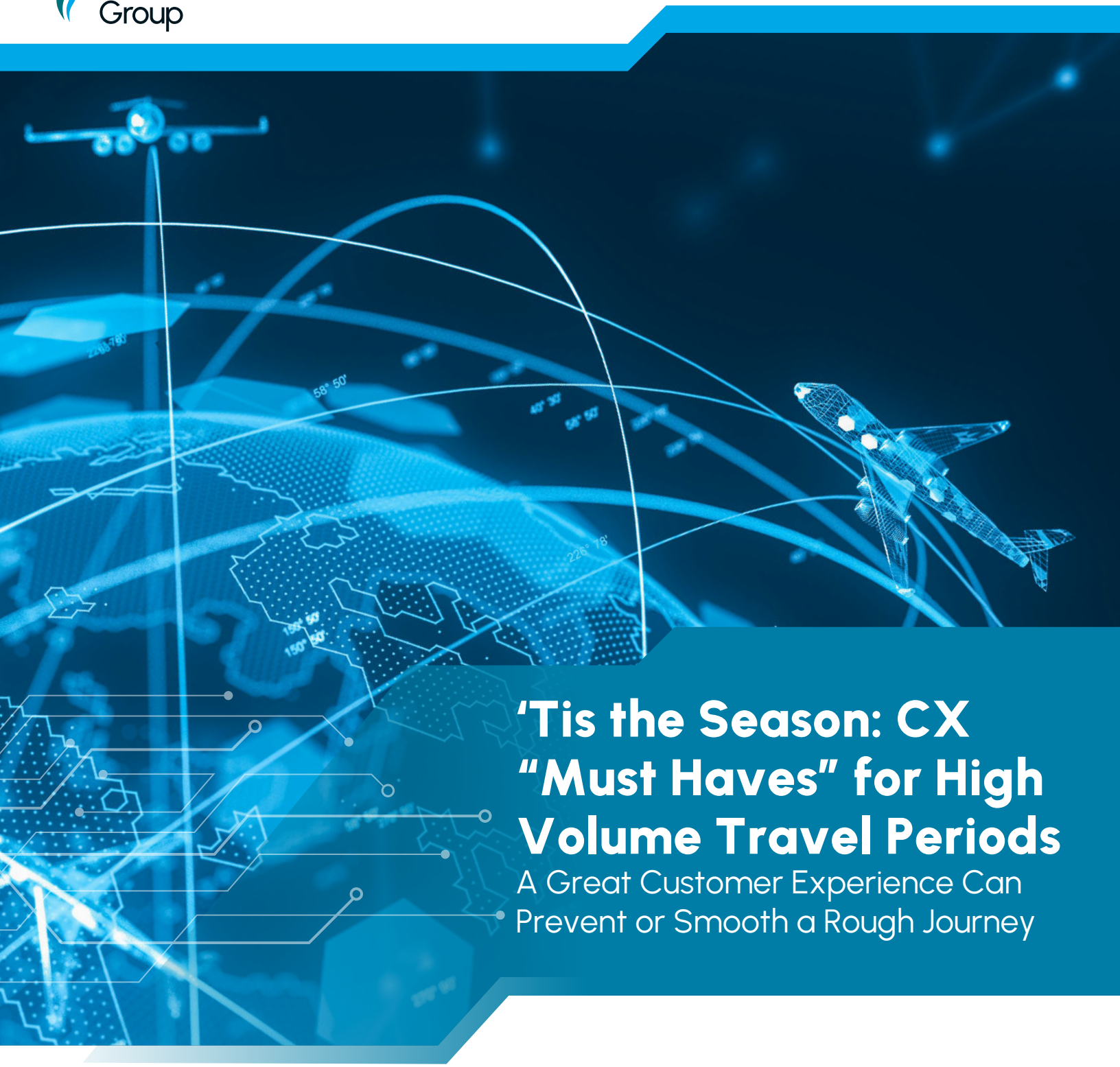
The Futurum Group



'Tis the Season: CX "Must Haves" for High Volume Travel Periods

A Great Customer Experience Can Prevent or Smooth a Rough Journey

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Market Description

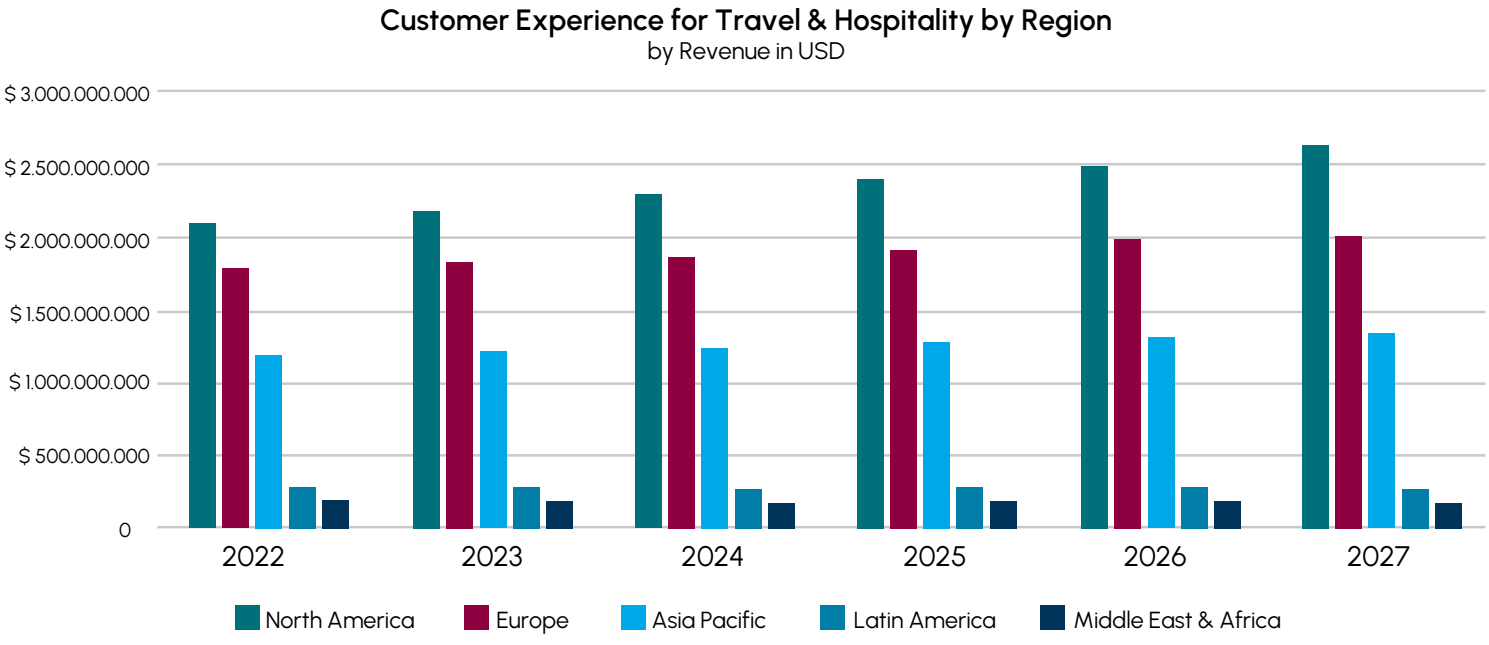
The customer journey of a traveler can be complicated and leverages many disparate technologies. The process of researching a trip via the wide variety of channels and third-party providers, booking, paying, moving through a transportation hub, and arriving at a destination of choice provides many opportunities to provide outstanding customer experience (CX) or fall short of expectations. Each touchpoint in that journey is an opportunity to build brand loyalty, trust, and positive emotion. A traveler's customer journey presents both a challenge and an opportunity for implementing CX technologies and services.

CX is often defined as the sum total of a customer's interactions with a product, brand, or service, encompassing all touchpoints pre, during, and post transaction. While providing good CX is important to every business and organization, as few customers will continue a relationship if they are treated poorly, the oftentimes personal, time-sensitive, and urgent nature of interactions between a traveler or guest and the companies that provide products and services to this sector makes implementing a strong CX strategy of critical importance.

Strong CX can be supported by many technologies and solutions, including those outlined in The Futurum Group's ecosystem, which include:

- **Contact Center**
- **Customer Relationship Management (CRM)**
- **Personalization and Optimization**
- **Customer Feedback/Voice of the Customer**
- **Customer Data Platform**
- **Customer Data and Analytics**
- **Employee Experience (EX)**

The Futurum Group has estimated that total revenue for CX technologies in the travel and hospitality sector will reach $5.9B in 2024 and grow to $6.6B by year-end 2027.



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Executive Summary

The travel and hospitality market, at its core, has been about the personal touch of experience. However, the industry has always needed to walk the line between internal operational and cost efficiencies and personal attention to the guest or traveler. The global pandemic exposed many outdated and inefficient travel-related technology stacks across all parts of the business, and in that time, many companies, particularly on the airline front, have simply had to focus on operational issues. To its credit, the market as a whole, including these airline carriers, hotel chains, and rental car companies, has been turning its attention to providing better CX.

However, there is still a disconnect between what consumers expect and what some travel and hospitality companies are capable of delivering due to market and labor shortage constraints. Many who traveled frequently through the season termed this past summer The Summer of My Discontent. Weather, scheduling, and operational issues plagued the busy travel season and caused a steamroller effect as people complained via word of mouth, social media, or whatever channel they could about lost luggage, missed events, and sleeping on cots at airports.

High-volume travel, particularly during a holiday, is an opportunity for those in the travel and hospitality sector to, at one end of the spectrum, exceed, surprise, and delight customers. But as things go awry during a travel journey, as they often do, there is still room for companies to keep the relationship as positive as possible for their customers with supporting CX technologies and strategies.

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Five CX "Must Haves" During High Volume Travel

Travel and hospitality companies should double-down on these five key areas to help smooth any friction points during the travel season:

- **Communication**
- **Omnichannel and self-service**
- **Feedback options and follow-up**
- **Personalization**
- **An eye on frontline EX and empathy**

Communication

Travel is one of those areas where overcommunication is not a bad thing, if it is relevant and being delivered with appropriate timing during a customer's journey. One of the biggest complaints of this past summer was simply not knowing what was happening with a delay, a missing bag, or any other change that could throw off a trip. Consumers felt transparency was low, and there was a loss of trust with travel brands.

Airlines and hotels need to lean into messaging and mobile apps both for outbound communications and inbound requests and questions. The best apps keep customers well informed throughout all points in their journey. These could include touchpoints such as flight timing updates, gate changes, baggage status, and room check-in readiness. When companies are not on top of sending out important information via travelers' preferred channels or do not give appropriate further instruction on next steps, they risk disgruntled customers who can amplify this negativity across social media and review sites. During times of high-volume travel, potential issues can come up quickly and customers must receive that information as soon as possible and with recommendations for next steps.

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Omnichannel and Self Service

The demand for omnichannel support and the option for self-service has greatly increased and evolved from factors such as staffing issues, consumer preference, and operational constraints. The nature of travel is, of course, moving, and there is an increasing amount of CX-related traffic on mobile apps and devices. Travelers could encounter friction along many touchpoints and in many locations. A customer service voice call might be disconnected while walking through an airport, and the traveler needs to turn to messaging. An incoming hotel guest might want further information on their room, need to make a reservation at a restaurant, or request an amenity upon arrival. A website, a mobile app, messaging, kiosks, social media, and voice or even a robot could all be used at certain interaction points.

Travel and hospitality companies need to be adept at offering omnichannel solutions and at making the transition among channels seamless. I was recently on my colleague's podcast where we discussed the need for customers to be able to reach a company on their chosen channel at their preferred time. This need is particularly important during travel and, of course, in the customer's point of view, even more important during times of high stress.

It has been an industry challenge to handle large spikes in the volume of support requests during staffing shortages or high travel periods as well as properly staff during the quieter periods. The offering of self-service provides operational efficiencies for this ebb and flow and keeps the customer moving along in their journey for resolution. And customers are not only open to it but seeking it. Lufthansa has stated that during a 3-month period over the summer, almost 150,000 customers completed their rebooking independently. Further, 81% of customers are using digital check-in options, and more than 80% of all refunds are fully or partially automated.

United Airlines, which received a lot of criticism for operational issues over the summer, has introduced a new self-service tool that allows customers to rebook flights and receive the appropriate vouchers when flight delays or cancellations occur, cutting down the long lines at customer service desks and phone wait times. Work was done on this in-app feature when research determined that almost 50% of customers went to the app or united.com to rectify problems on their own.

However, self-service must follow the gold standard requirement of being able to quickly and easily transition to a different channel and reach a live agent if needed. And when that hand-off happens, customers do not want to have to repeat their basic information, re-explain, or wait long periods of time for resolution. Bots and virtual assistants can help automate tasks and pre-gather basic information, such as name, location, and itinerary number, allowing for higher agent productivity during busy times. Having multiple touchpoints in place where travelers can have an interaction on their own terms while providing operational efficiencies so that contact center employees, airport staff, and hotel employees can focus on larger issues should be a non-negotiable offering.

Feedback Options and Follow-Up

The implementation of feedback systems to receive and resolve issues in real-time is another way companies can remove friction and potentially turn around negative interactions along the course of the customer journey. High-volume travel times can really expose the cracks in what, under normal circumstance, might be good CX. If customers want a view into how a customer journey is going, or went, multiple opportunities for feedback should be offered via a variety of channels.

Hotels, in particular, can employ a more frequent and personalized feedback strategy. Having small and timely feedback check-ins add up to a smoother experience as long as they are not obtrusive and interruptive to the experience. Additionally, tracking these interactions and inquiries lays the groundwork for a more personalized experience during a traveler's next flight or hotel stay.

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Personalization

During periods of high-volume travel, it is easy for a traveler to feel a bit like cargo as they travel on buses or trains or are just one of a crowd as they stay in a fully booked hotel. A good way for travel and hospitality companies to distinguish the experience offered to their customers is with personalization. Consumers want more tailored experiences, and travel is no exception.

Customer data and analytics and the use of customer data platforms (CDPs) to consolidate, organize, and clean vast amounts of data from a variety of sources assists in the quest to have one holistic view of a traveling customer. This view is especially important in this sector when global hospitality companies have multiple brands through which a single customer might pass. Analytics of customer behaviors, preferences, and purchasing decisions can be used for customer segmentation, journey optimization, and enhanced digital experiences. Personalization can lead to increased satisfaction, brand loyalty, and those moments of delight during a travel experience that a customer will share in a positive way.

Personalization strategies could range from more personalized digital experiences with airline carriers, such as Delta's Delta Sync on Demand, to hotels such as Radisson Hotel Group offering localized experiences to their guests. A growing number of generative AI-based virtual travel assistants are already being included in travel apps (such as this one in the Expedia app). We can expect to see many more types of AI-supported personal concierge technologies.

An Eye on Frontline EX and Empathy

Strong EX results in strong CX across all industry segments, but perhaps with not such an obvious causal relationship as in the travel and hospitality industry. Supporting the frontline EX is one of the most critical must haves. Always. And particularly during stressful, high-volume travel periods. The potential for burnout is strong for frontline workers interacting with busy, stressed out travelers. Turnover is costly and detrimental to operations.

Many of the same factors that are needed for good CX are also applicable to frontline workers including:

- **Making sure their voices are heard through strong employee feedback/voice of the employee programs**
- **Using technologies that will make their jobs and customer interactions easier**
- **Showing appreciation**

With the considerable ramp up in technology to help smooth customer interactions, particularly in areas such as contact center solutions, training and reskilling must follow. And of course, empathy. For both travelers and the employees supporting them. Empathy is important across the board, and there have been many tools and technologies developed for contact center agents to become more aware of the sentiment they might be projecting and get in-the-moment guidance and personalized coaching. For those who are interacting with customers in person, the need for strong training, skills development, and a relevant and timely feedback cadence come into play.

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Conclusion

These five must haves scratch the surface of all the factors that should go into providing great CX for travelers along the journey. A multitude of other factors and supporting technologies can all contribute to positive CX. Some are bright and shiny, like swanky, updated airport lounges, while others are more behind the scenes such as expedited baggage handling. Many solutions are being rolled out that will also help to support improved travel experiences such as those that keep people moving through airports quickly, including biometrics and ID technologies and virtual line solutions; robots for wayfinding, delivery, and cleaning; the use of augmented reality (AR) and virtual reality (VR) to pick destinations or hotel rooms; and of course, solutions that offer much improved digital experience.

However, during times of high-volume travel when both operational systems and employees are under stress, focusing on the core tenets of communication and transparency; welcoming and acting on feedback; giving customers multiple options for service, support, and interaction; providing a more customized and personalized experience; and supporting frontline workers will help avoid or smooth small and large friction points along the way.

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