Travel in the Digital Age

Customers want what they want, when they want it, and how they want it

Contents

2 Optimizing digital channels

2 Leverage big data

3 Transform your ecosystem

7 Issues businesses face in moving to omni-channel

8 Summary

9 About the author

Are you embracing and leveraging all channels to deliver a superior customer experience? With the speed of consumer adoption of the internet and more recently the smartphone revolution, companies are currently faced with a new challenge. Customer service in the travel industry used to mean a face-to-face conversation or a phone call with a customer who wanted to make a reservation. The only information a travel service provider knew about their customers was the name, address, and telephone number. Now customers have their choice of options, and your company has multiple opportunities to gather important information about your customers' needs.

More and more, companies have been adopting multiple channels for communicating with their customers. Companies should holistically engage in all service channels to meet the needs of customers in whichever specific channels of communications they prefer. These new channels offer an abundance of valuable data, opportunities to manage costs and increase sales, and most importantly, the chance to significantly increase the value of every customer interaction.

This paper will introduce and discuss how to enable these technologies to drive business outcomes. We will also touch on the advantages and disadvantages of each of these customer engagement channels.

Optimizing digital channels

Customer expectations of channels of communication are driven by several different factors:

- **Convenience and ease of use:** Every customer looks for this, and some channels may be seen as more convenient for different types of interactions for their travel needs.
- **Speed of resolution:** Varies by type and purpose of interaction. Not every interaction requires an instant answer. Evaluating customer expectations can help you prioritize.
- **Type and complexity of transaction:** The complexity of transaction determines which channel a customer prefers to use. For simple ones they prefer self-serve options while for more complex ones they prefer a human interface.
- **Need for human interface:** This varies by age, access, and individual comfort level with technology.
- **Personalization:** Customers have a need to feel understood and treated as individuals.

In addition to customer expectations, consider customer interface channels from an organizational perspective. It is vital to understand these factors to balance customer expectations with organizational priorities.

- **Cost of service and ease of use:** While not every transaction is best conducted on self-service channels like web, Interactive Voice Response, and kiosks, these channels are more cost effective. Making these channels easier to use will help drive costs down.
- **Potential to generate additional revenue:** Increasing interactions also increases the ability for additional revenue. Certain channels, and when used in combination to complement each other, lend themselves to higher conversion rates.
- **Engagement and Reach:** Maintaining brand awareness and connecting with your customers helps keep them loyal.

By using the above framework, travel companies can develop an integrated customer communication strategy for their business that can help them deliver superior customer service, customer loyalty, enhanced revenue and lower costs.

It is **vital to understand** these factors to balance **customer expectations** with **organizational priorities**.

Leverage big data

All these channels put together have an abundance of data. With advancements in "big data" and analytics techniques, this data can be utilized in several innovative ways. Data captured in these channels coupled with demographic and historical data can help improve customer insights, product and service development, market segmentation and targeting, and competitor and business insights. You can also leverage this data for customer service improvement, acquisition, and retention strategies. Using the right tools for integrating, analyzing, and deriving actionable insights from this data will enhance the value of all your digital channels.

Many companies engage with business services providers to guide them on this complex path. A high-value business services provider can mine the data through expertise in text, speech, structured and unstructured analytics. This insight will help you understand your customers' needs—both met and unmet—and provide better product and service offerings as a result.

Transform your ecosystem

Travel companies can differentiate themselves by the interplay of channels they use to complement each other. More importantly, by seamlessly integrating these channels in a single omni-channel customer view can transform your customers' experience. You can track your customer interactions across all channels in one single integrated customer view. This gives your customers a feeling of being cared for and understood no matter which channel they use to connect with your brand. Omni-channel also means driving consistency in messaging and culture to give the customer the feeling that all channels are inter-connected. It also significantly enhances the quality of data you have access to and your ability to analyze it for customer and business insights to maximize value for your business.

Several industry reports have cited benefits of integrating the communications channels in an omni-channel way. Businesses that integrated their channels of communication in an omni-channel approach had significantly better customer retention, profit margins, and customer lifetime value.

To accomplish this, you need to understand the different service channels. You need to understand their advantages and drawbacks. We'll start with one of the oldest and still most prominent channels of communication, the telephone.

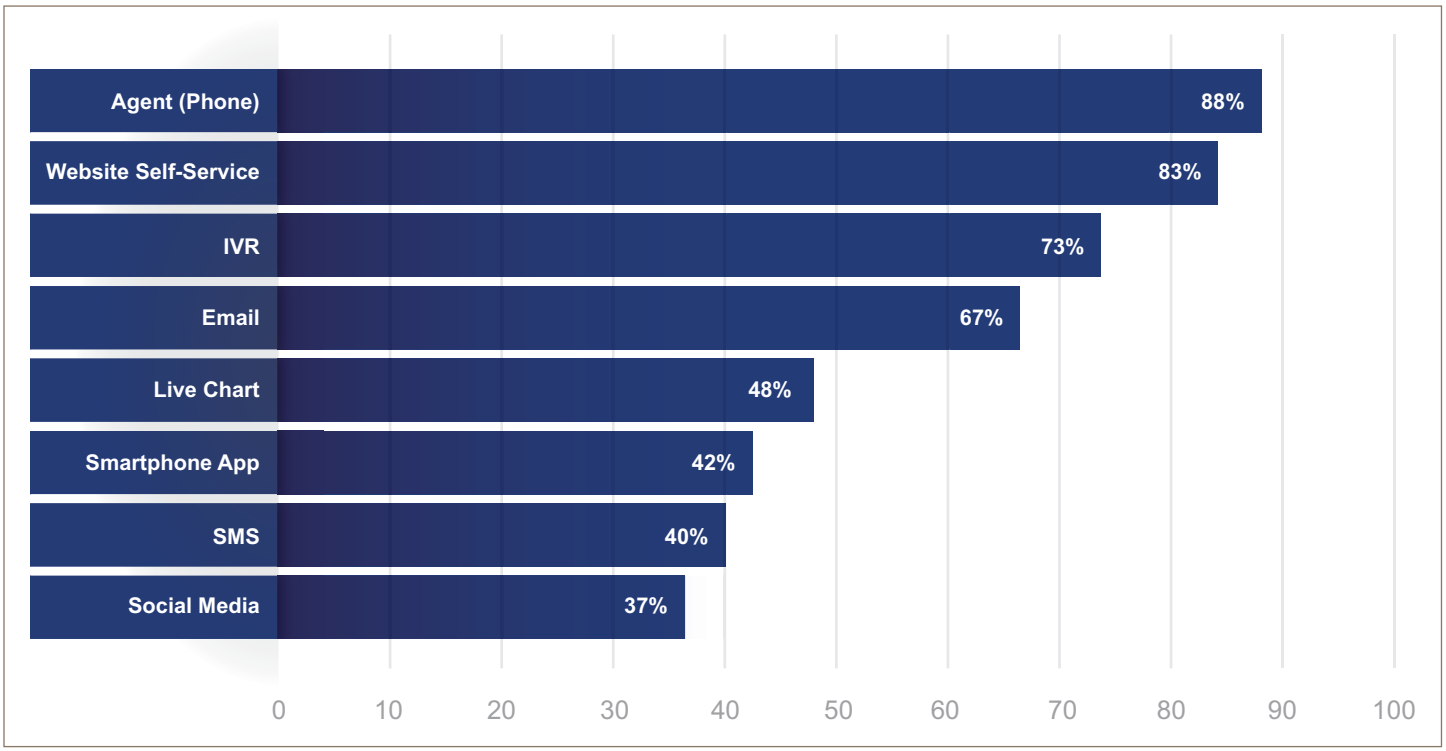


Figure 1: Most-used customer service channels, showing the percentage of survey respondants aged 18-65 using channel. (Source: NICE Systems, June 2014)

Voice—the sound of it is still best

While a declining channel of communication, voice continues to be the largest channel, best for complex transactions and tech-phobic people. Voice still tops in terms of the comfort a customer gets by having a human at the other end of the line.

Voice has the advantage of faster resolution times than other channels, and remains superior for complex transactions like multi-leg journeys, vacation planning, changing reservations, addressing schedule changes during irregular operations, technical support for self-service channels, and special requests.

Voice does have the issue of long wait times when call volumes are high, especially during seasonal peaks, bad weather conditions, or irregular operations. Giving the option for customers to schedule a call back instead gives them peace of mind and helps reduce repeat calling behavior. It further helps weed out customers with non-urgent issues while still giving them the feeling that they are important to the company and we value their time. Additionally, IVR technology, if organized well, can increase self-serve and reduce costs. It can also help further improve resolution time by getting to the right representative who can best help resolve the issues.

Voice is also a great medium to enable upsell and cross-sell. It has the unique ability to be a push vs. a pull approach to selling with high conversion rates if done appropriately. Our experience in enabling analytics technology in the call center for some of our clients has shown that adding real-time context-driven predictive analytics can help agent performance, improving conversion rates by 20% or more.

Voice continues to be the **largest channel**, and best for complex transactions and **tech-phobic people**.

Web—self service works for me

Not all people feel the need for a human interface for transactions like making a simple reservation, or checking on availability and prices of flights. Increasingly, customers prefer to use the self-service channels on the web on travel company websites or online travel agents and other travel websites.

Websites need to be designed with the customer in mind. Customers seek easy access to relevant information, end-to-end journey options, and speed of completing a transaction with minimal clicks and hoops to go through. They are not interested in fine print; they want transparent pricing.

Web analytics and design tools can help improve this experience. Using the information that customers enter about the journey, (their demographics like age, family size, and purpose of trip,) allows you to personalize information, offers, and promotions to their travel plans. This not only enhances the customer experience but also increases revenue potential for the company through context based targeting.

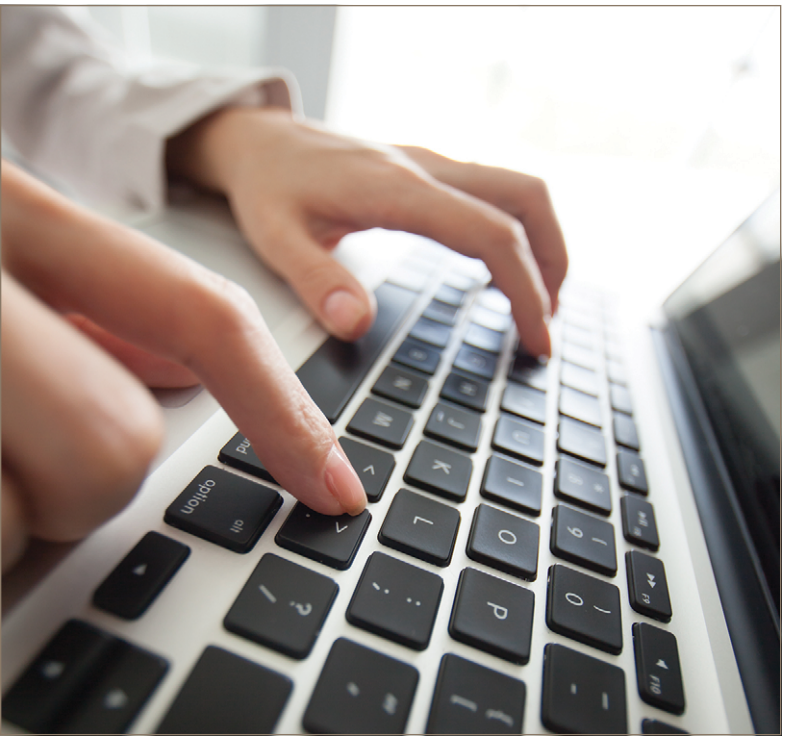
Websites have proved increasingly popular with customers, especially for simple transactions. The drawback is the lack of personal contact and lack of control over booking abandon rates. One option to increase the human touch on your website is to include social media feeds about reviews and feedback from other customers. Another option to bridge the impersonal gap is the use of “click to call” to transfer customers to a voice line, “click to chat,” or even better, proactive chat, in which the agent initiates the chat conversation.

Chat—human support can lower costs

Chat is an option that has been around for several years now, though not all companies have effectively integrated this into their customer engagement strategy. If implemented right, chat can lower costs, give a human interface to the customers, and can help provide a push for driving sales on your websites.

Chat costs are less than half of the cost of voice since a live person can manage multiple chat sessions with different customers simultaneously. Most travel companies have a high dependence on sales through their online channel. Proactive chat can help provide support when customers have been lingering too long on a website. Abandon rates on the website go down significantly with proactive chat, making this a strong ROI for most travel companies.

Integrating chat into a mobile app is another avenue of customer engagement which travel and other B2C companies should consider. It eliminates the need to wade through complex Interactive Voice Response systems and wait queues on the phone and provides a channel for quick queries and fast resolution rates.



Video chat—a high touch customer experience

Video chat, an emerging channel of communication, is the next best thing to face-to-face interaction and promises to provide customers with a high touch and superior customer experience. In one-way video chat, the customer is speaking to a live agent they can see. In two-way, the agent can also see the customer.

Declining bandwidth costs and improvement in streaming video technologies promise an increase in video chat adoption rates. Some travel companies have already been using this channel, such as one of the leading car rental companies and a leading retailer. The high cost remains a barrier to others, and not just for technological issues. It's also demanding on the agents, who need not just spoken skills but also training in non-verbal and facial cues. Video chat has been seen to deliver higher conversion rates in revenue generation through upsell/cross-sell and also delivers superior customer experience. This channel will see higher adoption rates in airport kiosks, remote or hotel locations, and integration with website or mobile apps and tablets.

Email—for those non-urgent issues

This channel is good for sending travel updates, exchanging required documents, or addressing non-urgent queries. Email turn-around times for query resolution have usually been longer and resolution rates slower than voice or chat channels. Managing customer expectations on turn-around times and keeping customers informed about progress is important for keeping customers happy.

To deliver superior customer service on the email channel, prioritize it for the appropriate type of transactions. For example: updating missed miles (which requires supporting documentation) or claims processing for lost baggage or refunds.

Email used to be the primary channel for compliments or complaints about a brand, product, or service, but this sort of feedback is increasingly shifting to social media.

Social—managing your company's reputation

You may not realize it but you and your customers are already using this more than ever. As per World Travel Monitor, IPK International 2013, more than 50% of travelers are using social media in some way to influence their decision about their next vacation destination.

Customers look at beautiful pictures of people on vacation, reviews, and tweets about the locations they visited or hotels/resorts they stayed at. They also see complaints and bad experiences consumers have had on airlines or hotels, or their travel or booking experience. All these inputs influence your customers and potential customers. Managing your company's reputation and keeping an eye on social media is an imperative that travel companies and other B2C companies cannot neglect.

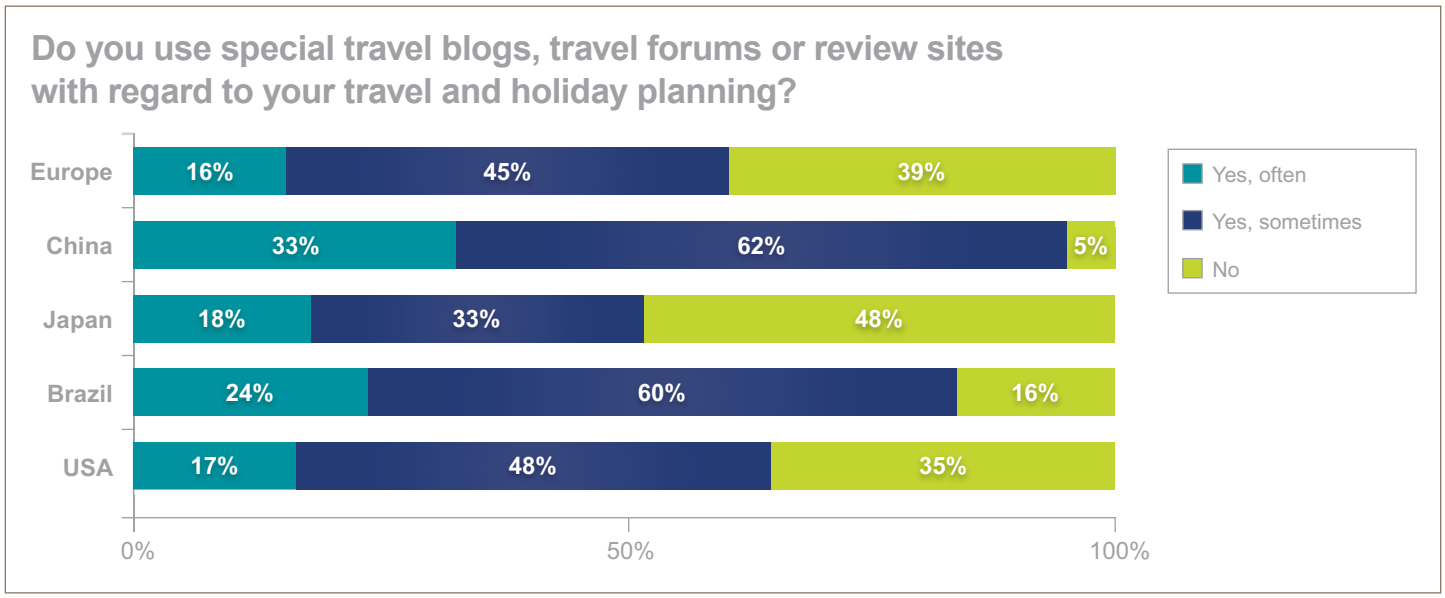


Figure 2: Do you use special travel blogs, travel forums or review sites with regard to your travel and holiday planning? (Source: IPK International)

Customers have also embraced social media as a place to voice their complaints and highlight their experiences with the brand, product, or company. Based on a research published by Edison Research, 42% of respondents complaining on social media expect a 60 minute response time.

Social media is the least understood channel but the most influential, with the potential to make a high impact. Some companies use this for demand generation and driving awareness of product/service offerings. But social media can also be a great tool for customer service. Understanding the nuances will help you successfully integrate this into your customer ecosystem. For example, certain sites like Twitter are used for pre-trip and day-of travel issues while other sites like Facebook are used more for voicing their feedback—good or bad, sharing experiences, and seeking answers.

Companies must organize themselves horizontally, to cut across departmental and functional silos. Customer queries and concerns may be related to any portion of your company or product and require access to these groups to be able to address customer queries quickly and effectively.

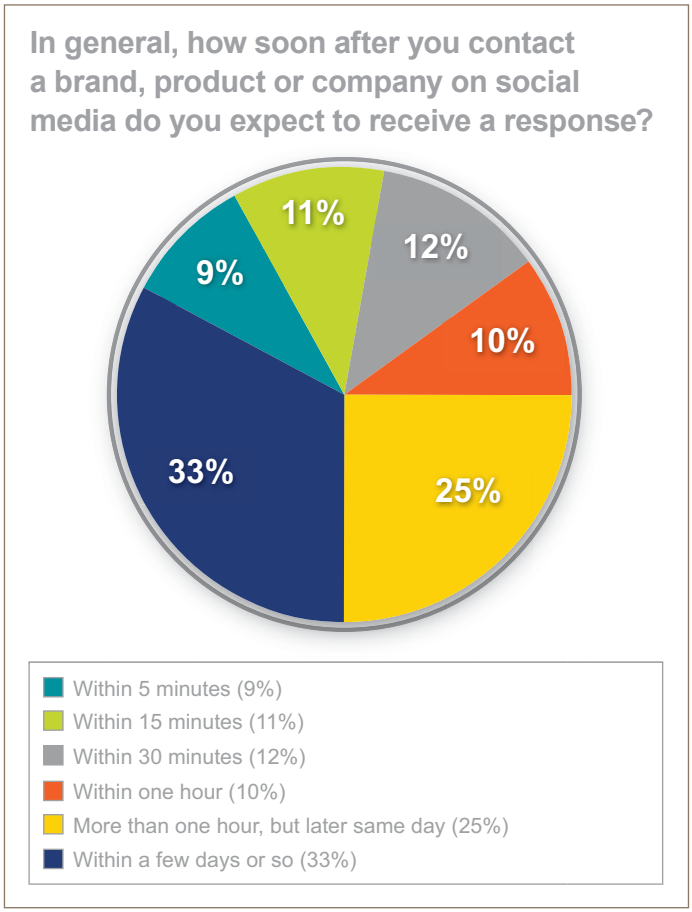


Figure 3: Most who use social media for customer service expect a very quick response. (Source: Edison Research, 2012)

Social media allows travel companies to reach the right audience and build a community around common themes. Influencing customers and getting instant feedback has never been easier. It is, however, a double-edged sword, as things can get out of hand and potentially damage the brand. Constant monitoring of the social ecosystem is imperative for reputation management.

Some companies respond passively to customer interactions while others actively direct customers towards an emotional connection with their brand. This channel is unique in its ability to drive engagement levels, build a community, and crowdsource support.

Mobile—a one-to-one personalized experience

Mobile sites and apps are a unique way to identify your customers, track their likes and dislikes, and provide customized offers and a personalized experience. Travel companies are racing to develop mobile apps that customers adopt and stick with. Mobile apps have re-ignited the race for mind and timeshare of customers.

Mobile apps have the unique ability to engage with your customers on a one-to-one, personalized basis. Coupled with features that incorporate location-based services, mobile payments, and a record of individual preferences, this channel has a huge potential for companies to enhance customer service, engagement, brand connection, brand loyalty, and increased revenue opportunities.

Issues businesses face in moving to omni-channel

Most travel companies are using two or more channels of communication, which can be classified into various levels of maturity.

1. Utilizing the channels of communication as disparate channels made available to customers
2. Optimizing these multiple channels by transaction type from a framework of customer expectations and organizational priorities
3. Leveraging the interplay of these multiple channels of communication to complement each other
4. And at the highest, taking the integration to a level where they deliver an omni-channel experience to their customers

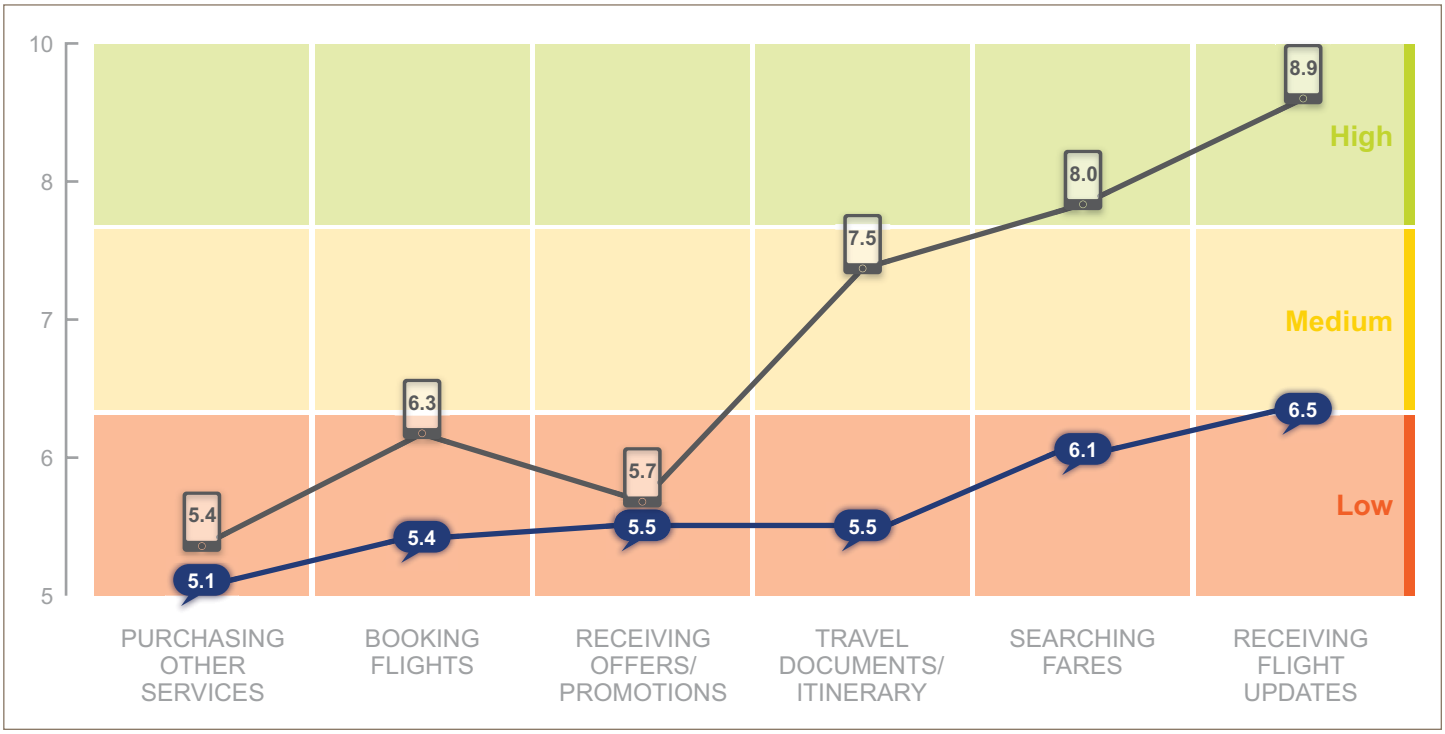


Figure 4: Mobile vs Social attractiveness for various travel related transactions is captured in the figure above. (Source: SITA)

As per World Travel Monitor, IPK International 2013, **more than 50% of travelers** are using social media in some way to **influence their decisions** about their next vacation destination.

What problems do companies face in moving to omni-channel? Travel and other B2C companies cite issues like legacy systems, limitations of their applications to talk to each other, effort and investment involved in integration, lack of understanding, and the evolving nature of the new channels of communication.

It doesn't have to be so complicated! Omni-channel can be achieved by varying degrees of integration with your current systems. Companies may also take a phased approach to integration and go one channel at a time.

An experienced partner with the depth and breadth of experience can work in a collaborative manner and take a problem solving approach to addressing these issues customized for your unique situation. The benefits of seeking expert help far outweigh the costs and help differentiate you in this competitive marketplace.

Summary

In the Digital Age, companies have many different options to inform, interact with, and influence their customers. Companies need to understand the strengths, weaknesses, and opportunities of these channels. They should map out the broad nature and purpose of possible interactions across the entire journey map (from pre-booking to post journey follow up) and evaluate it from a customer expectation and organizational priorities perspective. Doing this will help customers meet and exceed customer expectations while balancing organizational priorities. Leveraging these channels for the data they can provide, and transforming these interactions into an omni-channel experience will promote the best quality customer care.

Engaging with a top ten, high-value services provider can help you navigate the complexities of the customer channel ecosystem. Concentrix has deep domain expertise in the travel and transportation industries, provides transformational solutions, and can engage with you to holistically manage your customer needs.

About the author

Ashish Khullar works in account management and sales and has experience in working with clients in the Travel, Tourism and Transportation vertical for Concentrix. He has solid background in Customer Relationship Management (CRM), business process outsourcing (BPO), business strategy, finance, information technology and business analytics for a variety of firms including IBM, Tata Group, and Dresdner Bank. He has also received numerous awards for his managerial expertise, including Global IBM NextGen Leadership Award, Gallup Best Manager Award, and several other awards for leadership and innovation.

For more information

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