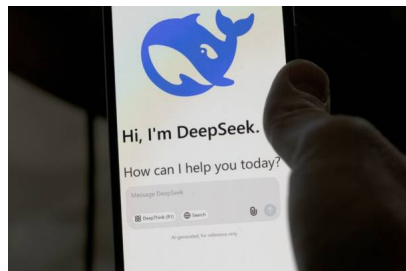# CHINESE ONLINE TRAVEL PLATFORMS ARE CONNECTED TO DEEPSEEK

DeepSeek has gained significant attention and is now making waves in the online travel industry. Last week, Fliggy launched its "AI Itinerary Assistant," which integrates with both DeepSeek and Tongyi Qianwen. In addition to Fliggy, several Chinese online travel platforms, including Tongcheng Travel and Mafengwo, have recently adopted DeepSeek to enhance their intelligent operations.

After integrating DeepSeek, these platforms have reported improved operational efficiency and reduced labor costs. However, with the widespread adoption of large models, the deep involvement of artificial intelligence in pricing, recommendations, and other processes may raise concerns. **These concerns include potential disputes over algorithm monopolies and increased costs associated with data security compliance.**

Within 1 Month, Three Platforms Will be Connected to the LLM

Since the beginning of this year, DeepSeek has gained widespread popularity across the Internet, sparking a wave of innovation in the tourism industry and promoting its digital transformation.

After a brief testing phase, Fliggy's "AI Itinerary Assistant" will soon be available to all users. Once launched, visitors can click "Ask" in the itinerary bar at the bottom of the Fliggy app to access this feature. The "AI Itinerary Assistant" is designed to quickly respond to tourists' needs, helping them find inspiration, plan itineraries, recommend activities, select products, and generate detailed, personalized travel plans. This dramatically reduces the time tourists spend collecting information and organizing their travel strategies. Fliggy emphasizes that the product goes beyond simple text-based questions and answers; it also generates a custom route map based on users' responses, allowing tourists to visualize their overall itinerary and modify it by adding or removing stops as needed.

Fliggy is not alone in its collaboration with DeepSeek; other Chinese online travel platforms, such as Mafengwo and Tongcheng Travel, are also connected to it. On February 12, Mafengwo announced that its self-developed artificial intelligence application is now officially integrated with the DeepSeek large model. The initial phase will focus on enhancing the AI application ecosystem for provincial and municipal scenic spots. Similarly, at the end of February, Tongcheng Travel revealed that its Tongcheng Heart Model will fully integrate into DeepSeek, aiming to provide tourists with more refined and intelligent decision-making services.

Leverage New Technologies to Reduce Costs and Increase Efficiency

What benefits can the application of new technologies, such as AI and large models, bring to Chinese online travel platforms?

Using AI, large models, and other technologies can significantly lower the labor costs for online travel platforms while enhancing operational efficiency. For instance, Ctrip's customer service system has improved thanks to the continuous AI technology development. Xiong Xing, Chief Operating Officer of Trip.com Group, stated that Ctrip has increased the automation of simple

service processes, leading to improved service efficiency. Currently, AI can handle 80% of the platform's customer inquiries.

Additionally, Tongcheng Travel noted in its third quarter of 2024 financial report that its AI-driven customer service system has been instrumental in boosting operational efficiency and significantly reducing the workload on human customer service representatives.

Experts note that in recent years, online travel platforms have increasingly adopted technologies such as artificial intelligence and large models to enhance various functions like search, recommendations, and customer service. These advancements aim to improve the customization of these services, boost decision-making efficiency, and elevate overall tourist satisfaction, thereby optimizing the travel experience.

Additionally, AI can automatically handle a significant volume of tourist inquiries, reducing the need for manual customer service and lowering costs. It also streamlines order processing and personalizes marketing strategies, improving operational efficiency. By leveraging these new technologies, online travel platforms can enhance their market appeal and increase customer retention and conversion rates.

Balancing Technology R&D and Cost Investment

According to the Ctrip annual results, the company's product research and development expenses for the fourth quarter of 2024 reached 3.4 billion yuan, reflecting a 16% increase compared to last year. This rise was primarily attributed to changes in personnel-related expenses within the product research and development department. For 2024, Ctrip's product research and development expenses totaled 13.1 billion yuan, marking an 8% increase year-on-year, accounting for 25% of the company's net operating income.

In Tongcheng's financial report for the third quarter of 2024, **service development expenses rose from $466 million in the third quarter of 2023 to $505 million in the third quarter of 2024.** This increase was primarily due to higher employee benefits expenses from a growing number of IT employees. As the company continues to invest in new technologies and products, the costs associated with product research and development may gradually increase.

As online travel platforms increasingly adopt new technologies, businesses will encounter new challenges. The widespread use of artificial intelligence in pricing and recommendations could result in monopolistic practices. Additionally, AI might adjust prices based on tourists' habits, leading to controversies such as "opaque pricing" and "big data exploitation." Furthermore, market competition may be imbalanced if a few dominant online travel platforms control the essential algorithms.

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