



Hotel Industry AI Research 2026

Market intelligence, pain points, AI adoption trends, and revenue opportunities for the US hotel market with San Diego focus.

\$261B US Market

56,000+ Properties

63% Have No AI

SOURCES: AHLA, STR/COSTAR, ORACLE, MCKINSEY, DELOITTE, CORNELL, SKIFT, PHOCUSWRIGHT | APRIL 2026

US Hotel Industry at a Glance.

\$261B

Total US Revenue 2024

[AHLA, State of the Industry Report 2025](#)

56K+

Hotels / 5.3M Rooms

[STR/CoStar, Chain Scale Data 2024](#)

63.0%

National Occupancy Rate

[STR/CoStar, Full-Year US Report 2024](#)

\$161

Average Daily Rate (ADR)

[STR/CoStar, US ADR Benchmark 2024](#)

2.3M

People Employed

[AHLA, Economic Impact Report 2025](#)

US HOTEL PERFORMANCE BY SEGMENT (2024)

Segment	Occupancy	ADR	RevPAR	Properties
Luxury	70.2%	\$387	\$272	2,300 (4.1%)
Upper Upscale	68.9%	\$230	\$158	3,900 (7.0%)
Upscale	66.1%	\$159	\$105	7,400 (13.2%)
Upper Midscale	61.8%	\$121	\$75	11,800 (21.1%)
Midscale	55.3%	\$100	\$55	12,200 (21.8%)

The Staffing Crisis: The #1 Reason Hotels Need AI.

73.8%

Annual Turnover Rate

Nearly double the all-industry average of 45%. Entry-level hotel roles hit 80-90%.
U.S. Bureau of Labor Statistics, JOLTS Survey, Accommodation Sector, 2023

74%

Hotels Understaffed

3 out of 4 hotels couldn't fill positions in 2024. Average hotel short 2-3 staff.
AHLA, Annual Lodging Survey: Workforce, 2024

\$4.5-6K

Cost to Replace One Front Desk Agent

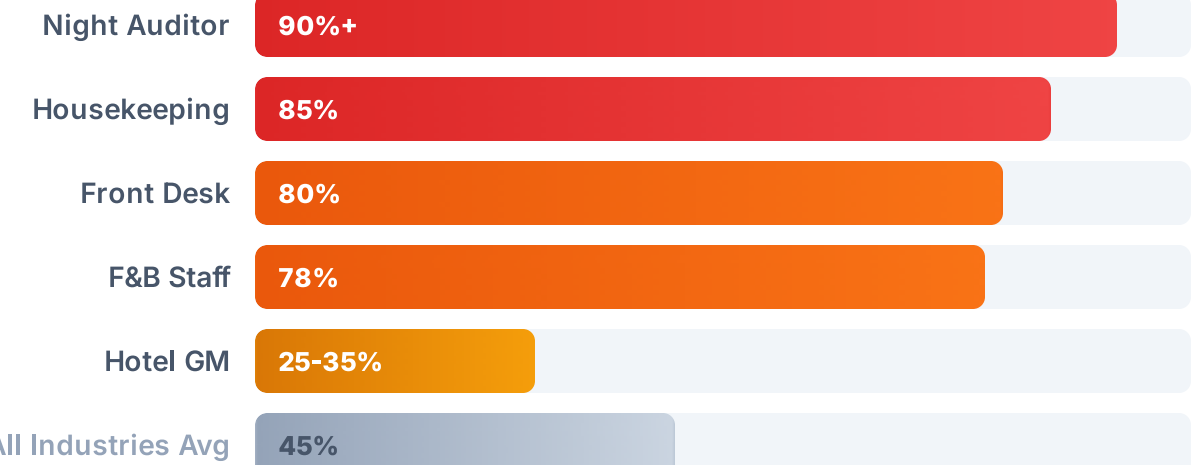
Hiring + training + lost productivity. A 100-room hotel losing 20 staff/year = \$90K+ just in turnover.
Cornell Center for Hospitality Research, 2024; SHRM, Turnover Cost Calculator

40-45%

Labor as % of Operating Costs

A \$5M revenue hotel spends \$2-2.25M on labor annually. Night shift alone = \$50-80K/yr.
AHLA Benchmarking Data 2024; STR HOST Report (Operating Costs)

TURNOVER BY ROLE



Cornell CHR, Hospitality Role Turnover Study, 2024; BLS JOLTS Accommodation data

250-400K

unfilled hotel jobs in US at any time
AHLA 2024

The Communication Gap: Every Missed Call = Lost Revenue.

27%

Calls Unanswered
(Peak Hours)

Multi-operator surveys
aggregated by Talkdesk, 2023

45%

Calls Unanswered
(After Hours 10PM-8AM)

PolyAI, Hotel Call
Handling Benchmark, 2024

67%

Callers Hang Up
After 3 Min Hold

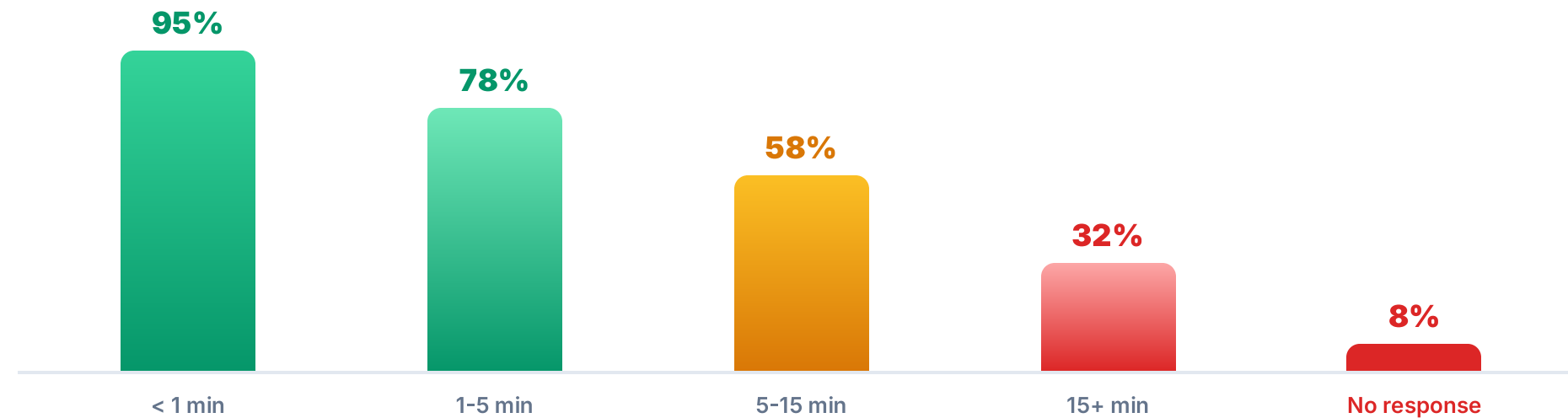
Talkdesk, Hospitality
Contact Center Report, 2023

\$39-156K

Lost/Year from Just
5 Missed Calls/Week

Calculated: 5 calls × \$150-600
avg ADR × 52 weeks

RESPONSE TIME VS. GUEST SATISFACTION



Medallia, Guest Experience Report 2023; Criton, Hotel Guest Technology Survey 2023

CHANNELS HOTELS MUST MONITOR

- Phone
- Email
- SMS
- WhatsApp
- Booking.com
- Expedia
- Website Chat
- Instagram
- Facebook
- Google Msgs
- TripAdvisor
- In-Room

8-12 channels
juggled by an understaffed front desk

Commission Drain + Missed Upsell Revenue.

OTA Commission Drain

15-22%

Booking.com commission

15-25%

Expedia commission

3-5%

Direct booking cost

A \$3M revenue hotel sending 40% via OTAs loses **\$216,000+/year** to commissions. Converting just 10% to direct saves **\$54,000/year**.

Commission rates: Booking.com Partner Terms 2024; Expedia Partner Central 2024; Phocuswright, Online Travel Overview 2023

US Hotels Paid OTAs

\$12-15 Billion

in commissions in 2023 alone

Phocuswright, US Online Travel Agency Market Report, 2024

Upsell Opportunity Gap

Hotels successfully upsell on only **20-35%** of applicable opportunities. AI closes this gap. Duetto / Nor1

Upsell Research

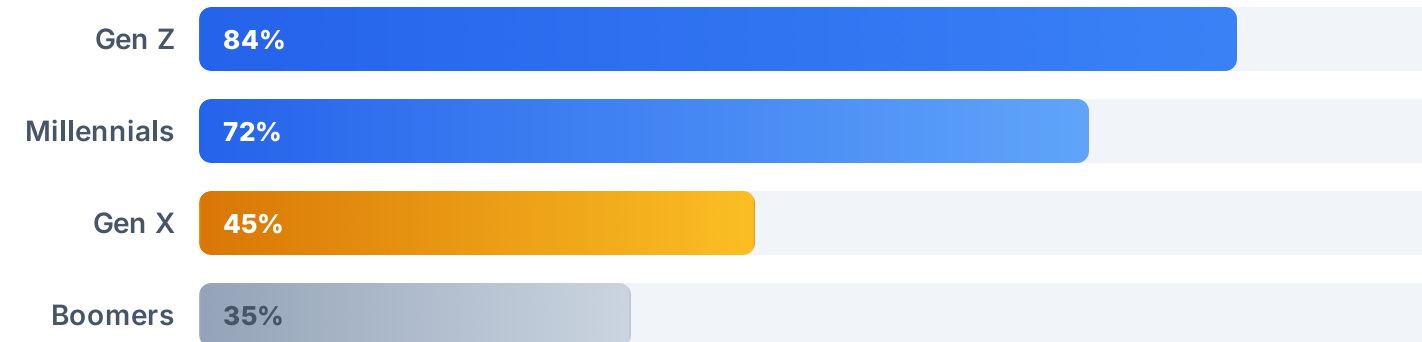
Category	Manual	With AI	Revenue Lift
Room Upgrades	10-18%	15-25%	\$20-40K/yr
Breakfast Pkgs	8-15%	12-22%	\$12-25K/yr
Spa Packages	3-7%	6-14%	\$8-15K/yr
Late Checkout	20-30%	35-50%	\$10-20K/yr

\$55,000-\$112,000/yr additional revenue
per 100-room hotel with AI upselling

Oaky Upsell Benchmark 2024; Nor1/Oracle Hospitality Upsell Data; Cornell CHR, 2024

What Guests Actually Want.

PREFER MESSAGING OVER PHONE (BY GENERATION)



Criton, Hotel Guest Digital Preferences Survey 2023; Medallia, Hospitality Experience Report 2023

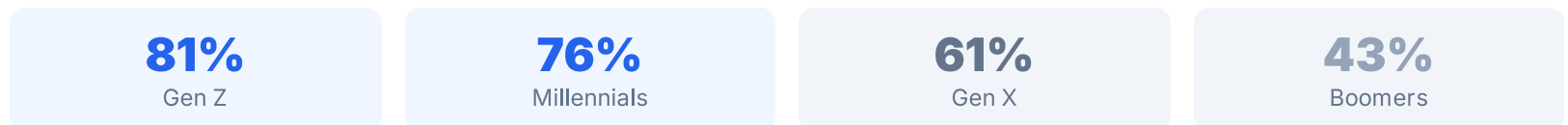
Key insight: Boomers spend the most (\$225+ ADR) but prefer phone.
Voice AI is critical for this high-value segment.

Top Guest Technology Expectations

- 79% prefer hotels with digital/contactless options
- 75% prefer text over phone for in-stay communication
- 73% want tech that improves staff interaction
- 67% want hotels to use their data for personalization
- 53% want to message hotels via preferred app
- 49% want AI-powered local recommendations
- 44% would be more loyal if hotel remembered preferences

Oracle Hospitality / Skift Research, "Hospitality in 2025" Global Survey (n=5,000+ travelers), 2023

Comfort with AI by Generation



THE ROI STORY

AI Revenue Impact: 100-Room Hotel.

Independent hotel, 65% occupancy, \$160 ADR, \$3.5M revenue.



Market Gap: What Existing Solutions Miss.

Gap	Market Problem	Lycia AI Opportunity
True Agentic AI	99% of "AI concierge" tools are FAQ bots that can't take action	Lycia agents actually execute tasks - book, order, reserve
Voice + Digital Unified	Voice AI and chat AI are separate products from separate vendors	Single AI handles phone, text, web, WhatsApp - one brain
140+ Languages	Most tools support 10-20 languages max	Native fluency in 140+ languages at zero marginal cost
Guest Memory	Tools don't remember previous stays or connect to guest history	Persistent memory across visits - allergies, preferences, history
Full Guest Lifecycle	Most tools cover only one phase (booking OR in-stay OR post-stay)	Pre-arrival → stay → post-stay → re-engagement in one platform
Independent Pricing	Good tools are priced for chains (\$10K-50K/yr). Independents underserved	Built for independents and boutiques - accessible pricing

Zingle / Medallia
Enterprise only. \$10-50K/yr. Not true AI.

Kipsu
Human-assisted messaging. No AI.

Hijiffy
FAQ chatbot. European focus. Limited voice.

PolyAI
Voice only. \$2-8K/mo. No text/chat.

Canary
Workflow tool. Not conversational AI.

Oaky
Upsell only. Not a concierge.

San Diego: Our Launch Market.

650-700

Hotel Properties
STR/CoStar, SD County

60,000+

Hotel Rooms
STR/CoStar, SD County

\$4.2-4.8B

Annual Revenue
SD Tourism Authority 2024

69-72%

Occupancy (above nat'l avg)
STR, San Diego Market Report

\$195-215

ADR (21% above nat'l)
STR, San Diego Market Report

\$17.25+

Min. Wage (AI ROI stronger)
CA Dept of Industrial Relations

🇲🇽 Why Multilingual AI Is Critical Here

Mexico border proximity = significant Spanish-speaking guest traffic from Tijuana and Baja California. Korean and Japanese visitors from Pacific Rim. **~30% of San Diego hotel guests are international.**

🎯 Target: 250-300 Independent Hotels

50-250 rooms, ADR \$120+, owner-operated, no dedicated IT. Exactly our ICP. Many struggling with staffing in San Diego's tight labor market.

Key Submarkets

🏙️ Gaslamp / Downtown

🌴 Mission Bay / Pacific Beach

💎 La Jolla / UTC

🏨 Hotel Circle

🌴 Coronado

🌊 North County

🇲🇽 Chula Vista / South Bay

💰 San Diego AI ROI Example

100-room hotel, 70% occ, \$200 ADR = \$5.11M revenue

Total addressable waste: **\$608K/yr**

At \$3,500/mo AI cost, 15% recovery:

\$91,200/yr net gain = 117% ROI

(conservative estimate)

25 Key Statistics for Sales Conversations.

● PAINPOINTS

- 73.8% annual hotel turnover rate
- 74% of hotels understaffed in 2024
- \$4,500-6K to replace 1 front desk agent
- 27% of calls unanswered (peak)
- 45% of after-hours calls unanswered
- \$261B US hotel revenue 2024
- 18-20% avg OTA commission
- \$39-156K/yr lost from 5 missed calls/wk

● MARKET TIMING

- 68% of execs increasing AI spend in '25
- 73% say AI will transform hospitality
- \$3.9B → \$11.1B AI market by 2028
- 37% have AI — 63% don't yet
- 15-40% upsell revenue increase w/AI
- 50-70% calls resolved by voice AI
- 30-40% fewer no-shows w/AI
- 25% higher NPS w/AI messaging
- +0.2-0.4 TripAdvisor stars in 6 months

● AI IMPACT & ROI

- 75% of guests prefer text over phone
- 93% read reviews before booking
- 0.1-star increase = 0.89-1.42% ADR lift
- 44% more loyal if hotel remembers them
- 35-45% more spend from int'l guests
- <1 min response = 95% satisfaction
- 63% would use messaging if available
- \$326K/yr impact for 100-room hotel
- 580-1,250% ROI on AI investment



63% of hotels have no AI.

\$261 billion market. 56,000 properties. 73.8% turnover.
The window is now. The opportunity is massive.

Harun Tuncelli Director of Product

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580-1,250% ROI

140+ Languages

Live in 2-3 Weeks