


Chapter 29

Study on Consumer Awareness and Acceptance of AI Technology in the Hospitality and Tourism Service Industry

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ABSTRACT

Artificial Intelligence (AI) is now an integral part of every businesses. Hence this chapter investigates consumers' awareness and acceptance of artificial intelligence (AI) technology in the hospitality and tourism sector, focusing on generational behavioral patterns. It identifies a gap in current research, particularly in the exploration of broader technological implementations beyond customer acceptance, highlighting the need for a comprehensive understanding of AI applications such as chatbots and automation. This research employs a descriptive approach, comprising surveys to assess consumer awareness of AI among various age groups, evaluate their acceptance levels, and analyze behaviors influenced by emotions and attitudes. Findings indicate significant variances in awareness and acceptance across generations, with factors such as trust, perceived benefits, and emotional responses playing pivotal roles. This study offers recommendations for hospitality and tourism providers.

INTRODUCTION

The rapid advancement of artificial intelligence (AI) technologies has transformed various sectors, with the hospitality and tourism industries standing out as prime beneficiaries of these innovations. As AI continues to evolve, understanding consumer perceptions and acceptance of such technologies becomes crucial for businesses aiming to leverage AI for improved service delivery and enhanced customer experiences (Acikgoz et al., 2023). This chapter seeks to explore consumers' awareness and acceptance of AI technologies within the context of hospitality and tourism services. By analyzing generational differences in awareness, emotional responses, and acceptance,

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the chapter seeks to provide actionable insights for industry stakeholders to enhance AI service implementation and consumer satisfaction.

Consumer awareness refers to the understanding and knowledge that individuals possess regarding a product or service. In the context of AI, awareness includes familiarity with AI applications such as chatbots, automated check-ins, and personalized recommendations. Studies show that higher awareness can lead to increased acceptance, making it essential to examine how awareness varies across different generations (Bhuiyan et al., 2024). There is a strong need for creating awareness among the customers hence this study was undertaken.

GROWING AI ADOPTION

The rapid advancement of artificial intelligence (AI) technology has significantly transformed various industries, with the hospitality and tourism sector being at the forefront of this evolution. AI applications, such as chatbots, personalized recommendations, and automated service processes, promise to enhance customer experience, streamline operations, and drive innovation. However, despite these potential benefits, the acceptance of AI technology among consumers remains inconsistent and varies widely across different demographic groups, particularly generational cohorts (Kim, J.-H. 2021).

The hospitality and tourism industries are increasingly integrating AI technologies to enhance guest experiences, streamline operations, and optimize service delivery. Understanding how consumers become aware of and accept these technologies is crucial for successful implementation and adoption (Touni & Magdy, 2020). AI enhances guest experiences through personalisation in the hospitality and tourism industry based on the data available regarding their preferences and behaviour patterns (Yang, et al., 2021). AI can transform customer service, personalize experiences, and improve efficiency. Investigating consumer perceptions and acceptance can help businesses design AI solutions that align with customer expectations and enhance overall satisfaction (Roy et al., 2020).

GLOBAL PERSPECTIVE

Across the globe, AI is revolutionizing the hospitality and tourism sectors, from enhancing customer service through chatbots to optimizing operational efficiency with data analytics. Major tourism markets such as the United States, Europe, and Asia—are adopting AI at varying paces.

The level of economic development and technological infrastructure varies significantly among countries, impacting consumers' familiarity and comfort with AI. Developed nations may experience higher levels of acceptance due to greater access to technology and higher disposable incomes, while developing nations may face challenges related to infrastructure and digital literacy.

In India, the hospitality industry has experienced remarkable growth in recent years, fueled by economic expansion, increased domestic travel, and a surge in inbound tourism. By exploring customers' economic, cultural, technological and educational dimensions, this chapter aims to provide a comprehensive understanding of the factors that facilitate the adoption of AI technologies by customers in India. The insights gained will not only contribute to academic discourse but also inform national strategies and industry practices, ultimately enhancing the overall effectiveness and competitiveness of the hospitality and tourism sectors.

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