

Chapter 11

Revolutionizing Creative Tourism: Integrating AI in Marketing for Immersive Travel Experiences

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ABSTRACT

This chapter provides a comprehensive review of hospitality and tourist (HAT) AI literature. The analysis identified relevant themes, pros, and cons, as well as suggested future research possibilities in this discipline. HAT is rapidly adopting AI technology to improve customer service, operational efficiency, travel experiences, and sustainability. There is a growing body of research on this topic, but a thorough and systematic understanding is needed to determine the most effective AI applications and recommend areas for further investigation. This chapter discusses how machine learning, natural language processing, and robotics may improve tourist and hospitality consumer experiences and efficiency. This chapter covers AI in travel, from chatbots for customer service to autonomous cars to VR/AR for immersive experiences. AI disrupts customers and companies in personalisation, decision-making, and predictive analytics. These AI technologies' ability to revolutionise the business provides a futuristic view of travel and tourism.

1. ARTIFICIAL INTELLIGENCE: TRANSFORMING THE TRAVEL AND TOURISM INDUSTRY

According to Shankar (2018), AI “refers to programmes, algorithms, and machines that demonstrate intelligence” (p. 6). According to Pereira et al. (2023), AI includes a wide range of intelligent technologies and tools, including machine learning, the Internet of Things (IoT), artificial neural networks (ANNs),

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big data, smart robotics, and VR/AR applications. Rising processing power, more accessible large data, and improved machine-learning algorithms and models are all contributing to AI's rising profile. To do numerous complicated tasks (such as data collecting, processing, and analysis) that would necessitate intelligent effort if carried out by humans, it depends on big data, processing capabilities, and algorithms. These activities and services are built upon these duties; they affect the interactions between service providers and their customers; and they have multiple ramifications for marketing, operations, management, and service (Buhalis et al., 2019). According to a survey by TeamLease, the Indian economy stands to gain \$967 billion by the year 2035 because to AI. The country's gross domestic product is expected to rise by \$450–500 billion by 2025, or around 10% of the \$5 trillion target. Meanwhile, study by TeamLease Digital's iCET-Forces Shaping Future of Technology predicts that artificial intelligence could boost global GDP by \$15.7 trillion by 2030. The study found that the global AI market was worth \$136 billion in 2022 and would grow at a CAGR of 37% between 2023 and 2030. The study found that artificial intelligence brought in \$12.3 billion for India in 2022. We also expect the country's artificial intelligence software industry to have risen at a CAGR of 18% by the end of 2025.

According to Buhalis et al. (2019) and Tussyadiah (2020), the travel and hospitality business has been affected by recent technological innovations. Over the past two decades, a plethora of information and communication technologies (henceforth ICT) have been employed to enhance the pre-, during-, and post-trip experiences of tourists, create value, and provide efficient services (Dhiman, Jamwal, & Kumar, 2023). Integration of information and communication technologies is ubiquitous throughout a tourist's journey (Grundner and Neuhofer, 2021). Advances in AI have facilitated the integration of digital and physical elements, which has enhanced ICTs. According to Grundner and Neuhofer (2021), these technologies have all contributed to making visitor encounters more personalised and providing experiences that are enhanced by technology. As an example, according to Doborjeh et al. (2021), artificial intelligence has broadened the usage of robotics applications to improve client interaction in the hospitality industry. Actually, AI aids visitors in locating more pertinent data to enhance their decision-making and deliver superior tourist experiences (Bulchand-Gidumal, 2020). The total impact of AI on the tourism and hospitality industry has not yet materialised, although it has had a significant impact thus far (Ivanov et al., 2019, Tussyadiah, 2020). Over the past few years, there has been an explosion of research on the use of AI in tourism and hospitality, driven by the growing interest in AI from both academics and practitioners. Consequently, in order to comprehend the theoretical underpinnings and the progression of AI knowledge, it is necessary to survey the pertinent literature, return to the topic's historical development, and suggest new directions for study.

AI in tourism manifests in two primary forms: digital systems and digital-physical hybrids (robots). Examples of digital systems include online check-in and mobile boarding passes in airlines, while an example of hybrid systems is the use of service robots in hotels. The development of chatbots represents a significant milestone, reshaping customer interaction and service delivery in the sector.

Although AI is being used in the hospitality and tourism industry, but the growth and percentage of usage is not as much as it is in other industries. The probable reason for this could be a lack of comprehensive theoretical model which can help this industry to adopt AI. This will includes understanding the dynamics between AI technology, customer behaviour, and industry practices. While the use of AI in various sub-sectors of tourism and hospitality is recognized, there's a lack of in-depth analysis on the integration of AI across different service operations and its cumulative impact on the industry (Shakshi et al., 2020). The evolving nature of consumer interactions with

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