



GENERATIVE AI IS A GAME-CHANGER FOR HOSPITALITY CX

Generative AI heralds a new era of hospitality by helping companies craft more personal and seamless experiences for travelers and guests.

The hospitality business is all about creating excellent and memorable customer experiences. Hotels want to learn their guests' habits and preferences so they can create lasting experiences from the time they plan their visit, through the duration of a stay, and beyond. Now, generative AI is poised to transform those customer experiences through its ability to learn, adapt, and collaborate in ways that were once reserved for human

intelligence – and hospitality companies are exploring ways to embrace this game-changing technology.

While generative AI has gained prominence through publicly available applications such as ChatGPT, new enterprise-class solutions are ready to help organizations leverage their customer data like never before. This will drive better, more personalized experiences for guests, resulting in stronger brand loyalty and more repeat business.

This technology's huge potential means every hospitality company looking for competitive advantages will be exploring generative AI and testing its potential use cases. The winners will be the enterprises that act quickly to establish their leadership in this new era of hyper-personalized customer experience (CX).

ENHANCING GUEST EXPERIENCES

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Companies can apply generative AI's capabilities across the customer lifecycle and Capgemini has identified several use cases for the hospitality sector that best exploit the technology's strengths. These include:

- quickly and dynamically generating multimedia-based content such as marketing campaigns or offers, all personalized to each customer;
- using generative AI-powered chat bots that interact with guests in a more natural and empathetic manner to provide superior self-service solutions;
- leveraging insights from previous interactions with the guest to create personalized recommendations for restaurants, entertainment venues, activities, or other experiences;

- acting as a real-time translator to remove potential communication barriers for international travelers;
- connect with other technology to make stays more comfortable, like setting the room temperature, providing keyless entry, and organizing in-room entertainment preferences; and
- analyzing customer sentiments and assisting hotel operations to improve engagement strategies and customer issues.

For all these use cases, generative AI uses natural-language conversations to better collect and analyze data about customers and their preferences. Because generative AI learns from each interaction, its able to continuously improve the company's ability to deliver positive customer engagements.

ENTERPRISES MUST EXCEED **ESTABLISHED EXPECTATIONS**

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Achieving positive engagement with generative AI comes with its own set of challenges. Unlike almost any other technology development in the past couple of decades, consumers across all age groups and demographics have quickly embraced generative AI. And people have already developed significant expectations with regard to AI-enabled experiences. As the Capgemini Research Institute discovered while preparing its report [Why consumers love generative AI](#), 86% of those asked were familiar with public models such as ChatGPT and DALL-E, including 51% who had actually used them to

create content. The combination of the general public's high expectations for AI and customers' high standards for interactions with hospitality companies means organizations must take extra care in crafting their strategy. It must be properly implemented, supported, and monitored so it consistently delivers the types of superior customer experiences their guests' desire.

SUCCESS STRATEGIES



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Capgemini is already helping clients across a broad spectrum of industries deploy generative AI for customer experience (CX) and has developed a number of recommendations to implement a successful generative AI strategy.

- The chief marketing officer (CMO) and customer experience lead must be involved in the development of an organization's generative AI program and strategy. That's not happening at every company. Many consider generative AI the realm of the head of IT, while some are looking at it as a cost-saving tool and have put the chief financial officer (CFO) in charge. But in hospitality, getting the customer experience right is critical and those at the very top of CX must be represented.
- Companies should focus on use cases that enhance their brand's emotional value with customers.

Among other things, this requires developing unique sets of generative AI use cases for each type of guest. A solo business traveler will look for different services than a vacationing family so, at a minimum, each generative AI use case must be customized to different needs.

- In Capgemini's view, deploying generative AI to enhance human staff is an excellent approach. While some guests will appreciate the efficiency of dealing exclusively with AI, many will place greater value on engaging with a real person, whether at a concierge desk or at a call center. In hospitality, people provide the personal touch that creates great experiences. Generative AI can improve those by providing staff with the information and recommendations they need to better engage with the customer.

SUCCESS STRATEGIES

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- Don't try to build a solution using a public model such as ChatGPT. Public models are generic, they do not have deep connections with an organization's data to properly understand its brand and culture. Worse, they expose the enterprise to several risks including data privacy issues caused by the inability to set appropriate guardrails. What's more, public models learn from the data users provide. This means an organization could end up inadvertently sharing its data and CX strategies with competitors.
- CMOs and their teams should take great care in choosing use cases and designing proof-of-concept trials. Reliability is paramount because guests will remember the times generative AI didn't work

for them. Use cases must find the right balance for engagement with each customer. For example, recommendations are valuable but if the solution is too aggressive it could quickly become something that guests won't use.

- Plan from the beginning to scale the successes. If guests embrace a generative AI-powered solution, they'll expect to use it across all the organization's touch points – regardless of whether they're in Houston, Hamburg, Helsinki, or Hokkaido.

THE CAPGEMINI APPROACH

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Capgemini has developed a holistic framework that enables hospitality enterprises to deploy [*generative AI to improve customer experiences*](#). At a high level, this framework encompasses four key elements.

Business use cases: Capgemini works with clients to craft a set of generative-AI use cases that are feasible and will deliver tangible business outcomes.

CX orchestration: Capgemini's solution carefully orchestrates all content produced by generative AI to ensure it's consistent with the brand's values, target audiences, and overall CX goals, thereby creating cohesive and memorable customer experiences.

Guardrails: Capgemini's solution includes a powerful layer of CX guardrails that are applied to all prompts and inputs to ensure they conform to the company's core values and brand guidelines. These guardrails also protect the security of the company's data and how it's used. This ensures generative AI is deployed in a responsible and ethical manner.

Adoption methodology: Generative AI cannot be treated as an isolated technology. It becomes part of the work being done by all members of the CX team. Capgemini helps clients craft an adoption methodology that ensures all people, technology, and business processes are fine-tuned to embrace the changes that generative AI brings to the enterprise.

Elevating the possible for the market leaders

Today, hospitality enterprises are not equipped to provide individual guests with personalized engagements that are accurate, consistent, and contextual. Generative AI makes this possible.

But the window of opportunity is quite small and companies need to act now. The first organizations to successfully enhance their CX activities with generative AI will reap many benefits including stronger customer loyalty – but all competitors will be looking to do this too.



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Contact



RAJIV CHHATWAL

Senior Manager, Transformation and Innovation, Capgemini
rajiv.chhatwal@capgemini.com



OLLIE EAST

Head of Go-To-Market Strategy and US GenAI CX Lead
ollie.east@capgemini.com



SHAWN GOODIN

Principal Martech Strategist, Customer Data & AI
shawn.goodin@capgemini.com