



# Chapter 6

## The Ethical Implications of AI–Powered Personalization in Hospitality and Tourism


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### ABSTRACT

*The hospitality and tourism industries are revolutionized by AI-powered personalization, enhancing guest experiences and boosting revenue. However, this advancement raises ethical concerns, notably around data privacy, transparency, guest consent, and potential algorithmic discrimination. This chapter discusses these issues, focusing on how algorithmic bias affects inclusivity in travel. It proposes mitigation strategies such as ethical frameworks, robust data security, and user control over personal information. Addressing bias through diverse datasets and human oversight is emphasized. The future of AI in hospitality requires balancing personalization with ethical considerations. Recommendations for stakeholders aim to ensure a responsible, sustainable future for AI-driven travel experiences.*

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## INTRODUCTION: AI-POWERED PERSONALIZATION

Artificial intelligence (AI) is rapidly revolutionizing the hospitality and tourism sector, deeply influencing every facet of the travel experience. From enhancing guest satisfaction through personalized recommendations and round-the-clock assistance via chatbots and virtual assistants to optimizing operations with dynamic pricing strategies and predictive maintenance, AI is reshaping industry standards. Moreover, AI fosters sustainable practices by managing energy consumption and promoting eco-friendly tourism options. Nevertheless, ethical considerations such as data privacy and algorithmic bias must be addressed, alongside recognizing the continued importance of human interaction in delivering exceptional service. Through responsible implementation and continuous innovation, AI is poised to further elevate the hospitality and tourism landscape, promising unparalleled efficiency, sustainability, and guest satisfaction. The ethical implications of AI-powered personalization in hospitality and tourism are a growing concern, with potential risks including the creation of a monothematic imagery of the tourist and the radicalization of tourism destinations (Panai, 2021). Despite these risks, AI technology is increasingly being used in the industry, with a focus on customer acceptance and the need for roboethics (Zhu, 2023). AI methods and applications in hospitality and tourism, including data modelling and enhanced customer service, have been reviewed, highlighting the potential for AI to improve decision-making and support in the industry (Doborjeh, 2021). The use of AI in marketing technologies for personalization in tourism is also explored, with a focus on creating personalized experiences for travellers based on their individual needs and preferences (Ivanova, 2023).

AI-powered personalization is revolutionizing guest experiences in hospitality and tourism. Imagine a hotel that remembers your preferred room temperature from a previous stay or a travel app suggesting hidden gem restaurants based on your social media activity. This level of customization is now possible thanks to AI. For travellers, it translates to increased satisfaction—a recent Skift Research (2024) report found that 70% of travellers are more likely to choose a hotel that personalizes their experience. The benefits of AI-driven personalized recommendations and targeted promotions are clear for businesses in the hospitality industry, as demonstrated by major hotel chains like Hilton and Marriott. Hilton has utilized AI in its “Stop Clicking Around” campaign, offering exclusive discounts to loyalty program members, which has significantly boosted direct bookings and guest loyalty. For businesses, the benefits are clear; personalized recommendations can lead to increased bookings of tours and spa treatments, as seen by Hilton, while targeted promotions can boost revenue, as demonstrated by Marriott (My Hotel Line, 2023; RainGain, 2024). Ultimately, AI-powered personalization is creating a win-win scenario for both travellers and businesses in the hospitality and tourism industry.

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