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Capitalizing on the AI revolution in tourism

As artificial intelligence (AI) becomes a powerful change agent in the tourism ecosystem, GCC countries should join the AI revolution to realize their ambitious tourism goals. They should set objectives, digitize the tourism infrastructure, and cultivate the human capital required to work with new AI tools. From there, they should launch pilot projects to determine which applications show the most promise and then monitor and scale the successes.

Imagine a family planning a vacation. They tell an online travel booker's chatbot when and where they would like to go, along with their preferred transportation, lodging, activities, and budget. Instantly, they receive a complete itinerary, cost, booking links, and videos of the destination. New AI tools—and generative AI (GenAI)—are turning such a vision into reality. AI is transforming every aspect of tourism, from customer-facing activities like marketing, discovery and planning, and language translation to back-end operations such as transportation scheduling and guest services.

Public- and private-sector tourism players are adopting AI to be more productive and efficient. Online travel agencies are using AI to analyze demand, competitor pricing, and other factors in real time and then automatically adjust rates to market conditions. Tourism players are adopting AI to offer a more competitive value proposition and make themselves, and the destinations they promote, more desirable to visitors. Some are using chatbots and AI-based platforms in marketing and demand generation to make suggestions and personalize itineraries. For instance, VisitDenmark used AI-based deep learning technology to make it look like the Mona Lisa and Statue of Liberty were telling people to skip the crowds at those famous tourist attractions and go to Denmark instead.

Soon, AI applications will create customized campaigns based on individuals' requests or targeted at specific market micro-segments. Next-generation AI travel concierges could offer end-to-end travel planning and booking by developing packages that integrate dynamically flights, hotels, ground transportation, and tours customized to visitors' preferences.
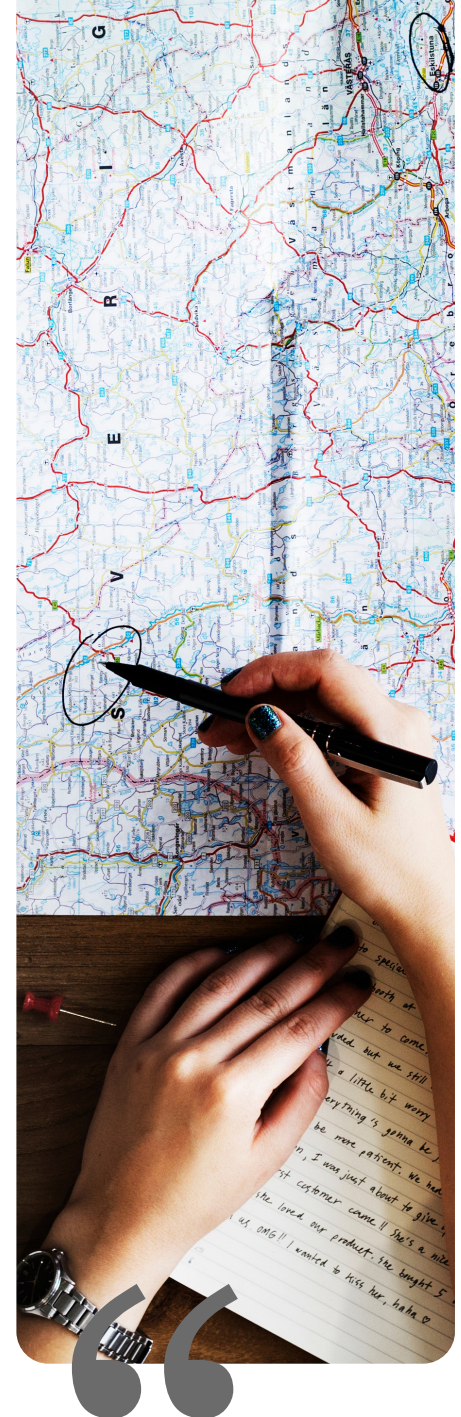
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For that to happen and GCC countries to usher in the AI revolution, the region's public- and private-sector entities must do the following:

1 **Define objectives for AI tourism projects:** Ecosystem entities need to collaborate to define the priorities for an AI transformation and to determine which actions to take first.

2 **Assess their readiness and resources:** Once tourism players have established their AI goals, they can determine how prepared their existing digital infrastructure is to meet them and which parts require an upgrade. Key elements of that infrastructure include digitized information on accommodations, local attractions, tour guides, and other ground transportation, along with cultural assets. Players should upgrade data management practices, as well. Conducting a sector-wide review of existing digital records and data management practices can identify the gaps that a phased digital transformation plan can address. Once tourism players identify the AI data requirements they will adopt and the necessary AI tools and capabilities, they can develop initiatives to train people on relevant skills, including technical skills and the ethical use of AI. Players could partner on skills programs with academic institutions or other third parties.

3 **Launch pilots to test the technology:** Simultaneous with building digital infrastructure and skills initiatives, organizations can identify the tourism operations for which AI could have the most impact and then launch pilot projects in these areas. Pilot projects also help players adopt protocols that ensure that AI-based insights and recommendations are accurate and helpful. Players can boost pilots by sponsoring contests, hackathons, or community-based challenges and providing resources for winning solutions.

4 **Monitor and scale:** Pilot projects serve two purposes. They determine which outcomes to monitor in order to ascertain how AI-based tools and processes are performing, such as tourist satisfaction, operational efficiencies, and economic benefits. Whatever benchmarks entities choose should be reviewed and adjusted on a regular basis. Pilots also help players identify which projects are ready to scale. Any scaling plan should include defining training and change management strategies, and how the organization will integrate AI applications and processes into existing systems.

The Singapore Tourism Board's (STB) initiatives exemplify how public–private partnerships accelerate AI pilot projects and innovation. STB launched a platform that helps companies assess their digital transformation readiness. Companies can use STB's accelerator program to create and test ideas for new products and services and pilot the innovations with startup partners. Millennium Hotels and Resorts, which has properties in Singapore, used the tourism board's accelerator to develop an AI-based, in-room housekeeping concierge, which improves customer service and reduces the hotel's operating costs.

AI in GCC tourism is an ambitious agenda. By creating a plan, updating data infrastructure, improving workforce skills, and launching early use cases, the GCC's tourism sector can be in the vanguard of the AI revolution in tourism.

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