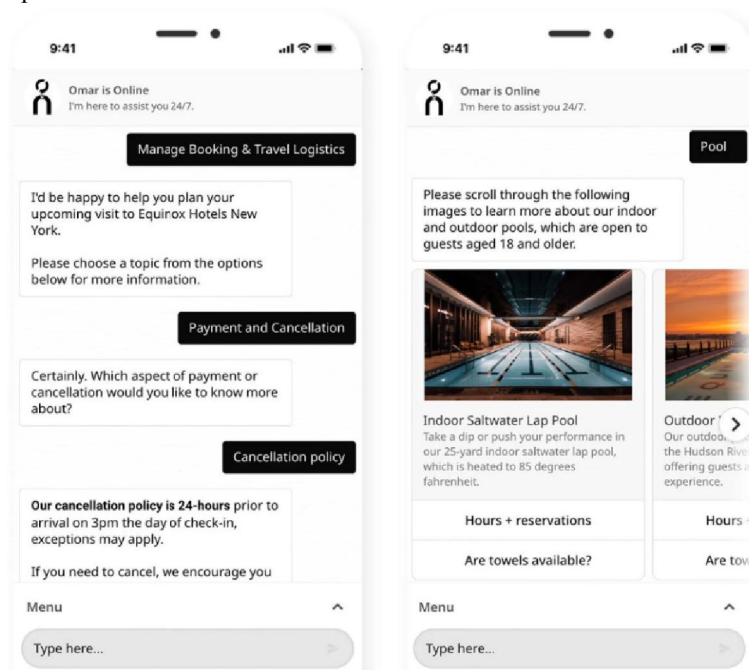
Source: Haptik

Enhance Reservations Directly

One of the main priorities for individuals working in the hotel sector is increasing direct reservations. Ultimately, hotels make more money because they don't have to pay commissions on these reservations. By providing prompt answers to inquiries, a hotel chatbot can aid with this and boost website conversions.

Furthermore, chatbots can be implemented on social media and instant messaging systems, giving users the opportunity to make reservations straight through those channels or via direct links to the primary booking system.

Assistance During the Entire Booking Process

By providing helpful, individualized support throughout the whole booking process, a hotel chatbot can help boost the number of bookings made and minimize the number of bookings that are interrupted halfway through.Consumers can ask inquiries and request information from the chatbot, which can also promote advancement.

Additionally, chatbots can be utilized at the beginning of the booking process to gather information about the user, such as their preferences for price and other details, before intelligently suggesting options.

Handle Multilingual Communication

It can support numerous languages regardless of whether a hotel employs an AI-based or rule-based hotel chatbot. Because clients travel from all over the world and it is probably not practical to hire employees with the requisite language abilities, this can be very helpful for hotels.

Customers can obtain answers to their individual questions in their native tongue, no matter what language they speak, thanks to AI chatbots in particular, which enable instantaneous translation.

Opportunities for Cross-Sells and Up-sells

In addition to boosting direct reservations, a chatbot can give a hotel additional chances for cross-selling and up-selling. This can also happen naturally and fit in with what has been said in the chat, which might make it more likely that a client seizes these chances.

The chatbot may use the data collected to suggest appropriate extras like breakfast or spa services throughout the booking process. If a specific room is chosen, a chatbot might suggest an upgrade. During the visit, a chatbot might also offer real-time information on which restaurants are open.

Individual Experience

Hotels can provide a considerably more customized guest experience with the use of AI- powered chatbots, even before the guest has begun the booking process. As previously mentioned, intelligent suggestions can be given prior to, during, or following the booking process.

A hotel chatbot can learn about the preferences of its guests by posing insightful follow-up questions. Based on this information, the chatbot can suggest activities, attractions, car rental services, and restaurants.

A Streamlined Customer Experience

Chatbots not only offer round-the-clock online customer support, but they can also improve the effectiveness of the in-person client experience overall. Using a hotel chatbot to help with the check-in and check-out procedure is one approach to accomplish this.

Check-ins and check-outs can now be completed entirely via a smartphone and without ever having to visit the hotel reception desk thanks to chatbot technology and a mobile app. This eliminates waiting periods.

Customer service employees' workload is lighter

Customer service employees at hotels can easily become overworked in the current era. After all, they might have to handle requests from visitors to speak with a customer service representative face-to-face, reply to emails and other correspondence via Facebook, Twitter and handle input from consumer surveys all at the same time.

By responding quickly to clear backlogs and handling many of the simpler or more frequent customer service inquiries, a hotel chatbot can relieve some of this burden and free up people to handle more complex instances.

Customized Promotional Initiatives

Marketing emails are one of the most common strategies used in hotel marketing campaigns, although their success rates are not always excellent. Even if consumers expressly checked a box on a form to receive marketing emails, a lot of them would actively disregard the mails. The reason could be because the mails may be repetitious.

By providing more personalization, a hotel chatbot can help make things better. A chatbot message on the hotel website, for instance, or one sent via a social media platform can start a far more customized, two-way dialogue that has a higher chance of closing a deal.

Follow Up With Your Guests

More and more hotels are realizing the benefits of getting in touch with earlier visited guest to get their opinion. Chatbots are perfect for this kind of work: they can interact with visitors through a variety of channels, finding out what they liked and didn't like, what changes they would suggest, and how they felt about the hotel overall.

Chatbots powered by AI or data can additionally personalize their follow-up initiatives. They can offer more information about the hotel itself, which will encourage patron loyalty and encourage return visits.

Examples of Chatbot:

Renowned restaurant networks like Burger King and Taco Bell has presented their Chatbots in Hospitality and Travel industries to rapidly stand apart of contenders as well as treat their clients. Clients of these restaurant are welcomed by the resident Chatbots, and are offered the menu choices like a counter order, the buyer picks their pickup area, pays, and gets told when they can grab their food. Chatbots are not just great for the café staff in diminishing work and torment however can give a superior client experience to the clients.
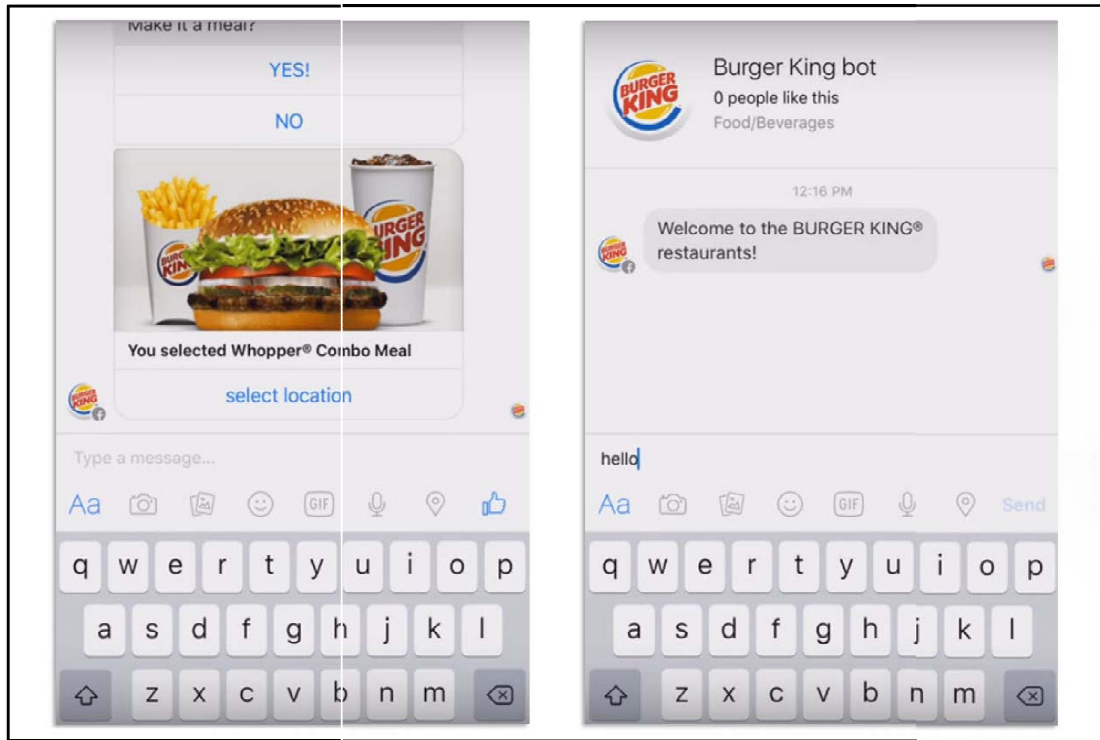
Taco Bell's Chatbot, on the business instant messenger Slack. Clients can arrange food from the restaurant's "tacobot" and request from the menu. They can pose inquiries about the accessible things too as might actually tweak the request by removing or adding items utilizing typical human voice. Reactions are intended to copy phrases clients use in day to day existence. The Chatbot might say "sounds wonderful" rather than "item is available ".
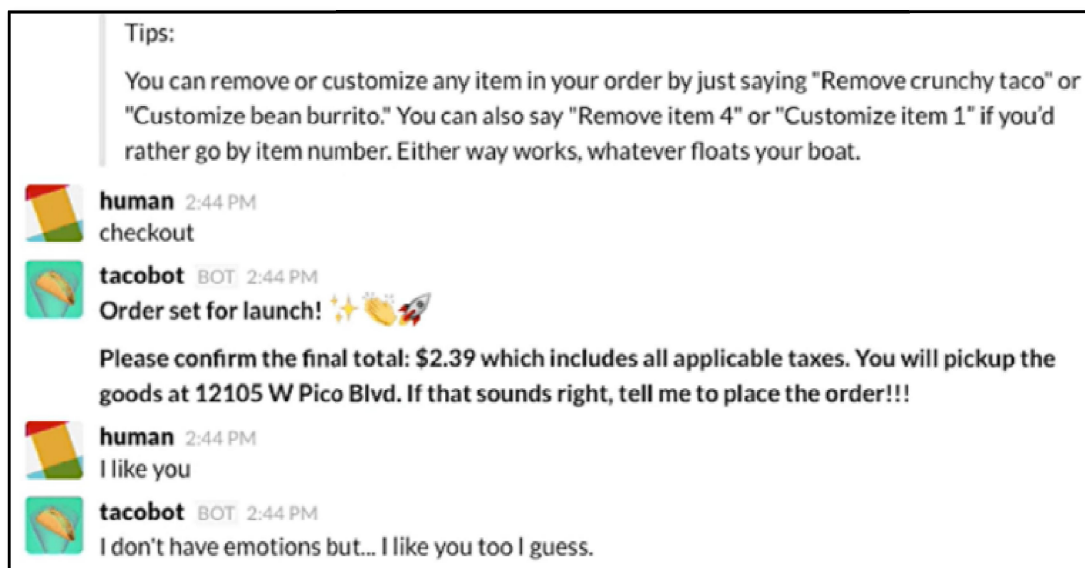
III. CONCLUSION

AI-based chatbots are expected to be utilized in more client touchpoints as chatbot technology develops. This could imply that multiple digital devices are used to install chatbots on the hotel's website, social media accounts, smartphone app, and inside the hotel.

For the near future, rule-based chatbots will probably still be useful, but AI-based solutions have clear advantages. You should anticipate the replacement of many rule-based hotel bots by AI-powered bots as this technology gets more user-friendly and less expensive to deploy.

Chatbots will probably become more audio-based than text-based as voice recognition technology advances and consumers grow more accustomed to utilizing it. Better speechrecognition-based language translation is probably going to be one of the biggest advancements in the future. This will enable anyone, wherever in the world, to speak with a chatbot vocally, be understood, and get a response in the same language.

For hotel owners, a chatbot may be a great asset as it can provide quick responses to customer service queries, enhance the guest experience in hotels, and contribute to more meaningful and personalized marketing campaigns.

Scope of Study:

The scope of study for chatbot usage in hotels is extensive and can cover a wide range of aspects related to the implementation and utilization of chatbots in the hotel industry. The scope of study may vary depending on whether you are focused on a specific hotel segment (e.g., luxury hotels, budget hotels) or the hotel industry as a whole.

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