

DOMINATING LATECOMERS IN THE AI SPEAKER X LODGING SECTOR. WHAT TRADFIT ADVANCED FROM THE PROTOTYPE STAGE

BY YOSHIKI TODA, FOUNDER CEO OF TRADFIT CO., LTD.

TradFit offers a service for lodging facilities that utilizes AI speakers. By installing AI speakers equipped with a multilingual concierge chat system in guest rooms, the company aims to improve the satisfaction of visitors to Japan and the operational efficiency of lodging facilities.

The lodging industry requires a high level of customer service skills and must respond to the diverse requests of users 24 hours a day, making it one of the hardest jobs in the service industry, with a high turnover rate. The cost of human resources is also rising amid a chronic shortage of workers. Delays in response during busy hours can lead to complaints and improving operational efficiency has become a chronic issue in order to increase profits.

In developing the service, we thoroughly interviewed domestic and international travelers of all ages, from their 20s to 60s, as well as each department of lodging providers, to identify their challenges. Since inbound travel was booming in 2017 when the service was founded, the most cited issue by both visitors and accommodation providers was the language barrier.

Foreign visitors to Japan find it complicated to operate the remote controls for in-room TVs and air conditioning, or they want easy access to nearby restaurants and tourist information but cannot read Japanese pamphlets and find it difficult to communicate with staff. As a result, telephone inquiries have increased, and multilingual support has been difficult. In addition, we were facing difficulties in hiring and improving operational efficiency," said Toda.

In addition, home appliances in the guest rooms have been converted to IoT and equipped with functions that allow voice control of lighting, air conditioning, and other functions. The system is easy to use, not only for foreign visitors to Japan, but also for the elderly who

are unfamiliar with operating devices and children who cannot reach switches. Inquiries to the front desk, information on nearby facilities, and reservations can be made by touching the screen, voice, or chat.

Inquiries can be checked on the staff member's smartphone, allowing for efficient response by nearby staff in the hotel. The management screen can also be accessed from outside the lodging facility, making it possible to respond to inquiries remotely even when there are only a small number of staff on site. Furthermore, the accumulated usage data can be analyzed to identify needs at different times of the year, such as peak and off-peak periods, for marketing and business improvement purposes.

As an example, a lodging facility that has introduced this service to all of its guest rooms has seen the number of calls handled at the front desk cut in half, depending on the time of year. In addition, by analyzing data by customer segment and understanding the needs of each time of day, the company was able to respond to a smaller number of guests during busy times.

PCT APPLICATIONS HAVE BEEN FILED SINCE THE COMPANY'S INCEPTION, COVERING EUROPE, THE U.S., AND ASIA, AND THIS ADVANTAGE IS UTILIZED IN COLLABORATION AND OTHER ACTIVITIES.

As mentioned above, the needs identified through thorough interviews match with the operations at accommodation facilities, which tend to be complicated. The company's technology and intellectual property support these needs.

The company was one of the first Japanese start-ups to develop software for AI speakers, and in addition to its technological advantage, it has established barriers to entry by acquiring patents before implementing functions,

and it is using these patents to promote its intellectual property in press releases to encourage collaboration and other activities. The fact that these IP strategies have led to successful results is the reason why the company was selected for the Incentive Award in the 3rd IP BASE AWARD sponsored by the Ministry of Economy, Trade and Industry and the Japan Patent Office.

The company has focused on IP activities since its establishment, and as of June 2022 had filed approximately 40 patent applications in Japan and abroad, 11 of which have been registered. All of them are PCT applications, which covers not only the U.S. and Europe, but also Thailand, Singapore, Malaysia, the Philippines, and other Asian countries. The company is anticipating growing demand in Asia, where there are many resorts and a thriving tourism industry, but it is rare for such a drastic investment of funds to be made during the seed period.

WHEN I WAS IN THE INVESTMENT BANKING DIVISION OF NOMURA SECURITIES, I SAW MANY STARTUPS LOSE OUT TO LATECOMERS BECAUSE THEY DID NOT HAVE AN INTELLECTUAL PROPERTY STRATEGY IN PLACE. BASED ON THAT ORIGINAL EXPERIENCE, I TRY TO OBTAIN IP FIRST BY STEALTH AND SECURE A COMPETITIVE ADVANTAGE BEFORE PROCEEDING. ESPECIALLY OVERSEAS, WE REALIZE THAT WITHOUT IP, THERE IS A HIGH TENDENCY FOR USERS TO BE TAKEN OUT ALL AT ONCE," SAID TODA.

The scope of the patent is not limited to the lodging domain (not only hotels, but also inns, glamping hotels, private accommodations, real estate, etc.), but also includes hospitals, nursing homes, and welfare facilities, in anticipation of horizontal expansion into the healthcare domain, etc. The software on AI speakers installed in guest rooms is not the only target of protection, but also includes apps and browsers on devices such as TVs in guest rooms, as well as apps and browsers on smartphones and tablets owned by the users.

We are not targeting only lodging facilities from the beginning. For example, if it is introduced to hospitals



YOSHIKI TODA

and nursing care services, it will be possible to quickly contact care providers and receive appropriate treatment quickly by calling them with your voice instead of the conventional nurse call or telephone call, or even more than that.

VOICE USER INTERFACE (VUI) HAS ALL KINDS OF POSSIBILITIES. FOR EXAMPLE, WE EXPECT THAT DRIVING A CAR WILL BE TOUCHSCREEN AND VOICE-CONTROLLED IN THE FUTURE. ELDERLY AND VISUALLY IMPAIRED PEOPLE WHO HAVE DIFFICULTY USING A SMARTPHONE WILL BE ABLE TO OPERATE IT EASILY WITH THEIR VOICES. FURTHERMORE, IF YOU LOOK AROUND THE WORLD, THERE ARE MANY PEOPLE WHO CAN SPEAK BUT CANNOT READ. WE WOULD LIKE TO SOLVE SOCIAL ISSUES WHILE IMPROVING THE RELATIONSHIP BETWEEN JAPAN AND THE REST OF THE WORLD," SAID TODA.

Projects are already underway to introduce the system to hospitals and nursing care facilities, and inquiries from retailers, logistics companies, and overseas accommodation facilities are increasing rapidly. ACO

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