

AI Application in Hospitality Industry: A Case of FlyZoo Hotel



Source: Unsplash (2023)

Background

Artificial Intelligence (AI) has been widely used in the hospitality industry to improve customer experience and operation efficiency. AI-powered chatbots and virtual assistants enable service providers to offer 24/7 customer service and instant support to their customers. In a physical setting, AI-driven robots can help carry out tasks such as self-check-in and room service. Furthermore, AI can analyze historical data and users' preferences to provide personalized travel recommendations. On managerial level, AI is also used in data analytics and forecasting in order to optimize pricing, marketing, and operational strategies.

As the first “Future hotel” of the Alibaba Group (阿里巴巴), FlyZoo Hotel (杭州菲住布渴酒店) was opened on December 18, 2018 (Ecommerce Strategy China, 2018). This “Future hotel” emphasizes introducing AI technology to every aspect of its service. For example, face recognition equipment is installed at the lobby entrance, reception desk, and room door lock (CNBC, 2019). Guests can check-in and enter their room simply by scanning their faces.

The hotel also has its AI voice assistant in each guest room called “TmallGenie” (天猫精灵). Guests can control the room's lighting, air conditioning, TV, curtains, and other equipment just by waking up the AI voice assistant. Moreover, the hotel has a total of 3 service robots, while there are two robots responsible for concierge and room services, there is one robot named “Xiao Fei” (小飞), who is stationed in the lobby and responsible for receiving and navigating the arriving guests. “Xiao Fei” also possesses the ability to sing, dance, and storytelling. Its entertaining feature appeals to families with young children.

Challenges

While AI-driven automated technology may offer convenient and efficient services to the guests,

- It compromises service quality as some guests may prefer face-to-face interaction with a human staff.

- A tech-intensive business like this demands a certain level of familiarization towards the machines and AI technology from its employees.
- It requires a huge amount of capital to cover the maintenance cost and training cost.
- Room for innovation and product development is limited for the hotel as developing new features or purchasing new models of robots will be very costly.

Discussion Questions

1. How can hotels balance automation with the need for human staff?
2. Do you think the long-term benefits of AI technology for hotels like FlyZoo are worth investing in? Why or why not?
3. How do you see the role of entertainment-focused robots, like "Xiao Fei," in enhancing the family experience at hotels? Is there any potential drawback?
4. What future trends do you foresee in AI technology within the hospitality industry?

References

CNBC. (2019). Facial recognition is coming to hotels. I stayed at Alibaba's hotel of the future. CNBC Travel. Retrieved from <https://www.cnbc.com/2019/10/04/alibaba-china-flyzoo-hotel-uses-facial-recognition-tech-and-robots.html>

Ecommerce Strategy China. (2018). Alibaba's Future Hotel was launched in Hangzhou. Retrieved from <https://www.ecommercestategychina.com/column/alibabas-future-hotel-was-launched-in-hangzhou>

Unsplash. (2023). Selfie. Smiling girl in orange shirt smiling nicely while making selfie with robot. Retrieved from <https://unsplash.com/s/photos/hotel-robot>

Keywords

- Hotel
- Artificial intelligence
- Service automation
- Robot
- Customer experience
- Technology

Acknowledgement

This case study is based on and adapted from the work of Master's student Yufan WEN from the School of Hotel and Tourism Management at The Hong Kong Polytechnic University.