



Conversational AI & The Return to Travel

How Virtual Agents Will Help Travel and Hospitality
Companies Recover and Thrive Post-Pandemic

AMELIA®

State of the Travel Industry

Impact of the Pandemic on the Travel & Hospitality Industry

The global COVID-19 pandemic has had a profound impact on the way the world works and operates. As the virus spread across the globe, country borders shut down and travel ground to a halt, making activities that people once took for granted, such as leisure travel and business trips, distant and deeply missed memories.

With people unable to travel or travelling very little, the subsequent impact on travel-related companies such as hotels and airlines was quick and severe. Although most industries felt the adverse effects of the COVID-19 pandemic – lost revenue, supply chain delays, workforce reduction and more – the travel and hospitality industry was among the hardest hit by lockdowns and pandemic-related restrictions.

As travel volume slowed to a fraction of what airlines and hotels experienced in previous years, travel-related companies were left with no other choice than to furlough employees, ground airplanes, re-purpose hotel space, and in some devastating cases, permanently shut down.

Airline Industry

● 2020

In 2020, the airline industry brought in a total of **\$328 billion in revenue**, which amounts to approximately **40 percent of the revenue earned in 2019**, according to McKinsey. [\(Source\)](#)

● 2020 August

By August 2020, McKinsey determined that global air-passenger volume was just **64 percent of the total volume in August 2019**. [\(Source\)](#)

● 2024

The consulting firm anticipates that **it will take until 2024 for air-travel traffic to return to 2019 levels** (barring the emergence of any virulent COVID variants that may have future travel impacts on domestic and international routes). [\(Source\)](#)

Hotel Industry

● 2020

The hotel industry fared no better. From March through May 2020, the **U.S. hotel industry lost more than \$30 billion in revenue**. [\(Source\)](#)

● 2020 May

Luxury hotels faced some of the most staggering losses, with **occupancy totaling less than 15 percent in May 2020**. [\(Source\)](#)

● 2023

Like the airline industry, McKinsey expects **it will take until at least 2023 for the hotel industry to recover to pre-COVID-19 levels of occupancy**. [\(Source\)](#)

Various Sources

Post-Pandemic Industry Challenges

Fortunately, people are starting to travel again. Travel restrictions are easing, and while some people have been travelling due to work commitments for months, the vast majority are eager to book their first post-pandemic trips. However, it is evident that travel companies, hotels and airlines across the globe are facing an uphill climb to reach pre-pandemic levels of profitability and growth.

When air-passenger volume and hotel occupancy faced all-time lows during the height of the pandemic, most companies laid off staff members to stay afloat. Now, as travel restrictions ease, hotels and airlines are scrambling to bring back furloughed staff, and hire new ones, to handle the influx of returning passengers and guests. Several companies are struggling to encourage former staff to return, [as many have switched careers and/or are unwilling to return](#) without improvements in wages and working conditions.

Mass staffing shortages in the travel and hospitality industry are making it difficult to bring back capacity, leaving travel companies with no choice but to cancel bookings for airlines and hotel rooms. In fact, [a major airline was forced to cancel 1,400 flights](#) due to staff shortages.

Although the nature of travel has grown more complex than ever, travel and hospitality companies still depend on providing customers with high-quality service in order to differentiate, remain competitive and keep people coming back to their services. Without sufficient resources to handle higher volumes of complex customer questions, many travel and hospitality companies will struggle with delivering the exceptional customer experiences for which they are known.

Leveraging Technology for Extraordinary Travel Experiences

Before the pandemic, digital customer experiences were becoming increasingly popular for businesses. However, pandemic-related lockdowns changed the importance of digital tools from a “nice-to-have” to a “need-to-have” resource to help companies maintain customer relationships.

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While many companies deployed digital tools such as simple FAQ chatbots to provide customer service during the pandemic, these tools quickly proved inadequate for delivering first-rate customer experiences. Several companies are now shifting gears and deploying Conversational AI to provide human-like customer service at scale.

As increasingly more companies deploy Conversational AI, customers now expect digital, [frictionless and touchless experiences](#) across all interactions with companies and service providers. Companies that do not deploy Conversational AI will be at a disadvantage to their digitally savvy competitors.

For the travel industry, [Deloitte](#) anticipates that airline passengers will be reluctant to engage in processes that require physical touch. This suggests that travel companies need to consider how they can leverage technology like Conversational AI to enable exceptional low touch (literally and physically), customer experiences.

The travel industry's appetite to digitally transform their businesses has never been bigger, and given the accelerating travel comeback, there has never been a better time, or a greater need, for the industry to invest heavily in digital tools like automation and AI. In this white paper, we examine how Conversational AI will help the travel and hospitality industry to not only recover but thrive in the post-pandemic world.



Conversational AI in the Travel & Hospitality Industry

Hotels and airlines are part of an industry where extraordinary customer experiences are central to success. Even before the global COVID-19 pandemic, these companies aimed to deliver memorable experiences to their guests throughout all touchpoints of their travel journey.

Now, as travel restrictions lift and people return to the skies and hotels in droves, travel companies must either invest in delivering truly extraordinary travel experiences, enabled by AI and automation, or run the risk of falling short of customer and employee expectations, and falling behind competitors. In order to deliver exceptional AI-enabled customer experiences, hotels and airlines need to invest in high-quality digital tools that add value to the customer experience.

When customers reach a call center managed by an [outdated IVR system](#) or [clunky FAQ chatbot](#), they often ask to transfer to a human agent, or leave the virtual conversation feeling frustrated and more confused. Unlike chatbots and IVR systems, Conversational AI agents are purpose-built to conduct seamless, personalized and human-like conversations, while also resolving customers' issues on the first call and limiting human agent intervention.

Conversational AI, while still considered nascent technology in some industries, is quickly becoming a standard for travel and hospitality companies. According to a [recent report from Everest Group](#), travel is one of the industries in which [Amelia](#), the market-leading Conversational AI, is considered a major player.

Companies that have deployed Conversational AI are already experiencing the benefits of their investment. Notably, companies have witnessed an increase in their NPS scores, a metric that is of utmost importance in travel and hospitality. Companies have also benefited from increased operational efficiency, fewer dropped calls, faster resolutions and more.

There are endless possibilities for Conversational AI in travel and hospitality. As the industry emerges from the pandemic and aims to thrive going forward, below are some key use cases to help achieve these goals.

Key Use Cases



Personal Travel Agent

Customers sometimes must navigate multiple websites, tools and applications to look up travel restrictions, book flights, check-in, and upload mandatory documentation – which are all timely and frustrating tasks for customers.

A Conversational AI-powered personal travel agent guides customers through all these steps via one conversational interface. This ensures travelers are well-prepared for their trip and frees contact centers from high-volume, repetitive questions.



Digital Concierge

Once travelers arrive at their destinations, whether it be an all-inclusive resort, cruise, hotel, bed and breakfast, or other location, they expect high-quality, personalized service throughout their stays.

With a Conversational AI digital concierge managing requests for extra towels, room service, conference room bookings and transportation, every guest receives instant white-glove service.



Contact Center Agent or Whisper Agent

Conversational AI agents can speak directly to customers to resolve their travel-related questions, or act as whisper agents to human contact center agents by providing recommended answers and real-time updates and information.

Conversational AI agents are equipped with copious amounts of learned knowledge, derived from previous agent conversations (sometimes called “digital exhaust”) which enables them to provide the highest quality answers possible.



Internal ITSD and HR Support

HR departments and IT service desk departments are usually inundated with requests from employees, causing overall organizational delays (especially in industries with high turnover, requiring continuous onboarding and offboarding).

Conversational AI agents are ideal in these scenarios, thanks to their extensive integration capabilities with multiple HR and IT platforms and tools, enabling the virtual agents to resolve high-volume requests and help employees return to work faster and more satisfied.

Challenges Travel Companies May Face When Bringing in Conversational AI

Despite the growing presence of AI and automation in today's world, some customers and employees remain concerned that these technologies will take jobs from humans, and various employers are concerned the technology will not deliver the same level of service that human customer service representatives regularly do.

The reality is that a great deal of resistance to Conversational AI is a direct result of misinformation and bad experiences with scripted FAQ chatbots, whereas Conversational AI is a higher-value technology that enhances, not replaces, the need for human workers. Below are a few key explanations to common Conversational AI misperceptions.

Misperception

"My company grew through acquisition and now has multiple disconnected legacy systems."

"I'm concerned that Conversational AI would be just another tool."

"Superior customer experience is very important to our company."

"I don't think Conversational AI is advanced enough to deliver personalized, human-like customer service."

"Our employees fear that technology such as AI will take away jobs from humans."

"I don't want our employees to be concerned about an AI deployment at our company."

Clarification

Like most organizations, travel companies currently deploy several disparate tools to support both external- and internal-facing business processes. One of the greatest values of Conversational AI, compared to IVR systems and chatbots, is the technology's extensive integration capabilities.

Imagine if every contact center agent, including both human and digital agents, was equipped with accurate, real-time, personalized answers at their fingertips, with information provided by multiple systems – that's what is possible with Conversational AI.

Negative experiences with basic chatbots color the overall perception of AI and virtual agents. However, it is important to understand the distinction between chatbots and Conversational AI agents. Whereas chatbots are fed pre-scripted answers that require humans to alter the way they talk and ask questions that fit these scripts, Conversational AI agents understand how humans speak – our intents, emotions, idioms, multilingualism, and more. This enables Conversational AI to conduct truly human-like conversations with guests.

In addition, while chatbots deflect questions and escalate complex requests to human agents, Conversational AI agents are equipped with the ability to fully resolve multi-intent, complex requests from end-to-end.

Conversational AI is an established technology capable of delivering white-glove customer service to hotel guests and travelers.

During the COVID-19 pandemic, many furloughed employees took jobs in other industries, leaving behind travel- or hotel-related careers. Travel and hospitality companies are now scrambling to fill job vacancies while also facing increasing customer demand. Conversational AI can fill the jobs that people either don't want, or don't want to return to.

Additionally, with Conversational AI agents managing high-volume, time-consuming and repetitive tasks and requests, human employees will have more time to take on more complex and higher-value work. By building a digital-human hybrid workforce, travel companies become more desirable for talented individuals looking for an exceptional employee experience.

It is important for organizations to be transparent with customers and employees about the values and benefits of a hybrid workforce.



Conversational AI and Post-Pandemic Travel

Despite the return to travel, travel companies are not yet out of the woods. The combination of staffing shortages, travelers returning en masse and new travel protocols has left the industry in serious need of a solution to manage all these challenges simultaneously. Here's how Conversational AI can make this happen.

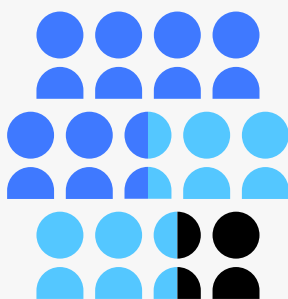
Filling the Gaps in an Understaffed Industry

Within the first eight months of 2020, the global airline industry furloughed [nearly 400,000 employees](#), in order to weather the drastic reduction in flights. Furthermore, in the United States alone, nearly [four million leisure-and-hospitality sector workers](#) lost their jobs since February 2020 as hotel vacancies reached devastating lows.

Now, as the travel industry ramps up, hotels and airlines are desperate to bring back capacity as they face a new battle: former employees don't want to return to the industry.

**According to
Bloomberg's
Recent Poll
of 13,000
job seekers**

[*Bloomberg's Recent Poll](#)



Over Half

of America's hospitality workers **will not return to their previous jobs.**

More than One-Third

are **not planning on returning to the industry in any capacity.**

Without the staff necessary to handle the high-volumes of customer service calls, get planes off the ground on-time and maintain a fully operational hotel, the overall travel experience for travelers and employees is suffering.

Conversational AI for a Better Customer Experience

In the summer of 2021, customers experienced some of the longest hold times when calling their airlines for assistance. In some instances, customers were [left on hold for hours](#) to complete simple tasks such as switching airline tickets. There is simply not enough human staff to manage the increased demand as excited travelers look to book tickets for vacation or family visits, leaving employees overwhelmed, and customers frustrated and resistant to future travel.

Considering how many former staff are unwilling to return to work in the travel and hospitality industry, and how the [sector is struggling to hire new employees](#), travel companies need to look for an alternate solution to manage their customer experience operations.

Hiring human staff to manage the increasingly higher levels of contact center volume is both costly and timely, and solutions such as chatbots and IVRs cannot deliver the quality of customer service that human staff can provide to travel customers and guests. In order to bring [back customer service capacity](#) while also delivering exceptional service, travel companies need to invest in Conversational AI.

As referenced earlier, there are several customer-facing use cases for Conversational AI in the travel and hospitality industry. For example, as a virtual agent in an airline or hotel contact center, Conversational AI agents can help resolve guests' issues, including everything from scheduling hotel rooms and booking flights and rental cars to following up on payment statuses and switching flights.

Since Conversational AI agents are equipped with extensive integration capabilities, airlines, hotels and travel companies can orchestrate all their disparate tools and resources across the enterprise, which connect to Conversational AI. That way, when a customer calls and says, "I want to move my check-in date back by a day," the Conversational AI agent doesn't have to transfer the caller to a human agent to complete the task. After verifying the caller's ID and booking information, the Conversational AI agent can complete the task from end-to-end on behalf of the customer.

By reducing wait times in contact centers, providing personalized answers and eliminating contact center queues, Conversational AI agents help travel and hospitality companies enhance their customer service operations.

Although there are jobs that require a truly human touch, like flight attendants, Conversational AI agents are perfectly suited to handle high-volume, repetitive jobs in a human-like way. While travel and hospitality companies focus on hiring employees to fill job vacancies for more human-centric roles, they can be confident in their Conversational AI agent's ability to support customers with empathetic, appropriate and helpful responses at scale via phone call or chat.

Conversational AI for a Better Employee Experience

Although Conversational AI helps to scale support across several job functions, the technology is not a replacement for human employees. There are many more complex and higher-value roles that humans are better suited for in the travel and hospitality industry. In order to encourage more employees to join the industry to fill these roles, and to offer better employee experiences, the industry needs to invest in delivering exceptional internal-facing support.

The current labor shortage that companies across the world are facing is largely due to individuals [leaving companies where they feel undervalued](#) and instead seeking workplaces that value their time and effort, and where they feel supported. By investing in Conversational AI to deliver better employee experiences, travel and hospitality companies can bolster their recruitment efforts.

Some travel companies may be amid hiring spikes, leading to unprecedented volumes of employee support requests for IT-related issues and HR questions. Fortunately, Conversational AI agents are well versed in [resolving common IT issues](#) such as troubleshooting VPNs, connecting IP phones, resetting passwords and unlocking accounts, and [answering HR-related questions](#), such as queries regarding benefits coverage, payroll, booking time off and more.

By deploying Conversational AI agents as HR and IT service desk agents, travel companies can deliver a seamless onboarding experience and superior support throughout employees' tenure at the company.

Conversational AI therefore benefits employees and employers alike: employees feel supported and well-prepared for their job, which increases overall operational efficiency and productivity for companies. As the travel and hospitality industry emerges from the pandemic, these are invaluable benefits for ensuring a fast and strong recovery.

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Safe, Streamlined Travel Experience

Travel today looks a lot different than it did two years ago. Travel was once a relatively simple process, especially for the seasoned traveler, and it is now a moving target. Travel restrictions and protocols for departing and arriving can change in an instant, [leaving travelers – including the seasoned travelers – on edge and uncertain](#), and travel agents [unprepared to answer the questions they are being asked by customers](#).

[According to Deloitte](#), in order to ensure that both travelers and employees feel confident in air travel, operational changes will revolve around ensuring the health and safety of both customers and staff. To do so, there needs to be clear and up-to-date lines of communication flowing between data sources, customer service agents and travelers.

Conversational AI can be deployed as personal travel agents for customers, guiding them through all the necessary steps from booking flights to gathering required documentation to virtually checking-in to an airport. Conversational AI integrates with real-time data to [ensure passengers are kept up to date](#) with the latest travel restrictions and protocols and warns passengers of any changes that may affect their scheduled journey. As a result, passengers feel confident they will experience a smooth travel day, as well as relieved to reduce the number of physical touchpoints they experience throughout their journey.

Once a traveler arrives at their destination, they expect the same level of high-quality and safe service from their accommodations. Hotels and resorts can enable white-glove self-service by deploying Conversational AI agents to provide restaurant suggestions, book entertainment tickets, schedule late check-outs and more. With a digital concierge right at guests' fingertips, hotels can reduce the need for guests to visit the hotel concierge for multiple requests.

Make Every Agent Your Best Agent with Conversational AI

In order to support human customer service agents, Conversational AI can be deployed as a whisper agent in contact centers, providing human agents with recommended answers and up-to-date information on travel restrictions, guidelines, protocols and more. Since Conversational AI agents can sift through data faster than any human, the AI can focus on finding the most helpful information to customers' questions while human agents focus on delivering first-rate customer service and crafting resolutions to complex questions. Empowering travel contact center agents with a Conversational AI whisper agent will help to re-instill agents' confidence in their ability to help customers.

Recovering from the pandemic is top-of-mind for travel and hospitality companies, and Conversational AI is the ideal digital tool for addressing some of the industry's most pressing concerns. Even as the pandemic moves further into the rearview and travel companies look to grow their businesses to new heights, Conversational AI will continue to be a necessary investment for thriving in the digital era of travel and hospitality.



How Conversational AI Will Help the Industry Thrive

Organizations across industries accelerated their digital transformation plans to manage the impact of the pandemic – and the trend toward digital is not slowing down. People have spent most of the past two years [conducting at least part of their interactions with organizations through a digital channel](#), such as banking via a mobile app, shopping for groceries online and visiting a doctor via video chat. As a result, customers have grown more comfortable with digital experiences, and some cohorts, [like millennials and Gen Z consumers](#), expect smooth digital experiences from all companies they interact with.

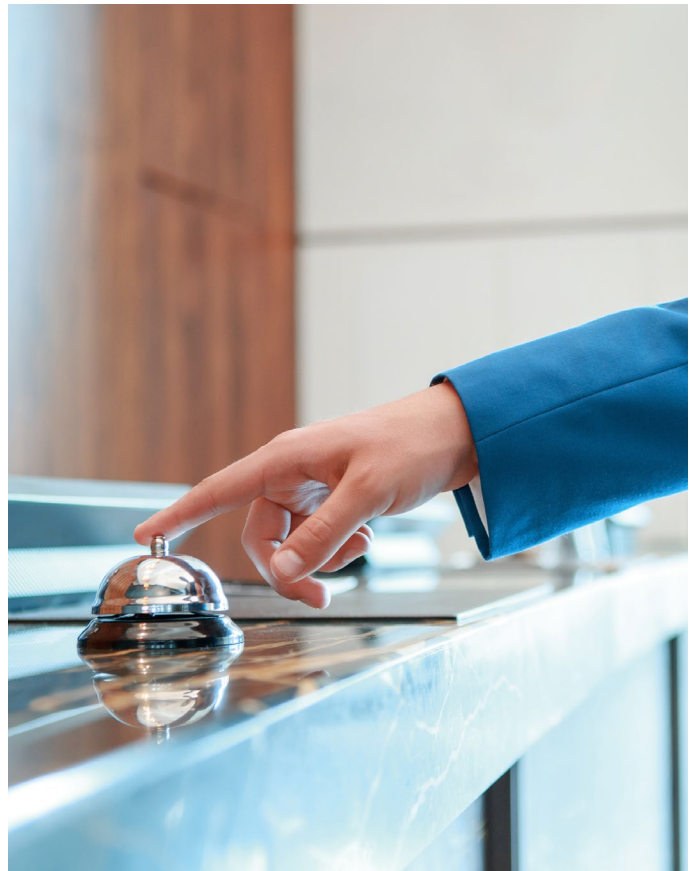
Needless to say, global brands are taking note of the paradigm shift in the customer journey, and they are investing in tools that will aid them in delivering digitally enabled customer service.

For example, [in EHL's article](#) on the top trends for the hospitality industry, digitalized and contactless guest experiences, as well as automation, were highlighted as key focal points for the industry.

This shift applies to airlines as well. Anthony Leather, Principal Consultant at Frost & Sullivan, penned [ten key trends that are reshaping the airline industry](#), and self-service and automation for personalized passenger services are among the leading trends. This suggests that in order to match customers' expectations, remain competitive and keep pace with the latest customer service trends, airlines and hotels need to accelerate their digital transformation journeys by leveraging automation tools like Conversational AI.

While many companies deployed basic chatbots and IVR systems as stop-gap measures during the pandemic, true long-lasting transformation is enabled by powerful AI systems. For example, Conversational AI agents are constantly learning and optimizing organizational processes, helping travel companies to continuously improve upon their customer service operations.

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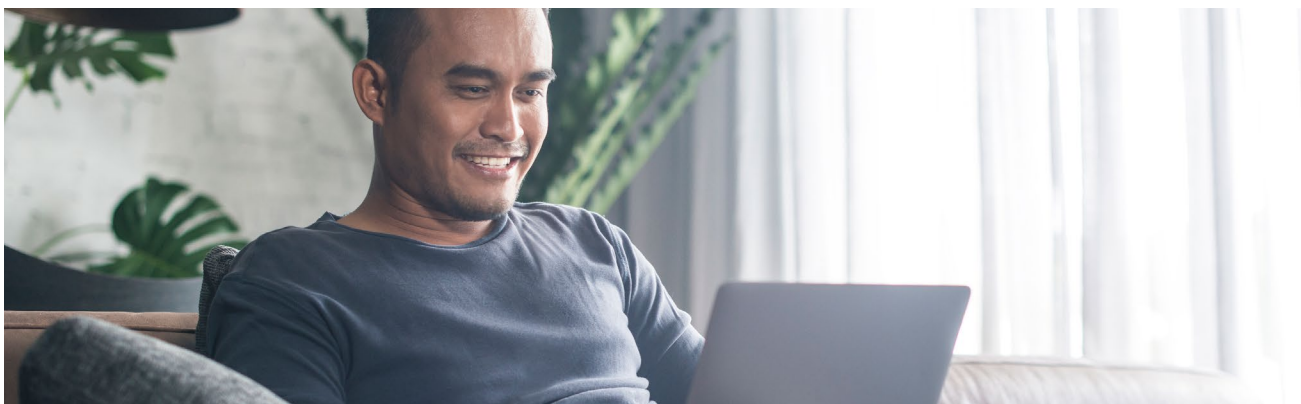


Be Ready for Anything with Conversational AI

The impact of the global COVID-19 pandemic took industries by surprise and, for the most part, [customers were understanding of the challenges](#) that companies faced when adopting or enhancing digital tools for business continuity.

However, going forward, customers will expect companies to be better prepared for disruptions in service and unforeseen peaks in demand. For the travel and hospitality industry, this means deploying technology like Conversational AI to support high volumes of customer service calls in case of flight delays and cancellations, and continuous or worsening labor shortages.

Conversational AI agents thrive when addressing high volumes of requests, scale whenever demand spikes, and learn new skills and responsibilities in just hours or days, not weeks or months. Conversational AI's flexibility and adaptability help travel-related companies deliver excellent customer service, no matter the circumstances.



Use Case Examples

Amelia is the market-leading Conversational AI agent trained in multiple skills and roles within the travel and hospitality industry. From supporting internal technical teams to booking hotel rooms, Amelia helps travel-related companies operate more efficiently.

1 Booking a Hotel Room

Humans are complex - we often jump between conversation topics within a single interaction.

Fortunately, Amelia can follow multiple intents and context switches during conversations with customers as they book their hotel rooms, for example, resulting in a positive customer experience.

Thank you for reaching out to One-Hospitality. I'm Amelia, your Virtual Assistant. In a few words, what can I help you with today?

I would like to book a reservation.

Could you please provide your name and account number?

My name is Mark Enola and my account number is 9834-6205-1823-6562.

All of our locations have instituted heightened safety precautions to minimize the spread of Covid-19 and allow you to enjoy a safe and relaxing vacation.

Would you like me to send you more information with our detailed safety initiatives to the email we have on file?

Yes please.

Would you like to resume booking your reservation?

Yes.



2

Supporting an Airline Technician

Unlike simple FAQ chatbots, Amelia can fulfill highly complex and technical support roles, such as maintenance control for an airline company. To keep travel procedures moving smoothly and safely, Amelia provides airline technicians with instant support.

Hello, Maintenance Control Amelia speaking.
How may I assist you today?

Hello Amelia. This is Nadia Gildea from JFK with Aircraft "November503JuliettBravo". The Flight Crew reported an ECAM message "Engine 1 High Pressure Valve Fault". Due to low ground time, I would like to apply M-E-L "3-6-1-1-0-7Bravo".



OK Nadia Gildea, please standby let me review M-E-L "36-11-07Bravo".

Can you confirm you have accomplished the (M) Procedures per M-E-L "36-11-07Bravo" and deactivated the high pressure value in the closed position per AMM TASK 36-11-00-040-003?



3

Making a Payment

When guests need to pay for their hotel stay, they don't want to wait on hold or navigate complex websites. With a Conversational AI agent like Amelia, guests can simply speak to Amelia via voice or chat to make payments instantly.

Thank you for reaching out to One-Hospitality. I'm Amelia, your Virtual Assistant. In a few words, what can I help you with today?

I would like to make a payment.

Could you please provide your name and account number?

My name is Beaux Richards and my account number is 0024-2918-1203.

Thank you. Would you like to know your current balance?

Yes please.

Your current balance is \$250.00. Would you like to pay the full amount today?

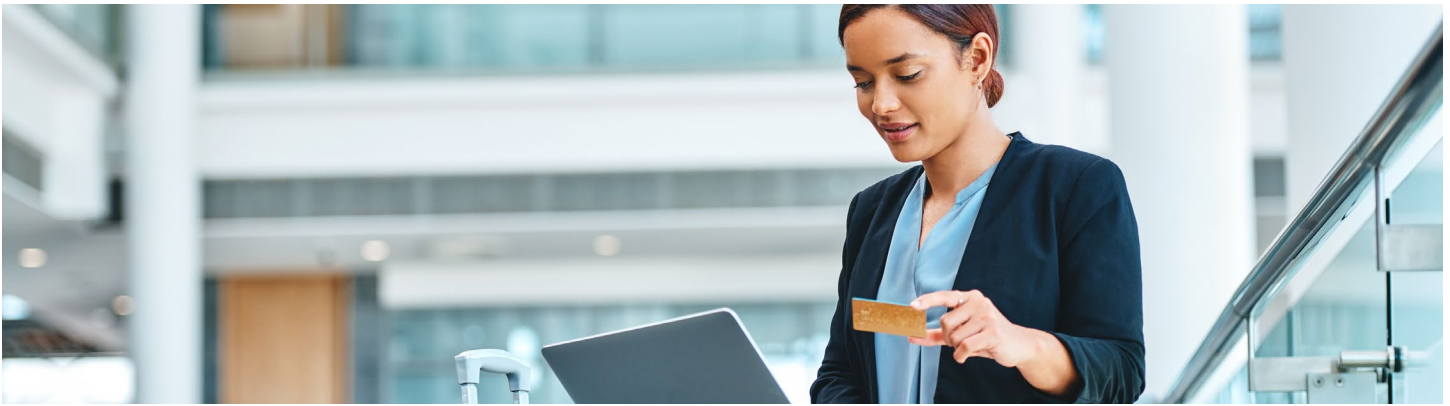
Yes.

How would you like to pay today, with your credit card or debit card?

I would like to pay using my credit card.

A message has been sent to your phone for you to fill out your credit card information. Did you receive the text?

Yes, thanks.



4

Updating a Loyalty Program Account

Amelia connects with travel companies' back-end systems, allowing customers to easily engage with their loyalty program membership accounts. Customers can rely on Amelia to help guide them through their account information and derive the most value from their membership.

I see you have some Points that are scheduled to expire in the next 90 days. Our most often used option available for these Points is to convert them to Travel Points. Would you be interested in converting some or all of them?

I want to convert all of my points.

You have Salesforce 10,000 Points expiring soon.
Please confirm the amount is correct?

Yes that is correct.

Thank you! The two accounts are now linked.
I see that your Travel account still has your old address, would you like me to update it with your new address?

When is my vacation club membership expiring?

Hannah Roland, it looks as if your membership is expiring on May 28th, 2023 in Salesforce.
I see that your Travel account still has your old address, would you like me to update it with your new address?

Yes.

Your address has been successfully updated.
I just want to confirm, you do want to convert 10,000 Points to Travel Points?

Yes please.

Summary

Despite the hardships that have befallen the travel and hospitality industry during the past two years, there is hope for a prosperous future. Airlines are seeing increasing air travel; hotels are experiencing lower room vacancies; and more people are eager to travel again. Going forward, travel companies must focus on delivering streamlined and digitally enabled customer service, and empowering employees with the best tools and support to succeed at their jobs.

By leveraging Conversational AI to address these focal points, companies in the travel and hospitality industry will emerge from the pandemic stronger than ever, ready to warmly welcome new travelers and guests, and reach new heights in providing them with extraordinary experiences.

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Amelia

world leader in Enterprise AI and the home of Amelia, the industry's most-human digital AI colleague. Amelia's ability to learn, interact and improve over time makes her the market's only AI that can fully understand user needs and intentions.

Contact us at [Amelia.ai/contact](https://amelia.ai/contact)

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