



VILLAGE  
GUIDE

# Industry Insights

## March 2023

In this month's edition of Industry Insights, we shine a light on the new AI tool everyone's talking about: ChatGPT.

We also look at the broader AI landscape and dive into how retirement village operators can utilise AI chatbots to improve their marketing and sales.

# What is ChatGPT and the technology it is based on?

ChatGPT is an Artificial Intelligence technology that can converse with people through text-based conversations. It uses a type of AI called “Natural Language Processing” (NLP) to understand the meaning of what people are saying and generate appropriate responses.

ChatGPT is a type of “chatbot” which means it’s programmed to respond to specific prompts or questions in a conversational manner. Unlike earlier chatbots that were limited to predefined responses, ChatGPT has been trained on a massive dataset of human language and can generate responses that are much more natural and human-like.

Since launching in late 2022, ChatGPT technology is already used in a wide range of applications such as customer service, virtual assistants, and educational tools. Its ability to understand and generate human-like language makes it a powerful tool for interacting with people in a more natural and intuitive way.

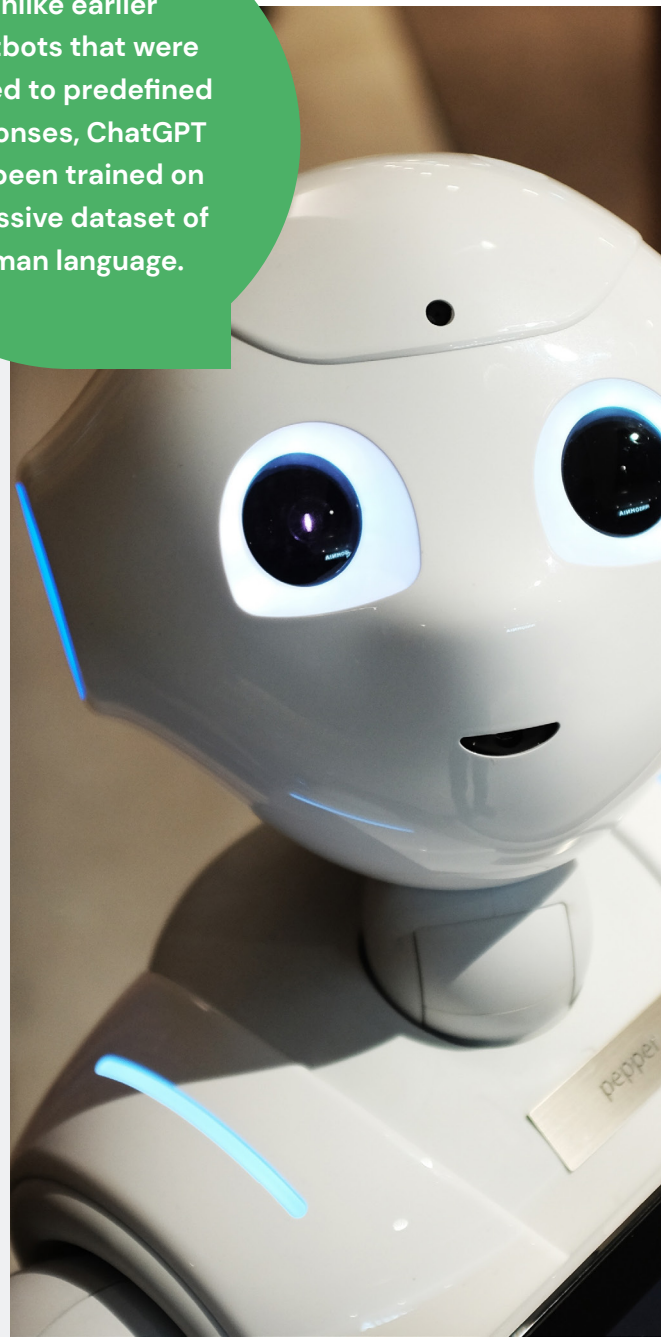
## Why is it important to embrace this technology?

Retirement village operators in New Zealand have a great opportunity to leverage AI-powered chatbot technology to streamline their operations, increase their marketing and sales output, and ultimately grow their business.

New Zealand’s high rate of internet usage and tech adoption make it a prime market for chatbot and AI technologies.

- 73% of New Zealanders expect customer service to be faster than it was five years ago.
- 58% of New Zealand consumers are willing to use AI to interact with businesses.
- AI is expected to add \$1.5 trillion to the global economy by 2030, and New Zealand is expected to see a 1.5% boost in GDP as a result.

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# How is ChatGPT different from Google search?

Google Search is a tool that retrieves information from the web by displaying web pages. On the other hand, ChatGPT generates responses based on its own knowledge.

When a user asks a question, ChatGPT provides an answer directly, while Google provides the user with web pages to browse and find their own answer.

For example, when a user enters a search query into Google, such as:

"What is a licence to occupy in a retirement village?"

Google's algorithm retrieves a list of relevant web pages based on factors such as keywords, relevance, and popularity. The search engine may also display a definition of the term above the search results, which is extracted from a web page that includes the exact text.

However, when a user asks the same question to ChatGPT, the AI language model uses its own knowledge and understanding to generate a unique response. This response is not limited to the exact text found on a single web page, but draws upon a range of information and data to provide a comprehensive answer tailored to the user's specific query.

As a result, the response provided by ChatGPT is likely to be more personalised, accurate, and informative compared to the results retrieved by a search engine. Below is a snippet of a 240 word response that ChatGPT generated for this question.



A licence to occupy in a retirement village is a legal agreement between a resident and the operator of a retirement village, which grants the resident the right to occupy a unit or villa within the village for a specified period of time. It is a type of occupancy agreement that is commonly used in retirement villages, particularly in Australia and New Zealand.



## How can retirement village operators use this advancing technology?

Paula Bishop, CEO of villageguide.co.nz says, *"The media has been creating hype about the possibility of technologies like ChatGPT replacing Google's search tool. It remains to be seen how search will evolve over the next 12 months, but there is no denying that a technological shift is happening. Within the retirement village industry, operators should be open to exploring this new technology, especially around opportunities to enhance engagement with both residents and those interested in learning more about their villages."*

Here's a few ways operators can use ChatGPT in their day-to-day business operations:

### Website content

Use ChatGPT to generate content ideas for the village's website or blog that is engaging and resonates with potential residents. The key is to prompt ChatGPT effectively to create content that resonates and showcases the benefits of living in the retirement village.

### Property listing descriptions

Within the wider real estate market, agents are quickly adopting ChatGPT to improve the process of writing property listings. By inputting property details such as location, size, style, and features, ChatGPT can generate high-quality descriptions. Village sales managers can also use this approach for marketing purposes, but the quality of output depends on the quality of the input. Better input results in better descriptions.

### Social media

Create engaging social media content that connects with the target audience. ChatGPT can help generate content ideas that are relevant and appealing to potential residents, such as lifestyle tips, community events, and resident stories.

### Website chatbot

Develop a chatbot for the village's website that can answer frequently asked questions and provide information about the retirement village. The chatbot can provide a personalised experience for visitors and help convert leads to the next step of visiting in person. Please note, developing a chatbot will require input from a reputable AI developer.

It is important to ensure that when it comes to content creation, AI is not used without some level of human interaction, oversight and input. When creating content using a tool like ChatGPT, be sure to revise and edit, personalise and add in your own references, thoughts and views to create meaningful and unique content.



As a real estate agent, one of the most time-consuming tasks is writing descriptions for property listings. ChatGPT has been a game-changer for me in this regard, as it can quickly generate compelling descriptions of homes based on a few key inputs."

**Anneke Kawau**, Co-owner & Managing Director, Ray White Invercargill