Tech4TH COMPASS

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Prince Harry addresses Skift Global Forum, urging leaders to make travel and hospitality more sustainable

TRAVEL AI IS MOVING FROM PILOTS TO OPERATING-MODEL REDESIGN

TECHNOLOGY PERSPECTIVES FOR TRAVEL AND HOSPITALITY LEADERS

Travel AI is entering a more demanding phase. The question is no longer where an algorithm might fit, but where the operating model needs to change.

The strongest signals from FTE Global Dallas and Skift Global Forum point to a clear progression: start with a problem worth solving, redesign the journey, connect the systems, prove the value, and remove friction without removing humanity.

The opportunity is larger than automating tasks. It is to make travel easier to navigate when plans change and to preserve the human judgment that turns a transaction into an experience.

A NOTE FROM SIVA

Welcome to the first issue of The Tech4TH Compass.

We are starting this newsletter because the travel industry does not need another list of AI use cases. Leaders already have plenty of those. What is harder is deciding which problems deserve attention, what must change around the technology, and how to prove that the change improved both the economics and the experience.

This issue brings together perspectives from FTE Global Dallas and Skift Global Forum. The common thread is practical: AI becomes valuable when it is connected to the way an organization actually works.

We will use this space to examine those shifts across travel and hospitality. If you disagree with our interpretation, or if your operating reality tells a different story, I would like to hear it.

Siva Vajjhala
CEO and Co-Founder, Tech4TH

FIELD NOTES: WHAT WE HEARD ON THE CONFERENCE CIRCUIT

Start with the problem, not the AI solution

“Don’t give me an AI solution. Give me your problems.” That was Hamad Al-Khater’s challenge at Skift Global Forum. It is a useful test for any executive discussion that begins with a technology capability rather than an operational need.

The question is not whether a travel company can deploy an agent, a recommendation engine, a computer-vision system, or a predictive model. The questions are more demanding:

- What problem matters most to the traveler, employee, or business?
- How would we design the journey if AI had been available from day one?
- What goals should the system optimize?
- What guardrails are required before it can act?

A conversation between Bret Taylor and Dara Khosrowshahi at the Forum extended this thinking through first principles, goals, guardrails, context, and connected systems. In travel, those considerations become especially important because the operating environment is physical, distributed, and full of exceptions. A disruption is rarely contained within one system or one company.

The same logic appeared in the American Airlines keynote at FTE Global Dallas, as summarized by Venkat. Reliability came first. AI was described as an accelerator, not automation for its own sake. The focus was on freeing people from repetitive work so they can make better calls, with the broader goal of making American easier to do business with.

That is a more useful definition of AI progress than the number of pilots launched. The technology should improve the decision, the handoff, or the recovery that matters. The FTE Physical AI panel made a similar point at the operating-model level. People, robotics, sensors, and automation need to work as one system. That requires attention to infrastructure, governance, and accountability from the beginning. It also favors augmentation over replacement.

What this means

Begin with the failure, delay, exception, or missed opportunity that the business already understands. Then redesign the work around the outcome, with AI assigned a defined role and a human owner accountable for the result.

Design the connected trip

Glenn Fogel’s question at Skift Global Forum was straightforward: how do we create value for travelers?

One answer is to make the connected trip work when the journey becomes difficult. Flight, hotel, ground transportation, and the other components of travel are often managed by different organizations, but the traveler experiences one journey.

That gap between organizational structure and traveler reality was a central customer experience insight from FTE Global Dallas. A guest may move across an airline, an airport, an alliance, a technology provider, and a ground operator without caring which company owns each step. When something goes wrong, the complexity becomes visible. The traveler has to repeat information, find a new point of contact, or solve a problem that should have been resolved across the journey.

A connected trip should carry context with it.

Consider a multi-carrier journey. If the itinerary changes, continuity should not stop at the boundary between carriers. The same principle applies to the Qatar Airways example discussed at Skift Global Forum. If a loyal passenger has a special meal requirement and an aircraft swap occurs, that requirement should carry over. The passenger should not have to reintroduce an important preference because the operating circumstance changed.

This is also why recommendations depend on trust. Fogel connected the value of the connected trip with confidence in both the recommendation and the company delivering the experience. A connected system that produces an irrelevant or unexplained intervention can create more friction than it removes.

The design challenge is therefore not simply to integrate more systems. It is to decide which signals need to travel across the journey, who can act on them, and how the traveler benefits when they do.

Ask your team: Where does our organizational complexity become visible to the traveler, and what context should cross that boundary automatically?

Move from pilots to proof

Geoff Ballotti's discussion of Wyndham AI Concierge at Skift Global Forum offered a useful proof point because it connected AI to a known commercial problem: missed hotel calls.

Ballotti shared that roughly 25% of hotel calls are typically dropped. The AI Concierge was designed to respond immediately. He said approximately 85% of guests remained with the AI experience without transferring. He also shared an approximate 15% increase in conversion, and an approximately 16% increase in ADR when conversations moved to professionally trained live agents.

These are figures from Ballotti's remarks at the Forum, not independently verified research. Their value here is the logic behind the example. The system was connected to a business outcome, supported by a technology foundation, and designed with a path to human escalation.

Ballotti also described nearly $500 million invested over time in the technology foundation, including a central reservation system and a simpler property-management ecosystem. That context matters. Intelligent automation rarely succeeds as a layer placed on top of disconnected processes and incomplete data.

The sequence is more practical:

- Define the business outcome and the customer problem.

- Build the data and technology foundation that makes a useful decision possible.
- Automate the appropriate interaction, while measuring where human expertise improves the result.

The proof is not that AI handled a conversation. The proof is whether the organization converted more demand, improved the value of the booking, reduced avoidable effort, or gave an employee the context to resolve an exception better.

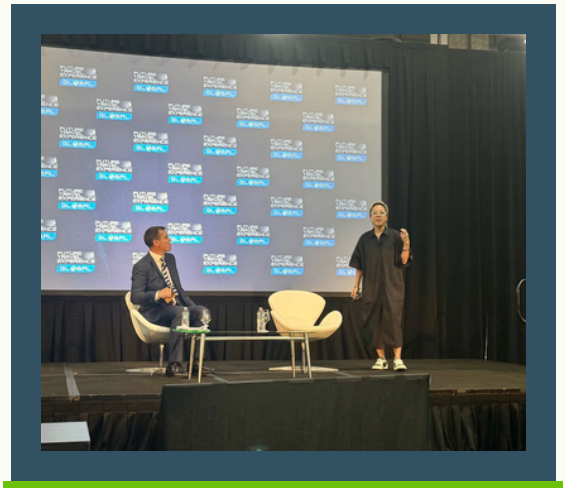
That standard should apply beyond contact centers. It applies to disruption management, airport operations, crew and employee support, property operations, ancillary sales, and the physical environments discussed in the FTE Physical AI panel. If people, sensors, robotics, and automation are becoming one operating system, the business still needs to know which result improved and who owns it.

What we would do about it

- Choose one high-friction journey with a measurable commercial or operational outcome.
- Map the data, decisions, handoffs, and human escalations required for the experience to work.
- Set a proof threshold before scaling, including both economics and customer impact.

Remove friction without removing humanity

Venkat Nandikolla, CRO & Co-Founder of Tech4TH, with Christine Duffy, President of Carnival Cruise Line, at Skift Global Forum



Nicole Huang, SVP of Customer Experience at Virgin Voyages, speaks at FTE Global Dallas

Christine Duffy's people-first view at Skift Global Forum starts with what guests want: more choice and flexibility. AI can reduce friction across guest services and contact centers, but it must preserve hospitality. Sébastien Bazin put the principle memorably: "Automate the ordinary. Humanize the extraordinary."

That distinction is important because hospitality is not defined only by efficiency. It is also defined by recognition, judgment, timing, and care. The best operating model gives technology responsibility for the repetitive work while giving people better conditions in which to notice what matters.

Nicole Huang of Virgin Voyages reached the same conclusion at FTE Global Dallas. Her framework was simple: “Listen. Think. Act.” AI can help identify who the customer is, while humans determine what matters in the moment.

Her examples make the distinction concrete. A grieving guest might need flowers. A widower might want a cherished memory recreated. Another guest might simply appreciate that the team remembers a preference for sparkling water. None of these moments is valuable because a system generated a recommendation. They are valuable because someone interpreted the context and responded with care.

Our recent article, **The Last Mile**, describes this as the point where an efficient process becomes a remembered experience. Its operating model is Sense, Prepare, Decide, Act, Learn. AI can connect operational data, customer context, and decision context, then prepare the next-best information or action.

People still interpret the moment and own the response. That is the boundary worth protecting. AI should reduce the work required to find context, not reduce the attention given to the guest. The most memorable experience may begin with a machine noticing the signal. It is completed by a person who understands why it matters.

AI MOVES TO THE FRONT DOOR

> AI in travel is moving from the back office to the front door. In the past month an airline, a cruise line and Booking Holdings all put their products inside AI assistants or launched agents of their own. Proof is still catching up, and oversight is arriving: members of Congress are questioning the FAA's new AI traffic tool, and a California law effective January 2027 requires customer-service chatbots to offer a human.
>
> **Our view:** the winners will be the companies whose offers, data and service rules are ready for agents, and who can prove the outcome.

91%
of participating hotel chains are already using AI
h2c

13%
of participants report measurable ROI from AI initiatives
h2c

30%
of travel bookings will be executed by AI agents by 2030
IDC

11%
of airlines have deployed agentic AI
ATPCO, via PhocusWire

22%
of hotel chains track their visibility in AI search
h2c

2x
throughput TSA expects from its new PreCheck lanes
Federal News Network

Airlines: shopping moves into the AI assistant

Southwest launched what it calls the first U.S. airline plugin in ChatGPT, built with OpenAI and AWS; travelers search flights and fares there but still buy on Southwest.com (Southwest). Delta says it has completed the rollout of Delta Concierge, its AI assistant, to all SkyMiles members, and has named a chief data officer to advance its data and AI capabilities (Delta).

Our view: letting an assistant shop while keeping the purchase on your own site is a sensible first step: the airline keeps the customer, the payment and the data. The harder work is making fares, seats and extras readable by agents. **Ask your team: which parts of our booking flow could an AI agent complete today?**

Hotels and lodging: agents at the door and in the back office

Hilton CEO Chris Nassetta called personal AI agents "where the world's going" (TheStreet), and Hilton has hired former Uber engineering leader Jeff Moore as CTO, tying the role to its AI goals (Hotel Dive). In a Skift test, one AI booking agent hit errors on the Hilton, Marriott and Hyatt sites while another completed searches on all three (Skift). Former Remington CEO Sloan Dean launched AI Hospitality Group, where AI agents run back-office systems and people keep every guest-facing role (Hotel Dive).

Our view: if an agent cannot complete a booking on your site, it will book somewhere else. Test your own booking path with today's agents, and treat their errors as lost revenue. **Ask your team: when did we last watch an AI agent try to book with us?**

Cruise: the first cruise line inside the chatbots

Princess Cruises launched what it calls the first native cruise-planning app from a global cruise line in ChatGPT, letting travelers search and price voyages across more than 330 destinations in plain language; a week later it arrived in Claude (Princess, Cruise Industry News). Parent Carnival Corporation says it is "putting AI to work across our commercial systems" to help its teams make better decisions (Cruise Industry News).

Our view: cruise is a complex, considered purchase, exactly where conversational planning helps most. Being inside the assistants pays only if itinerary, pricing and cabin data stay accurate in every channel. **Ask your team: does an AI assistant see the same product data as our call center?**

Car rental and mobility: robotaxis reach the airport curb

Waymo closed a $5B loan, its first debt financing, to expand a robotaxi service now in 15 markets (TechCrunch), and began pickups at Nashville International, its fourth airport (Self Drive News).

Our view: airport ground transport is the rental counter's home turf, and robotaxi operators are both new rivals and potential fleet-services customers. **Ask your team: what is our plan for the airport customer who no longer needs a car?**

Airports: AI in the tower and at the checkpoint

The FAA began a 90-day trial of SMART, an AI decision-support tool that combines about 200 data streams to manage traffic at the three Washington-area airports, with controllers keeping authority (ExecutiveGov). Six House members have since asked the FAA to pause it pending answers on safety testing (Rep. Beyer). TSA is also adding AI-assisted bag screening to redesigned PreCheck lanes (Federal News Network).

Our view: the pushback on SMART shows that how an AI system is tested and explained matters as much as what it does. **Ask your team: could we explain our own AI decisions to a regulator tomorrow?**

Distribution and travel tech: the agents arrive

Booking Holdings launched Vayo, an AI travel agent that tracks a traveler's confirmations and watches for price drops and delays, and plans to invest $100M in it; general availability is expected in the first half of 2027 (PhocusWire). Expedia's CEO said appearing in AI answer engines is now its fastest-growing channel (Skift).

Our view: AI agents are becoming a channel with their own rules, and suppliers need offers, availability and policies that agents can read. **Ask your team: how would we know if an AI agent sent us a booking today?**

Protect the joy, contribution, and sense of place

Brian Chesky's warning at Skift Global Forum was that AI should not automate the joy out of travel planning. That is a useful counterweight to efficiency-led transformation.

Travel is partly about removing obstacles, but it is also about anticipation, discovery, and the feeling of arriving somewhere distinct. Ho Ren Yung of Banyan Group framed the opportunity through contribution rather than only reducing harm. Technology, nature, culture, and sense of place should coexist rather than compete.

The coral restoration example discussed in the session points toward a model in which guests may have the potential to participate in the places they visit. The point is not to overstate what technology can do. It is to remain humble about AI and deliberate about the kind of experience and impact the operating model is designed to support.

A better question than "What can we automate?" may be: What should become easier so that people have more room for joy, contribution, and care?

5 QUESTIONS FOR THE OPERATING TEAM

- **What problem are we solving, and who owns the outcome?**
- **What should AI sense, prepare, recommend, or act on?**
- **What data must connect for the decision to work?**
- **Where must a person remain accountable?**
- **How will we know the experience and the economics improved?**

A Tech4TH perspective

Travel and hospitality leaders do not need to choose between experimentation and discipline. They need a way to explore meaningful problems without committing prematurely to a larger investment. The practical starting point is a problem with an owner, a measurable outcome, and enough context to make a better decision.

TECH4TH AI-READINESS ASSESSMENT

FIND OUT WHERE YOUR AI PROGRAM STANDS

Our AI-readiness assessment shows where your data, systems and teams stand today, and where AI can pay back first. To set one up, contact Venkat Nandikolla, CRO & Co-Founder, at **venkat@tech4th.com**.

Let's reimagine travel together. Meet us at Skift Aviation in New York this November · tech4th.com