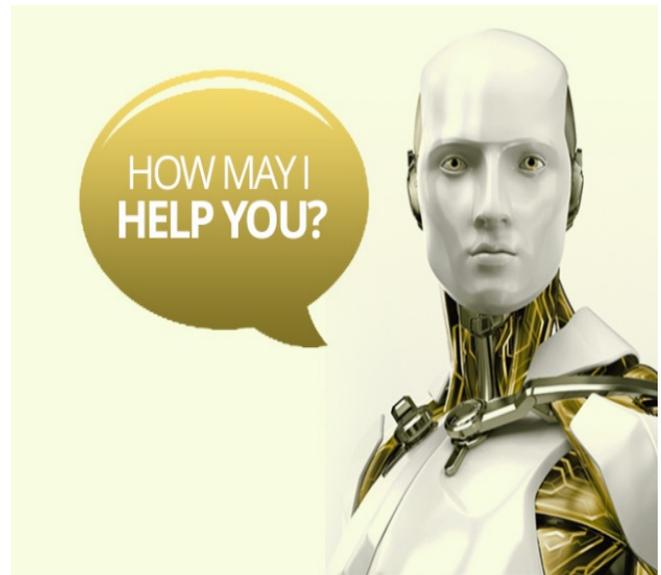


AI/ROBOTICS IN RETAIL, HOSPITALITY & TOURISM

SEPTEMBER 2018 TECH BRIEF FOR
RETAIL, HOSPITALITY AND TOURISM
NETWORK



Robots Meeting Client, Retailer Needs Efficiently

Artificial Intelligence in the Retail, Hospitality and Tourism Industry is undeniably important. **Customer satisfaction**, a key component to the guest experience, will, if properly executed, over time save both time and money for the property and the customer alike. Labor, which accounts for more than 50% of operational costs in this sector, is key to minimizing costs and errors, and maximizing service excellence and timeliness.

Whether serving food, delivering or taking orders, maintaining room temperature, or acting as receptionists, learning robots equipped with Artificial Intelligence are quickly carving a niche for themselves in a sector that consistently struggles with varying labor requirements and availabilities, seasonality, and a client base consistently looking for faster, quality turnaround on needs in a highly competitive marketplace.

Labor Force Takeaway

As with all technologies, the need for robotics is anticipated to grow exponentially in the near term. **Robots** working in warehouses, in shipping vehicles in terminals, and on docks and platforms will need inventory, maintenance, management, and lifecycle updates/patches. TAN recommends the following certifications:

PC Age, as well as many local community colleges, offer **CompTIA A+, Network and Security certifications**, all aimed at the IT beginner. Certifications cover software installation, maintenance and update, network access, security, and other IT fundamentals. CompTIA A+ educates to the level needed to run a network of endpoints and devices in a warehouse environment.

The **Cisco Certified Entry Network Technician** (CCENT) is the first step towards the CCNA (Certified Network Administrator) certification. It covers network fundamentals, basic security and wireless, routing, switching, and configuring, all key components of TLD platforms. CCENT is valued beyond logistics and distribution.

Major **manufacturers** in the Retail/Hospitality/Tourism AI/Robotics space, like IBM (Watson) or Google (Alexa) and software developer Wayblazer, all have products with training modules that associates will be trained on to support the specific implementations at their place of employment.

Delivering Customer Satisfaction with Smiling Robots

In a recent article in the New York Times, amid the stories of retailers closing their doors at brick and mortar outlets, it was observed that, there was one bright spot – the retailers who fared best in this transitioning economy are the ones who developed a strong, technology-based customer interface strategy.

Driven by a change in consumer interface preferences, the outlook for this sector remains bright. The need to support client needs is expected to grow. A [recent study done by Deloitte](#) indicates growth of ~5% in RHT. Can [AI powered robots](#) play a significant role in saving America’s retailers, hoteliers, and travel industry members?

The boom in the American economy, coupled with the reordering of the \$3.5 trillion retail industry, have combined to create a major need for increased customer service interface in 2018 and beyond. Artificial intelligence and robotics are viewed as key lynchpins in closing the gap in the transition from brick and mortar to online.

A number of retail, hospitality and tourism companies are embedding AI and Machine Learning into their search engines to improve, enhance and personalize the customer service experience. By connecting past client purchase history with current search needs then connecting to other attributes like time of year (holiday/birthday/seasonality) sales (clearance and other), and most highly sought other items by other purchasers (history). [“Chatbots”](#) are then able to effectively encourage add on and repeat business.

For those who still want someone they can reach out and touch, live chat operators can incorporate database fueled intelligence – to address questions and needs as a Tier I source for interested clientele.

Time of day remains a challenge for employers in this sector. Servicing clients across geographies and time zones requires either costly 24X7 staffing that is difficult to schedule and maintain, or else the managing of multiple call centers around the globe, which is also costly and somewhat inefficient (language barriers, local weather events/holidays that impact local staffing capabilities, etc.). Incorporating “chatbots” or other bots to handle client needs during their native business hours is less costly and more efficient.

The increasingly nuanced results these intelligent “bots” can provide greatly extend human capabilities without headcount expansion for these lower level types of inquiry/response needs. [Human assets](#) can be marshalled to do higher order types of work – like data mining and analysis, forecasting, and planning, which robots are not sophisticated or intuitive enough to do. The need for employees will not wane, although the types of employees needed will change.

A more technologically aware, skilled employee will be essential for the 21st century and beyond, and the time to inculcate the necessary training and prep for these assets is now. In 1950, *Elevator Operator* was an job tracked by by the US Department of Labor. By the time technology fully eliminated that job category, it was replaced by other, more sophisticated positions. A similar phenomenon is occurring as we speak, and retailers who want to remain competitive in an economy whose service delivery capabilities are transforming rapidly, will adapt with the training and credentialing that will be essential to maintaining competitive relevance through fulfillment.

AI admittedly still has a way to go. More will happen behind the scenes in 2018 compared to what users may experience. [Technology players](#) continue to develop the technology and work out the kinks. But the direction is clear.