Executive summary

The travel industry can utilize the pandemic induced slump to rethink its customer service operations to get closer to customers. Redesigning this human capital heavy function and augmenting with digital tools the likes of Infosys Cortex2, Google CCAI-DialogFlow, and AWS Connect and changing channel strategy to route more calls to AI-enabled services is key to winning over the customer once the storm settles. In doing so travel providers can increase their cross-sell and upsell opportunities with the help of self-learning virtual agents.
The COVID-19 pandemic has unleashed a colossal impact on travel and hospitality. The drop in demand and revenues, job losses, and uncertainty of recovery, not only affected the travel industry but all industry supply chains catering to travel and hospitality players. While many smaller players found it hard to survive, major organizations took steps to consolidate operations and explore cost reduction initiatives. As the pandemic spread and the threat of virus cut down travel demand almost to zero, organizations found themselves unprepared for making quick changes to protect their customers and employees. The struggles were largely due to dated rigid legacy models that were not designed to be agile or fast to roll out new frameworks to mitigate the impact.

As the lockdown continued, organizations started looking at innovative ways to bring back the demand. Several organizations began to accelerate their hygiene initiatives, hotels, airlines and cruises fitted high capacity HEPA filters, increased sanitation procedures, accelerated efforts for contactless boarding, contactless purchases, etc. spurring innovation that touches many parts of the travel lifecycle.

Mature organizations quickly realized that while the demand may be low, they can take advantage of this lull to modernize and transform their key functions, reduce their tech debt, and become more agile. While many organizations put their key projects on pause, some of them have been focused on leveraging the downtime to rethink processes and old systems. A key example is in the area of customer services – where organizations generally depend on agents to help customers with looking up their trips, booking tickets, changing reservations, processing refunds, etc. over the phone. The customer service function in this industry still depends disproportionately on human skills to manage processes across the travel lifecycle. The traditional approach is capital-intensive involving significant hiring, training, and reskilling costs. When the pandemic hit and airports came to a standstill, customers were waiting for hours on hold to get answers for basic requests spanning from cancellations to flight status; their issues necessarily were not getting resolved. A survey commissioned by TalkTo found that an average American spends around 13 hours/year on hold to get their issues resolved; we can only imagine how much this number would have spiked during the pandemic, leading to a backlog of customer issues at the hands of customer service agents. Customers faced immense issues regarding cancellations and refunds for which they had to make multiple calls.
A silver lining in digital technology

Travel and hospitality organizations need to explore transforming their customer support process because that is where the customer trust re-building will begin and make an enormous difference in the long run. The exponential growth of digital consumers and the opportunity cost of technology adoption allow the travel business to integrate deeply with a digital ecosystem, facilitating a higher degree of automation and self-service. Research has shown an increased desire for proactive, transparent communication about sanitation, flexibility of travel, travel updates, cancellations and travel policy, etc. In the spirit of better service amidst a changing demographic, travel providers can take this opportunity to pivot their customer service operations to leverage more digital. Reimagining the customer support process using a suite of digital technologies that replace/augment human intervention with smart workflows can deliver superior customer service. Firms can realize quick business value with a reduction in TCO, boost in agent productivity, improvement in CSAT scores, and quicker resolution. As the new generation of digitally equipped social media savvy millennials begin to make up a larger percentage of travelers, only travel providers with the best customer service and quick real-time information will gain wallet share and loyalty.

An ecosystem to engage and retain digital consumers

With the advent of translation technology services and a dramatic increase in NLP technologies, enterprises can provide proactive customer service across channels by transforming their front desk and contact center operations with a suite of digital technologies. Artificial intelligence (AI) empowers digital-savvy travelers to resolve queries using conversational self-service across the travel cycle. In the event of an issue being unresolved, the virtual agent escalates it with a seamless handoff to a human agent based on the degree of complexity. Machine learning (ML) tools train bots to navigate travel-specific issues and resolve them as much as possible without human intervention. Firms can use the downturn and corresponding reduction in customer support volume to change the channel strategy and move more calls through these engines so that virtual agents can solve it for them. Many technology players have introduced such products in the market - Infosys Cortex2, Google CCAI, AWS connect, etc. are leading examples. This is an opportune time for travel providers to implement such solutions while the demand is slow and can be scaled up as the industry starts to recover. This will result not only in higher customer satisfaction but also reduce the demand on customer services agents, boost agent performance, and satisfaction. Another upside to this model is that the virtual agents can be trained using self-learning algorithms to cross-sell and upsell hyper-personalized offers thus increasing the ROI on the customer service operations transformation initiatives.

Need for an ‘Elastic’ customer service platform for Travel & Hospitality

Travel service providers should be equipped with an ‘elastic’ yet consistent customer service offering. So that when demand for customer services peaks, for instance, during the travel season, or is disrupted as at the beginning of the pandemic, travelers can receive updates and information on changing travel procedures. The speed and clarity of responses to customer queries during a period of uncertainty has an immense effect on customer satisfaction. If not done right, feedback can end up on social media and tarnish a brand’s reputation. At the same time, the low-travel period like during the off-season, pandemic, or during a travel restriction, can reduce the demand for customer service drastically. The need thus is for a flexible customer service model combined with human and digital technologies supported by AI/ML algorithms. Apart from customer delight, this model can also ensure the customer service team is of the right size.
Conclusion

The travel and hospitality industry needs to respond to disruption with digital technology that understands the nuances of travel and automates customer service. Enterprises need to embed smart and intuitive technology that helps travelers serve themselves. This is an opportune time for travel providers to leverage this slump to infuse and arm their customer service agents with digital technology so they can be prepared to connect, serve and sell; virtually and on-call for when the demand returns.

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