

The Fusion of Advanced Technology: Artificial Intelligence and Virtual Reality in the Cruise Industry and Global Hospitality Organizations

Carmen Florentina VLASCEANU¹
Teodorov Alexandru VALENTIN²
Gabriela ȚIGU³

Abstract

The cruise industry and global hospitality organizations have consistently showcased a prime focus on delivering exceptional customer experiences. In contemporary times, significant breakthroughs in technology, notably the development of Artificial Intelligence (AI) and Virtual Reality (VR), have emerged as instrumental tools in enhancing the quality of service and customer perception. This article investigates the significant influence of AI and VR technologies on the cruise industry as well as multiple sectors within the realm of hospitality. Incorporating scholarly research and industry case studies, we underscore the significance of these technologies in relation to the customer experience and explore the ways in which they can enhance the standard of service.

The main research aims focus on elucidating the role that AI and VR play in enriching customer experiences and enhancing service quality, while emphasizing the significance of these technologies within these industries. Methodologically, this research draws upon a comprehensive review of academic literature and real-world examples to provide an in-depth analysis of the subject.

The results highlight the crucial importance of AI and VR technologies in hospitality industry. The utilization of AI-powered chatbots and virtual assistants has brought about a paradigm shift in personalized customer service, data-driven decision making, and the enhancement of the overall guest experience. Similarly, Virtual Reality (VR) facilitates immersive virtual tours, training sessions and professional development for employees, while also providing distinctive experiences for guests. These technologies play a crucial role in attaining convenience, personalization, efficiency and competitive edge, all of which make substantial contributions to enhancing the cruise customer experience.

Based on these findings, several recommendations can be put forth for enterprises functioning in the cruise and hospitality industries. The initial step to be considered by the hospitality organizations is the allocation of resources towards AI-driven systems that facilitate tailored customer interactions and data analysis, thereby enabling the enhancement of decision-making through well-informed processes. It is imperative to prioritize the integration of virtual reality (VR) technology for the purposes of providing virtual previews, facilitating staff training and enhancing the guest's experience. Therefore, businesses must continuously innovate and adapt to stay competitive in the evolving technological landscape.

¹ Vlasceanu Carmen Florentina, Bucharest University of Economic Studies, Romania, carmen_vlasceanu@yahoo.com

² Teodorov Alexandru Valentin, Bucharest University of Economic Studies, Romania, valyteodorov@gmail.com

³ Țigu Gabriela, Bucharest University of Economic Studies, Romania, gabriela.tigu@ase.ro

Keywords: *technological advancements, artificial intelligence, virtual reality, cruise industry, hospitality.*

JEL classification: O31, O33

DOI: 10.24818/RMCI.2023.4.650

1. Introduction

This article examines the substantial impact of advanced technological breakthroughs, including AI and VR, on the cruise industry and land-based hospitality facilities.

The primary research objectives relate to investigating the role of Artificial Intelligence (AI) and Virtual Reality (VR) in enhancing customer experiences and improving service quality, with a particular emphasis on their importance within these fields. The present study employs a methodological approach that includes an extensive examination of scholarly literature and practical instances, thus facilitating a thorough analysis of the topic at hand.

The cruise industry finds itself operating within highly competitive markets with a strong emphasis on customer experience and service quality. In recent years, there have been notable advancements in technology, particularly in the fields of AI and VR. These advancements possess the capability to transform the manner in which services are implemented and perceived by the guests. This study highlights the utilization of AI and VR in various sectors, with a primary focus on the implications these technologies have on enriching customer experience and advancing service quality.

The cruise industry enjoys a favorable global reputation for its steadfast dedication to delivering exemplary customer experiences, over the last decades. This industry flourished by employing the art of crafting enticing experiences, guaranteeing that travelers and guests not only derive pleasure from their ventures but also cherish their services repeatedly for an extended period of time. The global hospitality and cruising industry is currently experiencing a significant shift, characterized by a profound transformation, which has been propelled by advanced technological innovations. These advancements hold the potential to redefine the fundamental principles of service provision and guest satisfaction.

Because of the rising interconnectedness of the world and the widespread adoption of technology improvements, the cruise industry and the broader hospitality sectors have come across a confluence of tradition and innovation in recent years. The integration of AI and VR, two revolutionary technologies that are significantly influencing the manner in which services are provided to consumers, represents the driving force behind this transformation. The ability of Artificial Intelligence (AI) to analyze data and make instantaneous decisions, combined with Virtual Reality's (VR) capacity to transport individuals into immersive digital environments, creates a novel opportunity for increasing visitor engagement.

This article examines the significant implications of artificial intelligence (AI) and virtual reality (VR) technologies within the cruise industry, as well as their effects on various aspects of the hospitality industry. As we progress, our research objectives

become clearer: to fathom the crucial roles played by AI and VR in augmenting customer experiences, enhancing the quality of service and ultimately surpassing the prevailing standards in this domain. Our objective is to offer a thorough and current overview of the progressions in this domain, showcasing the way these technologies not only fulfil but exceed the continuously escalating expectations of the guests.

2. Methodology

In order to achieve the goals, our research methodology encompasses a comprehensive analysis of scholarly literature along with empirical investigations of real-life case studies. After conducting a thorough review of a wide range of scholarly research papers, industry reports and peer-reviewed publications, we have diligently analyzed the relevant literature. This in-depth analysis enables us to integrate the most recent discoveries and advancements in the utilization of artificial intelligence and virtual reality within the cruise industry and other hospitality sectors. The academic references presented offer an explicit scholarly backing and empirically grounded substantiation for the notions and implementations explored within the article. These references serve to fortify the research and assertions pertaining to AI and VR, implicit deliberations, user experience, sustainability ramifications and cultural assimilation within the cruise industry and fields associated with hospitality.

Through an analysis of the approaches and achievements of leading technological integration enterprises, profound insights can be acquired regarding the practical ramifications entailed in the adoption of artificial intelligence (AI) and virtual reality (VR). These insights function as a connective link between theoretical knowledge and practical application, offering a clear explanation of the concrete advantages and difficulties encountered by businesses when adopting and utilizing these technologies. The practical experience of the authors, in the field of cruises and the hospitality industry, contributed to a better qualitative empirical analysis of the phenomenon under discussion.

3. Literature review

In the dynamic global hospitality landscape, the cruise industry's unwavering quest for unparalleled customer experiences has persisted. Yet, the emergence of sophisticated technology has introduced a novel era of capabilities. Artificial Intelligence (AI) is currently positioned at the forefront, revolutionizing various domains such as customer service, decision-making processes and interactions with guests. In the present chapter, we undertake an in-depth analysis of the multiple functions performed by artificial intelligence (AI), thereby examining its revolutionary effects on individualized engagements and improved standard of service. The continuous innovation and adaptation of various industries in meeting and exceeding the expectations of discerning travelers and guests are facilitated by the capabilities of artificial intelligence, as follows:

Personalized Customer Service: The comprehension of cultural adaptation holds utmost importance in the implementation of artificial intelligence (AI) and virtual reality (VR) technologies within various cultural contexts. In their seminal work Minkov and Hofstede (2012) highlight the concept of Hofstede's Fifth Dimension, underlining the pertinence of cultural adaptation. This concept is congruent with the challenges and prospects associated with the implementation of Artificial Intelligence (AI) and Virtual Reality (VR) technologies in diverse cultural contexts across the cruise industry and various enterprises within the hospitality sector. It emphasizes the significance of cultural sensitivity in the process of integrating technology.

AI-powered chatbots and virtual assistants have emerged as indispensable resources for delivering tailored customer service in the cruise industry as well as within land-based hospitality establishments. AI systems possess the capability to analyze customer data for the purpose of providing customized recommendations, addressing inquiries and efficiently managing booking processes. An illustration of this is seen in the deployment of Royal Caribbean's proprietary chatbot serves to provide comprehensive assistance to cruise guests in various stages of their voyage, ranging from the initial booking procedure to engagement with onboard activities. Ultimately, the prime objective of this interactive system is to facilitate a harmonious and effortlessly streamlined customer experience (Royal Caribbean, 2023).

In the context of the cruise industry and global hospitality, the provision of personalized customer service assumes a position of utmost importance. The research conducted by Duan, Gu, and Whinston (2008) exemplifies the significance of personalized recommendations and word-of-mouth within the movie industry domain. This theoretical framework is also applicable in the realm of hospitality, where chatbots and virtual assistants with AI functionality are employed to scrutinize customer data and offer personalized suggestions and responses. The current investigation has yielded empirical data supporting the validation of the idea that personalized interactions can be enhanced through the use of artificial intelligence (AI), as demonstrated by chatbot developed by Royal Caribbean, 2023, holding substantial potential for augmenting customer satisfaction and engagement.

Should this be the case, there are a number of factors that one must take into account when creating such a platform. Simoni M. et al. (2022), elaborate a very comprehensive figure (fig.1) for a full understanding of all the dimensions that should be considered for effective VR transition. Furthermore, they prove that adoption of VR can have a significant impact on reshaping customer experience and boosting the effectiveness of the sales.

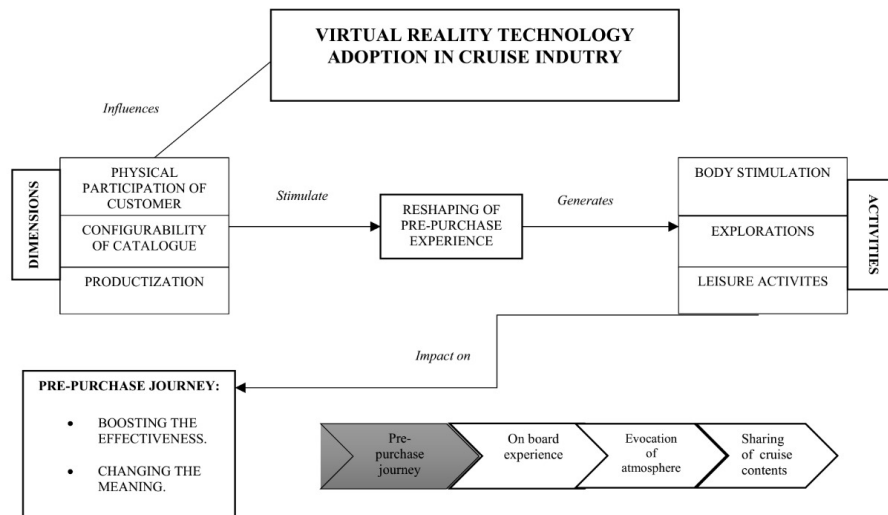


Figure 1 The adoption of VR in the Cruise Industry

Source: Simoni M. et al. (2022)

Data-Driven Decision Making: Artificial intelligence (AI) plays a crucial role in the realm of data analysis, empowering business enterprises to arrive at informed judgments based on data. In the domain of the hospitality industry, artificial intelligence (AI) significantly aids in the process of demand forecasting, pricing optimization and resource allocation. Artificial Intelligence (AI) plays a pivotal role in the cruise industry providing valuable assistance in tasks such as route optimization, itinerary planning and fuel efficiency enhancement. One notable example can be observed with the implementation of artificial intelligence (AI) by Carnival Corporation in order to enhance the efficiency of its onboard operations. This strategic employment of AI technology has yielded tangible results in terms of decreased fuel consumption and improved sustainability (Carnival Corporation, 2021).

In contemporary society, the utilization of data-driven decision making has emerged as an integral factor for achieving success in the digital era. In a study conducted by Xiang, et.al. (2017), a comparative analysis of prominent online review platforms was undertaken, thereby revealing the significance of social media analytics within the field of hospitality and tourism. The utilization of artificial intelligence (AI) is of utmost significance in the realm of data analysis as it serves as a crucial facilitator in diverse domains such as demand forecasting, pricing optimization and resource allocation. Carnival Cruise Lines has directed its attention toward pioneering technologies such as lithium-ion battery storage systems, the installation of hull air lubrication systems and experimentation with fuel cells powered by hydrogen derived from methanol, as well as the exploration of carbon capture and storage mechanisms (Carnival Corporation, 2021). In pursuit of its objectives concerning sustainability, CCL has undertaken initiatives to expand its

Liquefied Natural Gas (LNG) program, alongside the implementation of advanced Air Quality Systems (AAQS) and remarkably, 90% of the fleet has been equipped with AAQS demonstrating the capability to eliminate a significant proportion of sulfur from exhaust emissions, facilitating the attainment of cleaner air emissions at both seaports and during voyages at sea, thereby mitigating any adverse impact on marine ecosystems. This fact provides further evidence of the importance of new technologies, data analysis and maximizing efficiency within the cruise industry. Gruia et al. (2020) highlights the fact that “by implementing new digital technologies businesses will be able to create new products and offer better customer services by meeting customers' expectations.”

AI in Guest Experience Enhancement: Artificial intelligence (AI)-powered systems possess the capability to examine guest preferences and behaviors in order to augment the overall experience. These technologies ranging from advanced room controls to Artificial Intelligence (AI)-based concierge services are designed to greatly enhance the overall guest satisfaction levels. Hilton's "Connie" robot concierge, which relies on IBM Watson's computing capabilities, facilitates guest interactions by providing informative assistance and personalized recommendations, thereby exemplifying the considerable influence of artificial intelligence in augmenting and improving guest experiences (IBM, 2016).

Improving guest experiences constitutes a core objective within both the cruise industry and the hospitality sector. In a study conducted in 2019, Stanislav et.al. explores the field of artificial intelligence and robotics in the context of travel, tourism and hospitality with the aim of identifying areas where further research is needed and providing guidance for future investigations. The research aligns with the application of Artificial Intelligence (AI) in the hospitality industry, where AI-driven systems are employed to meticulously analyze guest preferences and behaviors, ultimately to vastly improve the overall experiences. The "Connie" robot concierge developed by Hilton and powered by IBM Watson (IBM, 2016) serves as a prime illustration of artificial intelligence's contribution in fostering favorable guest encounters. This example highlights the significance of artificial intelligence in influencing noteworthy guest interactions in both sectors.

4. The Role of Artificial Intelligence and Virtual Reality in the Cruise Industry and Global Hospitality

The rapid progress of AI and VR technology corresponds to its increasing presence in various aspects of our daily lives, including the flourishing integration within the tourism sector. Recent research indicates that the cruise industry has increasingly embraced AI and digital assistants. The cruise industry has incorporated AI and VR into various onboard operations to enhance efficiency, being employed for tasks such as facial recognition to streamline the embarkation and debarkation process, individual assistance and recommendations for on-board events, daily activities and shore excursions, as well as monitoring foot traffic and queuing tendencies in order to optimize the utilization of the on-board services. In addition to that, there are other purposes that the advanced technology successfully delivers, such as:

Virtual Tours and Service Previews: Virtual Reality offers customers with interactive and immersive experiences, enabling them to engage in a simulated environment even prior to physically reaching their intended destination. In the cruise industry, enterprises such as Viking Cruises offer virtual ship tours, allowing tourists seeking to book cruises, to digitally acquaint themselves with the vessel and its various facilities, all without departing the comfort of their homes. The land-based hotels provide virtual reality (VR) tours of their accommodations and amenities, providing the prospective guests with an experiential preview of their anticipated stay.

Virtual tours and previews have become significant tools in enabling consumers to digitally explore various travel destinations and accommodations. In their scholarly work, Buhalis and Foerste (2015) critically analyze the notion of SoCoMo (Social, Contextual and Mobile) marketing within the travel and tourism industry. This concept is closely associated with the utilization of virtual reality (VR) within the cruise industry and the hospitality sector, whereby travelers have the ability to engage in immersive virtual tours of cruise ships or hotel establishments. This research underscores the role played by virtual reality (VR) technologies in offering travelers a captivating preview of their forthcoming experiences. This aligns with the trend observed in the cruise industry, wherein companies such as Viking Cruises provide virtual ship tours to potential customers.

The *issue of sustainability* within the cruise industry and hospitality sector has emerged as an urgent matter of importance. In their scholarly work, Gössling, Scott, and Hall (2020) analyze the intricate complexities of tourism-water dynamics, shedding light on the consequential interplay, ramifications and obstacles inherent to this domain. The incorporation of sustainability considerations becomes relevant when we consider the potential for AI-driven operational efficiencies and VR-powered virtual previews to decrease resource consumption. This underscores the necessity for thorough examination of the sustainability implications brought by technological advancements within these industries.

Learning and Development: Virtual Reality (VR) holds significant value as an efficient tool for staff training and development within various sectors. Employees have the opportunity to participate in authentic simulations, thereby enhancing their expertise and aptitude in the realm of customer service. Marriott International utilizes the Bonvoy application developed to enhance the convenience of customers to search and reserve accommodations within Marriott's extensive collection of 6,700 affiliated hotels spanning across 30 distinct brand offerings in 130 countries. In addition to smart features such as efficient mobile check-in services with timely notifications upon room readiness, the utilization of mobile keys for appropriate lodging venues, the ability to make service and amenity requests through mobile devices, as well as engage in communication with representatives along the entire customer journey, as evidenced by their practices (Hotel Technology News, 2019).

The training and development of personnel is of utmost importance in providing exceptional service in the cruise industry and hospitality sector. This

aligns with the application of virtual reality (VR) in the field of staff training and development, as it enhances capabilities and improves the standard of customer service in the industry. Rohlíková, L., et.al. (2022) highlights the utilization of virtual reality (VR) in hospitality training emphasizing the significance of VR technology in equipping employees with the necessary skills to deliver superior customer service and exhibit hospitality proficiency.

Guest Experience Enhancement: Within the hospitality sector, VR has the potential to revolutionize the creation of distinctive in-room experiences. For instance, customers are able to utilize VR headsets in order to participate in virtual travel experiences or investigate nearby landmarks and points of interest. Within the cruise industry Virtual reality (VR) technology has the capability to simulate shore excursions and various adventures in the ports visited around the world, thus enhancing the overall onboard experience.

Creating attractive destination representations is of paramount significance within the tourism and hospitality industry. VR holds considerable potential for utilization within the hospitality industry with the purpose of facilitating distinctive and unparalleled in-room experiences. This is accomplished by allowing the customers the ability to explore virtual travel destinations or engage with local attractions. This highlights the immense potential of virtual reality (VR) in influencing guests' perceptions and enhancing their experiences within the global hospitality settings.

The need for applying new technologies such as VR and AI have been observed more and more, after the covid pandemic as means for tourism industries to get back on track, at least to pre pandemic levels (Teodorov et. al, 2021). As can be seen in fig. 2 there was a catastrophic decrease in the number of cruise line passengers in 2020 and 2021 as these figures have not managed to return to pre pandemic volumes.

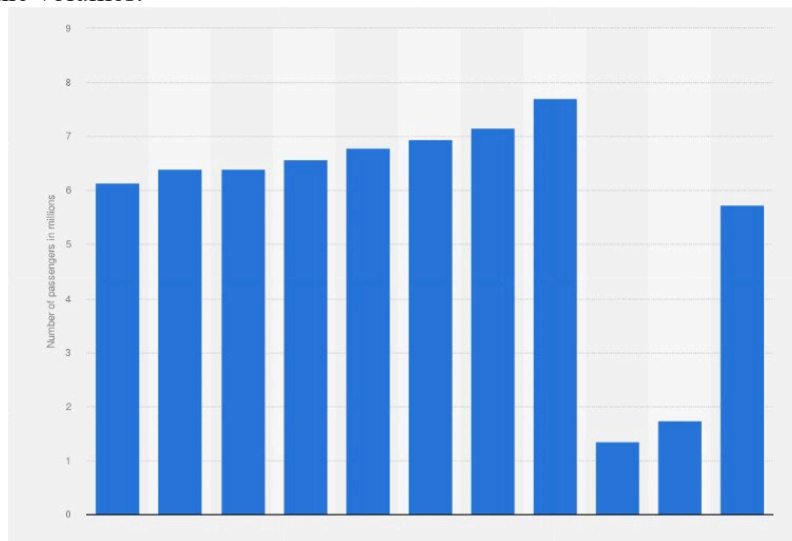


Figure 2 Number of cruise passengers sourced from Europe from 2012 to 2022

Source: Statista.com

Therefore, the best solution for the industry to make a faster comeback is to resort to new technologies in order to attract more and more customers. This shift is driven by the disruptions caused by the pandemic, pushing the industry to find creative ways to bounce back and even surpass its pre-pandemic performance. The reason for this technological push is that VR and AI offer exciting opportunities to improve the tourist experience, address health and safety concerns, and adapt to changing tourist preferences.

The understanding of *service quality dimensions* holds crucial importance in guaranteeing client satisfaction. The study conducted by Vlasceanu, C.F. (2020) aimed to explore the various dimensions associated with service quality in the cruising industry, as well as to examine the significance of market segmentation determinants in cultivating long-term relationships with customers throughout the entirety of the service life cycle. The study examined the importance of perceived value and quality management within the context of an effective marketing mix approach and the influence of service quality dimensions on customer satisfaction in order to align with the goal of optimizing guest experiences. The incorporation of AI-powered advancements and individualized hospitality services corresponds with the principles investigated in previous literature, whereby a specific emphasis is placed on the impact of AI on customer satisfaction.

5. The Importance of Artificial Intelligence and Virtual Reality within Customer Experience

Customer experience holds immense significance within the hospitality businesses, as it exerts a direct influence on both customer satisfaction and loyalty. The term pertains to the holistic perception and engagement that a customer experiences with an organization throughout the entirety of their customer journey, encompassing the initial encounter to the subsequent provision of after-sales assistance. A positive customer experience is conducive to heightened sales, recurring business engagements and favorable endorsements, whereas a negative encounter may lead to customer poor impression and may harm to the company's reputation. Therefore, it is essential for business entities to prioritize the enhancement of the customer experience through comprehensive understanding of the demands and preferences of their clientele, offering tailor-made service adapted specifically for customers and continually enhancing their operational processes and systems.

The integration of artificial intelligence AI and VR technologies is of utmost significance in enhancing the customer experience within the cruise industry and other related sectors of the hospitality industry. Artificial intelligence (AI) can be effectively employed to develop virtual concierge services that offer customized recommendations and support to clientele, thereby augmenting their overall experience. Virtual reality (VR) technology has the capacity to be leveraged for the provision of immersive virtual tours and experiences. This capability enables

customers to preview potential destinations and activities prior to committing to a booking.

The potential impact of Virtual Reality (VR) and Augmented Reality (AR) technologies on the tourism and cruise tourism industry is profoundly promising, as indicated by the staggering growth statistics. In 2020, the VR and AR market boasted a valuation of \$14.84 billion, with projections soaring to an impressive \$454.73 billion by 2030 (fig. 3), showcasing an extraordinary Compound Annual Growth Rate (CAGR) of 40.7%. These remarkable figures underscore the industry's burgeoning growth trajectory and the ample space for expansion, making the integration of VR and AR technologies a strategic imperative.



Figure 3. Augmented and Virtual Reality Market Statistics – 2030

Source: <https://reports.valuates.com/>

By adopting and integrating these technologies, companies within the cruise industry seized the opportunity to distinguish themselves from competitors and create extraordinary experiences for their guests. It is crucial for today's business enterprises, to enhance customer satisfaction and meet or exceed their expectations by dedicating resources to training and empowering their employees in order to provide excellent customer service. The broad utilization of advanced technologies, such as customer relationship management (CRM) systems, can assist enterprises in efficiently gather and analyze valuable customer data. This enables them to gain deeper insights into customer preferences and anticipate their future requirements, thereby facilitating the provision of proactive assistance and tailored services. In addition to the advantages presented, these technologies facilitate:

Convenience and Personalization: Artificial intelligence (AI) and virtual reality (VR) offer personalized experiences to customers, stimulating a sense of being highly esteemed and acknowledged. Customized recommendations,

streamlined booking procedures and immersive previews enhance the flow of the customer journey, ensuring a seamless and pleasurable experience. This notion corresponds with the conclusions of Pine and Gilmore (1998) who introduced the concept of the "Experience Economy," which underscores the significance of crafting exceptional and individualized encounters to captivate customers and foster enduring relationships. Artificial Intelligence and Virtual Reality technologies play a crucial role in transforming this theoretical concept into practical application, thereby enabling each customer interaction to become a remarkable and invaluable experience.

Efficiency and Cost Reduction: AI-driven optimization contributes to enhancing resource efficiency, thereby mitigating operational expenses. Virtual reality (VR) has the potential to significantly decrease the requirement for physical resources and minimize travel expenses by means of virtual previews, thereby yielding advantages for both industries. This sentiment is in line with the scholarly work conducted by Brynjolfsson and McAfee (2014), in which they shed light on the revolutionary consequences of technology for the distribution of resources and cost reductions. They emphasize the significance of adopting AI and VR to enhance operational efficiency in the contemporary digital era.

Competitive Advantage: The integration of AI and VR technologies contributes significantly to the differentiation of the businesses within a fiercely competitive market. In contemporary times there has been an escalating demand from customers for novel and technology-oriented experiences. Consequently, it has become imperative for business organizations to adapt and align themselves with these advancements in order to have relevance and remain competitive. There is a substantial body of empirical research that emphasizes the importance of technological adaptation as a means of achieving and maintaining a competitive advantage. Porter's seminal contribution to the study of competitive advantage (Porter, 1985) posits that technology plays a crucial role in attaining differentiation. In their recent publication, Buhalis and Cheng (2020) explore into the significance of smart technology in attaining a competitive edge within the hotel industry. They assert that the integration of technologically advanced solutions is paramount in both sustaining relevance and fostering competitiveness. In the area of competitiveness, a study conducted by Vlasceanu and Țigu (2020) within the cruise industry and global hospitality sector elucidates the capacity of businesses to bolster their competitive stance through the adoption of innovative technologies, facilitating the co-creation of value with customers. The research emphasizes the significance of analytical competencies within the global business environment as well as customer metadata in furnishing hospitality brands with essential information regarding the expectations, motivations and intentions of their clientele. These insights play a crucial role in the development and future success of organizations in the sector.

The research conducted by Barney (1991) pertaining to firm resources and their correlation to sustained competitive advantage places emphasis on the significance of distinctive and valuable resources, for instance, AI and VR technologies, in attaining a superior competitive position. Teece (2018) theorizes in

his scholarly research on dynamic capabilities that enterprises must demonstrate agility in their uptake of emerging technologies to sustain their competitive advantage in swiftly evolving markets. In the domain of mobile learning, the research conducted by Chiang, Yang and Hwang (2014) highlights a notable difference in motivation among students who were exposed to an augmented reality-based mobile learning method compared to those who were taught using the conventional inquiry-based mobile learning method. Specifically, the former group exhibited higher levels of motivation in the areas of attention, confidence and relevance.

The integration of AI and VR technologies represents a crucial catalyst for attaining a competitive edge within the highly competitive domain of the cruise industry and hospitality sector.

6. Findings and Recommendations

The significance of AI and VR technologies in both sectors is highlighted by our research findings. AI-powered chatbots and virtual assistants have revolutionized the provision of personalized customer service, as they empower organizations to offer customized recommendations, efficiently address inquiries and effortlessly streamline the booking procedures. The cruise industry embodies such advancements as exemplified by Royal Caribbean's innovative chatbot that serves as a companion to passengers throughout their entire voyage, spanning the reservation process to engagement in onboard activities. In the context of the hospitality industry, the presence of the "Connie" robotic concierge at Hilton, which is fortified by IBM Watson, serves as a prominent illustration of the potential of AI to augment the quality of guest encounters.

Virtual reality as a technology provides customers with engaging and fully immersive experiences before their actual trips commence. Travelers and guests are offered the opportunity to engage in virtual tours of cruise ships or hotel facilities, thereby granting them access to an enticing preview of their forthcoming adventures. Moreover, virtual reality (VR) is increasingly recognized as a potent instrument for staff training and development, providing the ability to construct lifelike simulations aimed at enhancing skills and augmenting customer service.

The profound potentials of Artificial Intelligence (AI) and Virtual Reality (VR) also encompass guest experiences. Virtual reality (VR) can be effectively employed within the hospitality industry to curate distinctive in-room experiences. This technological advancement enables guests to embark on virtual travel adventures or participate in local attractions, all within the convenience and comfort of their accommodations. Within the cruise industry, the application of virtual reality (VR) is designed to replicate excursions, thereby enhancing the overall onboard experience while granting cruise guests a preview of their future adventures.

The rising significance of ethical deliberations pertaining to the implementation of artificial intelligence (AI) and algorithms has become increasingly apparent. Mittelstadt, Allo, Taddeo, Wachter, and Floridi (2016)

conducted an in-depth analysis on the ethical implications of algorithms, focusing specifically on their utilization in the context of artificial intelligence for personalized customer service and decision-making. This underscores the significance of continuous scrutiny of ethical ramifications in AI implementations within the cruise industry and global hospitality establishments. Based on the findings, various recommendations can be put forth for enterprises within the cruise and hospitality industries. First and foremost, it is imperative for businesses to accord highest priority to investments in artificial intelligence-driven systems, specifically ones that facilitate personalized customer interactions and data analysis, with the aim of informing decision-making processes. The incorporation of virtual reality (VR) technology for the purposes of virtual previews, staff training and improved guest experiences should be considered a crucial strategic concern. It is imperative for businesses to cultivate environments that promote innovation, consistently adjusting their strategies in order to maintain competitiveness within the dynamic technological environment.

7. Conclusions

The incorporation of AI and VR technologies is expected to yield significant advantages for the cruise industry and global hospitality establishments. These technological advancements present unprecedented opportunities for enriching the customer experience, enhancing the quality of service and attaining a competitive advantage. As these technologies continue to undergo advancements, it is very important for businesses to adjust their practices in order to remain at the cutting edge of innovation and effectively cater to the increasing demands of contemporary tech-savvy travelers. Following a comprehensive examination of the integration of AI and VR technologies within the cruise industry and hospitality establishments, it can be concluded that it is imperious for business organizations to acknowledge that technological advances are in a constant state of evolution and must be embraced in order to remain competitive in the market. Artificial intelligence (AI) and virtual reality (VR) possess the capability to augment customer experiences substantially through personalized recommendations, immersive virtual tours and efficient customer service. It is highly recommended for hospitality organizations to keep informed about recent advancements to acquire the ability to adapt and exploit these technologies in order to enhance operational efficacy, augment customer contentment and attain a competitive advantage in the industry. At the opposite spectrum, the inability to acknowledge and embrace these advancing technologies could lead to missed prospects for expansion and potential decline in market presence. Academics and practitioners are urged to remain well-informed of the most recent advancements in this domain. The fusion of AI and VR technologies within the cruise industry and international hospitality establishments embodies a significant transformation in the provision of services and enhancement of customer experiences. This article could potentially be used as a resourceful guide for enterprises, scholars and professionals in the industry who seek comprehension of

the revolutionary capabilities intrinsic to the domains of AI and VR. The article highlights the significance of keeping informed about technological progressions, adhering to ethical values and embracing innovation as pivotal factors contributing to success in the perpetually evolving sphere of the hospitality and cruise industry.

Nevertheless, this study recognizes its inherent constraints. The ever-evolving landscape of technology necessitates an ongoing alteration and adaptation of skills and knowledge within the hospitality and cruise industry. This means that professionals in these fields must be committed to continuous learning and professional development to stay up-to-date with the latest advancements. Additionally, ethical values are crucial in maintaining customer trust and loyalty, as guests increasingly seek responsible and sustainable practices. The ethical considerations surrounding the utilization of Artificial Intelligence (AI) and Virtual Reality (VR) demand continuous scrutiny, while their cultural assimilation presents difficulties necessitating further exploration. As everything evolves, further comprehensive analysis is required to fully comprehend the environmental repercussions of these technologies in terms of sustainability. The characteristic dynamism of technology entails an ever-evolving landscape materialized by the constant emergence of novel advancements and embracing innovation allows businesses to stay competitive and meet the changing demands and expectations of modern travelers. It is also imperative to conduct a comprehensive analysis to fully comprehend the environmental impact of these technologies, given the profound implications they have on sustainability. The adoption of these innovations not only distinguishes enterprises but also conforms them to dynamic customer expectations for technology-centered experiences. By leveraging artificial intelligence (AI) to facilitate customized experiences, virtual reality (VR) to enhance participating engagement and consistently embracing and adapting to the technological progress, hospitality businesses can strategically position themselves as industry leaders, guaranteeing their continued relevance, competitiveness and long-term prosperity. As technology continues to evolve, numerous research opportunities emerge that may potentially include:

Ethical Considerations: Other studies could potentially examine the ethical ramifications associated with the utilization of artificial intelligence (AI) in the context of personalization and customer profiling, with a focus on the importance of ensuring transparency and data protection measures.

User Experience Analysis: Other studies proposed may focus on evaluating the customer perceptions and satisfaction levels when engaging with AI chatbots, virtual assistants or VR-enhanced services.

Sustainability Impact: Other potential research avenues may aim to analyze the environmental advantages derived from the implementation of AI-driven operational efficiencies and VR-powered virtual previews as strategies for mitigating resource consumption.

Cultural Adaptation: Further investigation may be conducted to examine the obstacles and potential benefits associated with the integration of artificial intelligence and virtual reality technologies within various cultural environments.

The incorporation of AI and VR technologies constitutes a significant transformation in the offering of services and the enhancement of customer experience within the cruise and worldwide hospitality industries. This study emphasizes the importance of maintaining an up-to-date perspective on technological advancements whilst adhering to ethical principles and embracing innovation as vital drivers for attaining success within the ever-evolving domain of hospitality.

References

1. Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99-120.
2. Brynjolfsson, E., & McAfee, A. (2014). *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*. W. W. Norton & Company.
3. Buhalis, D., Cheng, E.S.Y. (2020). Exploring the Use of Chatbots in Hotels: Technology Providers' Perspective. In: Neidhardt, J., Wörndl, W. (eds) *Information and Communication Technologies in Tourism 2020*. Springer, https://doi.org/10.1007/978-3-030-36737-4_19
4. Buhalis, D., & Foerste, M. (2015). SoCoMo Marketing for Travel and Tourism: Empowering Co-Creation of Value. *Journal of Destination Marketing & Management*, 4(3), 151-161.
5. Carnival Corporation (2021) - Carnival Corporation Releases 2021 Sustainability Report. Press Release.
6. Chiang, THC., Yang, SJH., Hwang, GJ., (2014). An Augmented Reality-Based Mobile Learning System to Improve Students' Learning Achievements and Motivations in Natural Science Inquiry Activities. *Journal of Educational Technology & Society*, 20(3), 29-41.
7. Duan, L., Gu, B., & Whinston, A. B. (2008). The Dynamics of Online Word-of-Mouth and Product Sales—An Empirical Investigation of the Movie Industry. *Journal of Retailing*, 84(2), 233-242.
8. Gössling, S., Scott, D., & Hall, C. M. (2020). Tourism and Water: Interactions, Impacts, and Challenges. *Annual Review of Environment and Resources*
9. Gruia, Lavinia-Andreea; Bibu, Nicolae; Nastase, Marian; Roja, Alexandru; Cristache, Nicoleta. (2020). Approaches to Digitalization within Organizations. *Review of International Comparative Management / Revista de Management Comparat International*, 21(3), 287-297.
10. Hilton Hotels & Resorts (2016) - Hilton and IBM Pilot "Connie," The World's First Watson-Enabled Hotel Concierge. Press Release.
11. Hotel Technology News (2019) - Marriott International Commits to Continued Innovation in Hotel Guest-facing Technologies. Press Release.
12. Minkov, M., & Hofstede, G. (2012). Hofstede's Fifth Dimension: New Evidence from the World Values Survey. *Journal of Cross-Cultural Psychology*, 43(1), 3-14.
13. Mittelstadt, B. D., Allo, P., Taddeo, M., Wachter, S., & Floridi, L. (2016). The Ethics of Algorithms: Mapping the Debate. *Big Data & Society*, 3(2), 2053951716679679.
14. Pine, B. J., & Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard Business Review*, 76(4), 97-105.
15. Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. The Free Press.

16. Rohlíková, L., Fiala, J., Hán, J., Husák, J., Chadt, K., Chalupa, S., Jenčková, J., Kotek, M., Kotek, M., Perutková, M., Průcha, T., Stejskal, J., Visvizi, A., 2022. Innovating in the Tourism Industry Through Virtual Reality (VR) and Education in the Hotel Business: VR-Enhanced Three-Phase Future Hotel Staff Training, *International Journal of Smart Education and Urban Society* 13(1):1-12, DOI:10.4018/IJSEUS.309955
17. Royal Caribbean Press Center, 2021. Smart Technology: Innovations on Allure of the Seas, retrieved at: [https://www.royalcaribbeanpresscenter.com/video/184/smart-technology-innovations-on-allure-of-the-seas/Press Release](https://www.royalcaribbeanpresscenter.com/video/184/smart-technology-innovations-on-allure-of-the-seas/Press%20Release).
18. Royal Caribbean Blog, 2023. Royal Caribbean testing out chatbot that can answer common questions, retrieved at: <https://www.royalcaribbeanblog.com/2023/08/11/royal-caribbean-testing-out-chatbot-can-answer-common-questions>
19. Stanislav, I., Gretzel, U., Berezina, K., Sigala, M., Webster, C., 2019. Progress on robotics in hospitality and tourism: a review of the literature, *Journal of Hospitality and Tourism Technology*, ISSN: 1757-9880
20. Simoni, M., Sorrentino, A., Leone, D., Caporuscio, A., (2022). Boosting the pre-purchase experience through virtual reality. Insights from the cruise industry, *Journal of Hospitality and Tourism Technology*, 13(1), pp. 140-156.
21. Statista. (2022). Global cruise passenger volume index 2019-2026 | Statista. [online] Available at: <https://www.statista.com/statistics/1336020/global-cruise-passenger-volume-index/> [Accessed 2 Oct. 2023].
22. Statista. (2022). Number of European cruise passenger 2022 | Statista. [online] Available at: <https://www.statista.com/statistics/386688/number-of-cruise-passengers-in-europe/> [Accessed 2 Oct. 2023].
23. Teece, D. J. (2018). Profiting from Innovation in the Digital Economy: Enabling Technologies, Standards, and Licensing Models in the Wireless World. *Research Policy*, 47(8), 1367-1387.
24. Teodorov, A., V., Parteca, M., Harba, J., N., Abdallah, A., (2021). Novel Approaches in Tourism Digitalization – Strategies For A Post Covid-World. *Revista de turism - studii si cercetari in turism*, (31). Retrieved from <http://revistadeturism.ro/rdt/article/view/534>
25. Valuates.com. (2020). Augmented and Virtual Reality Market Size, Trends Analysis 2030. [online] Available at: <https://reports.valuates.com/reports/ALLI-Auto-4H304/augmented-and-virtual-reality> [Accessed 2 Oct. 2023].
26. Vlasceanu, C.F. (2020). Measuring Service Quality and Customer Satisfaction Performance Metrics in Cruising Industry, *Cactus - The tourism journal for research, education, culture and soul*, Bucharest University of Economic Studies, vol. 2, pages 36-45
27. Vlasceanu, C.F. and Țigu, G., 2020. Competitiveness in Global Hospitality and Cruising Industry. In: R. Pamfilie, V. Dinu, L. Tăchiciu, D. Pleșea, C. Vasiliu eds. 6th BASIQ International Conference on New Trends in Sustainable Business and Consumption. Messina, Italy, 4-6 June 2020. Bucharest: ASE, pp. 1117-1124
28. Xiang, Z., Du, Q., Ma, Y., & Fan, W. (2017). A Comparative Analysis of Major Online Review Platforms: Implications for Social Media Analytics in Hospitality and Tourism. *Tourism Management*, 58, 51-65.