

Value Co-Creation and Modern Artificial Intelligence in the Hospitality Sector: Synergies, Challenges, and Opportunities

Reda Lharti

 <http://orcid.org/0009-0001-0880-9264>

UIT Kenitra, Morocco

ABSTRACT

This article investigates the transformative role of modern artificial intelligence (AI) in reshaping value co-creation within the hospitality industry. It highlights emerging synergies between AI-driven technologies—such as chatbots, recommendation systems, and intelligent automation—and collaborative service practices involving customers, employees, and service providers. By enabling hyper-personalized experiences, enhancing operational efficiency, and fostering meaningful guest engagement, AI introduces new opportunities for shared value creation. However, the article also addresses several challenges inherent in this digital transition. These include the potential erosion of human interaction, ethical concerns related to data privacy and algorithmic transparency, and the need for upskilling hospitality personnel to adapt to AI-enhanced workflows. Ultimately, the study advocates for a strategic and human-centered approach to AI integration—one that leverages technological capabilities without compromising the relational and experiential essence of hospitality.

INTRODUCTION

The hospitality sector is undergoing a profound transformation driven by the convergence of digital technologies and evolving customer expectations. Among the most impactful developments is the integration of modern artificial intelligence into service processes, which is reshaping how value is co-created between firms and customers. The concept of value co-creation, rooted in Service-Dominant Logic (Vargo & Lusch, 2008), emphasizes that value is not embedded in products or services themselves but emerges collaboratively through interactions among actors within service ecosystems.

In this context, AI technologies—particularly natural language processing, computer vision, and machine learning—have become operant resources (Lusch & Nambisan, 2015) that enable dynamic, real-time engagement between hotels and their guests. For example, AI-powered chatbots, recommendation

DOI: 10.4018/406750

engines, and predictive analytics systems are increasingly mediating service encounters, personalizing guest experiences, and enhancing operational efficiency (S. Ivanov & Webster, 2019b; I. Tussyadiah, 2020). These capabilities offer fertile ground for new forms of value co-creation, where both customers and organizations contribute actively to service innovation and delivery.

However, this transformation is not without challenges. The integration of AI raises concerns about trust, transparency, privacy, and the potential erosion of human touch—elements traditionally central to hospitality (L. Lu et al., 2019). As such, understanding the synergies, tensions, and governance mechanisms that underpin AI-enabled co-creation is critical for both academics and practitioners.

This article explores the evolving relationship between modern AI and value co-creation in the hospitality industry. Drawing on current literature and industry practices, it examines how AI technologies are reshaping service experiences, identifies the strategic and ethical implications of this shift, and highlights emerging opportunities for creating more meaningful and mutually beneficial interactions.

To address the exploratory objectives of this article, we opted for a narrative literature review. This approach is distinguished by its flexibility and its ability to critically weave together knowledge drawn from heterogeneous theoretical domains (Snyder, 2019). It is particularly suitable when a field—such as AI applied to value co-creation—remains fragmented and multidisciplinary, making the application of strict systematic protocols premature (Ferrari, 2015).

In line with the recommendations of (Green et al., 2006), the process began with the formulation of guiding questions, followed by an iterative documentary search conducted in Scopus, Web of Science, and Google Scholar for the period 2014-2024. Inclusion criteria focused on conceptual relevance, methodological rigor, and the academic impact of the studies retrieved. The selected articles were then subjected to reflective reading aimed at extracting key concepts and identifying cross-cutting themes, according to the narrative analysis method described by (Mays et al., 2001).

While the literature largely celebrates the benefits of AI, certain assumptions deserve to be questioned. Is personalization systematically synonymous with an improved experience? Or can it generate discomfort (the 'Big Brother' effect)? Similarly, does automation always guarantee efficiency gains, or does it generate hidden costs (maintenance, human supervision)? These tensions invite a less techno-optimistic vision.

1. AI IN SERVICE OF VALUE CO-CREATION: KEY TRENDS

The integration of artificial intelligence (AI) into the hospitality sector has revolutionized value co-creation, enabling businesses to deliver hyper-personalized, anticipatory, and seamless experiences. AI-driven technologies facilitate deeper customer engagement by leveraging vast datasets to predict preferences, optimize service delivery, and foster collaborative interactions between service providers and consumers. To shed more light on the key trends in AI-powered value co-creation, it's worth examining hyper-contextual personalization, AI-powered service automation, and AI-facilitated customer engagement.

1.1. Hyper-Contextual Personalization

One of the most transformative applications of AI in the hospitality industry is hyper-contextual personalization, which leverages machine learning and big data analytics to tailor services to individual

26 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/value-co-creation-and-modern-artificial-intelligence-in-the-hospitality-sector/406750

Related Content

Customer Choice of Super Markets using Fuzzy Rough Set on Two Universal Sets and Radial Basis Function Neural Network

A. Anitha and Debi Prasanna Acharjya (2016). *International Journal of Intelligent Information Technologies* (pp. 20-37).

www.irma-international.org/article/customer-choice-of-super-markets-using-fuzzy-rough-set-on-two-universal-sets-and-radial-basis-function-neural-network/164510

The Intersection of Neuromarketing and Ethical Consumerism in Sustainable Finance

Ajay Khurana, Shanul Gawshinde and Momina Shaheen (2025). *Strategic Blueprints for AI-Driven Marketing in the Digital Era* (pp. 461-494).

www.irma-international.org/chapter/the-intersection-of-neuromarketing-and-ethical-consumerism-in-sustainable-finance/377972

Instrumental Music Design: Influence on Task Performance

Brayan Mauricio Rodríguez, Carlos Arce-Lopera, Ana M. Arboleda, Javier Díaz-Cely, Julian Correa and Pablo Montoya (2019). *Handbook of Research on Human-Computer Interfaces and New Modes of Interactivity* (pp. 255-274).

www.irma-international.org/chapter/instrumental-music-design/228531

The Impact of Cloud Computing Adoption on Firm Performance Among SMEs in Palestine: A Machine Learning Approach

Kawther Mousa, Zenglian Zhang, Eli Sumarlia and Ihab K. A. Hamdan (2024). *International Journal of Intelligent Information Technologies* (pp. 1-24).

www.irma-international.org/article/the-impact-of-cloud-computing-adoption-on-firm-performance-among-smes-in-palestine/338715

Unethical Design in TikTok and Its Connection to Surveillance Capitalism and Collective Intelligence

Eva Abajo Pérez (2025). *Data-Driven Governance Through AI, Digital Marketing, and the Privacy Interplay* (pp. 135-164).

www.irma-international.org/chapter/unethical-design-in-tiktok-and-its-connection-to-surveillance-capitalism-and-collective-intelligence/367082