

Harnessing the Power of ChatGPT: Practical Applications for Hotels

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ChatGPT

A Golden Age for Hotels

- ChatGPT is:
 - Large Language Models (LLM) are a subset of Artificial Intelligence (AI)
 - potentially the most consequential technology for hotels, particularly island resorts, since mass jet aircraft.
- ChatGPT has the potential to:
 - disrupt and add significant value to every single part of the global hotel value chain
 - make operating a hotel significantly better, faster, cheaper
 - potentially fundamentally change the way that guests, staff, inventory etc. interact.
- The barriers to entry for hotels to access ChatGPT are low.
- The speed of uptake will be many times faster than hotel industry's adoption of:
 - computers
 - internet
 - cloud computing
- The impact of LLMs will:
 - grow global demand for leisure travel
 - make it much more efficient to operate hotels, airlines, tours, restaurants etc.
 - leading to a Golden Age for hotels and travel in general, like the advent of mass jet aircraft.
- If your General Manager of a hotel of 200+rooms has not made or saved \$1m in the next 12 months using ChatGPT you probably need to find a new one!

ChatGPT & Hotels

A match made in heaven

- A hotel is a very complicated business with many interrelated working parts that need to be personalized to the individual guest, staff member, supplier etc.
- Excel vs. ChatGPT
 - Excel process vastly more numbers than humans and vastly more quickly
 - ChatGPT can process vastly more thoughts, ideas or concepts than humans and vastly more quickly
- ChatGPT is not going to replace humans. It is going to enhance humans. Used properly, it will allow humans to be more human.
- **First Level of Value Add** - 2x + your personal productivity, particularly finding new solutions quickly to complex issues. Use ChatGPT to reframe issues and evaluate different options as well as generate clear, concise communications.
- **Second Level of Value Add** - 5x + your productivity working with teams of people to resolve complex, interconnected problems
- **Third Level of Value** - 10x + your hotel's productivity by developing "learning organizations" that use AI in an AI first environment.
- **Fourth Level of Value** – AI First Systems with work with hotel owners and management to evaluate every single transaction and calculate its impact on the overall value of the hotel in real time.

Direct as #1. channel via ChatGPT chatbots

- ChatGPT has the potential to restructure the global distribution, possibly within two to three years.
- Every hotel will soon:
 - have a ChatGPT bot that will drive direct bookings.
 - chatbots will be as common as websites.
 - most hotels will have direct as their #1 channel.
- By 2024, multiple vendors will offer hotels market tested ChatGPT bots to significantly improve their direct bookings share.
- Hotel owned ChatGPT chatbots will eventually out-perform the OTA bots, probably quite quickly, say by 2025, on an industry wide scale.
- By 2025, multiple vendors will offer:
 - High Life Time Value Guests personalized pricing and packaging
 - this will turn hotel marketing upside down from commoditized marketing targeting market segments to personalized marketing to individual guests.
 - it will also be a major challenge to the OTA duopoly.
- Hotels that adapt to this new technological reality will:
 - add millions to the value of their hotels
 - build serious competitive advantage in the new competitive environment.

Accelerating Marketing Mix Innovation

- Every aspect of the Marketing Mix is changing at an accelerating pace
- ChatGPT can rapidly process vast amounts of data, trends, ideas, options etc. to identify innovative strategies to optimize your Marketing Mix guided by skilled hotel marketing professionals.
- We used ChatGPT to develop:
 - an innovative marketing strategy
 - based extensive but carefully chosen value adds
 - to launch a major marketing campaign with a leading travel wholesaler entering the Cook Islands market
 - with a very innovative and competitive offer
 - in a very crowded market for Asia Pacific resorts.
- Where ChatGPT really added value:
 - generating hundreds of different ideas in an iterative process with us.
 - at every step of the way we shared the outcomes from ChatGPT with our travel wholesale partner and collaboratively refined the ideas.
 - unlocking new ideas
 - we would never have been able to achieve this without ChatGPT.
- The innovativeness of the ideas generated led to:
 - our selection as the sole resort group being promoted
 - in a \$750,000 media campaign across Australia
 - to launch a new Cook Islands marketing programme
 - that dovetails the new JetStar Sydney – Rarotonga services.

Streamlining Financial Cost

- Insurance Costs have spiralled out of control worldwide.
- Using ChatGPT as a support tool, we negotiated with our bankers to streamline our insurance premiums while accelerating debt repayments.
- ChatGPT was able to frame and evaluate the issues much more quickly and comprehensively resulting in an innovative resolution.
- The solution created millions of dollars in savings for our hotel company in both insurance premiums and bank interest costs.
- We would not have achieved this outcome without augmenting our human-to-human negotiations with ChatGPT. We shared the outcomes from ChatGPT at every step of the way with our bank.

Optimizing Food & Beverage Operations

- Coming out of COVID-19 achieving a successful F&B operation faces unprecedented challenges:
 - with increased competition
 - increased demand for value from guests
 - staff shortages
 - inflation in the cost of everything etc.
- We used ChatGPT to augment the inputs of the:
 - Director of F&B
 - Executive Chef
 - Director Sales & Marketing
 - Financial Controller etc.
 - to develop a 5x better menu in a quarter of the time from a the point of view of:
 - guests
 - staff
 - cost
 - marketing
 - profitability
- The next step is to develop a "learning restaurant & bar" that uses AI in real time:
 - analyse performance
 - recommend operational changes daily
 - flow through a financial analysis right through to:
 - Profit & Loss statement
 - Hotel Valuation.

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Keep in touch!

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