

The Direction of Travel

What does the customer demand from the travel company of the future?

With consumers continually seeking the ultimate travel experience and many companies not able to deliver to their expectations, we asked ourselves what is the impact this is having on the travel sector and therefore what does the travel company of the future look like. Through research, interviews with travel industry leaders and our own consumer focused expertise we have developed a vision for the end-to-end customer journey. Imagine a company that knows who you are, what you like and provides a seamless, personalised customer experience... this is the ultimate direction of travel!

We initially started this research due to our own experiences of booking and going on holiday having been fairly uninspiring and very disjointed. Research by Thomas Cook shows that 70% of customers want a relationship with them that goes beyond just booking and paying and seamlessly supports them throughout their entire trip – we’ve struggled to find good examples of this!

There is a lack of inspiration provided by travel companies and even when you find what you want it is extremely difficult to tailor the trip and book your dream holiday. During store visits we found that staff lack knowledge and stores are generally bland places to be and when you are actually on your holiday you get very little help or advice.

Also, as a customer you are very quickly forgotten about, especially if there is a problem - this is backed up by a survey carried out by a Eptica which said that travel companies successfully responded to just 30% of customers’ email questions.

How can this whole experience be made much easier and more enjoyable for the customer?

What customers want - the vision

A holiday is one of the biggest single purchases a consumer will make in a year and therefore they want it to be a great experience at every step. The overriding need for customers is that things are just easier and more personalised. Research by E-strategy shows that companies who are offering a personalised online experience are seeing an average of 19% uplift in sales which could indicate that investing in this area will provide a great return.

It starts with inspiration. We all need great relevant content and ideas to help us decide on our destination. This should be like having Conde Nast Traveller content – truly engaging and inspiring. Blogs are becoming a more common avenue for inspiration but our research suggests that customers want to be able to book elements of the blogs or reviews of other holidaymakers’ past trips in a single click. Wouldn’t it be great if your chosen holiday company provided you with relevant content that you could simply click ‘add to basket’ ready to further tailor.

Booking is another key component on the customer journey. We envisage that customers should be able to use a few dynamic, personalised tools on the website or app to fine-tune their holiday to their exact requirements. Perhaps your needs are based around location, temperature, and local cuisine, the website could then provide a mechanism, maybe sliders, that allow you to filter to provide you with tailor-made options.

There is also the question of stores – are they required at all in this digital age? We believe that stores are still a good idea for many companies, as they are in retail. There should only be a small number of outstanding stores that

are inspirational, relaxing and fun places to be with very knowledgeable staff – no hard sell. We experienced the opposite to this in many stores where, although they had a nice new store format, the focus was still on selling – to the point that a colleague said to us “we just try and get them through the back and sell them something as quickly as possible.

In the travel company of the future the experience needs to be seamless across all channels of customer engagement and also through each journey step. A customer needs to be able to start a transaction online and then complete it in store or vice versa. They also want a consistent level of service when they move between journey steps – this requires great customer relationship management and well managed data.

Who’s doing what well?

Inspire, tailor and book:

- Audley Travel - expert advice by knowledgeable staff
- Condé Nast Traveller – great ideas and inspiration
- Make It Social – simplifying group bookings
- Scott Dunn – relaxed ‘travel lounge’ environment
- Travel Counsellors – tailored and personalised holidays
- TUI – new digital concept stores

Making it easier:

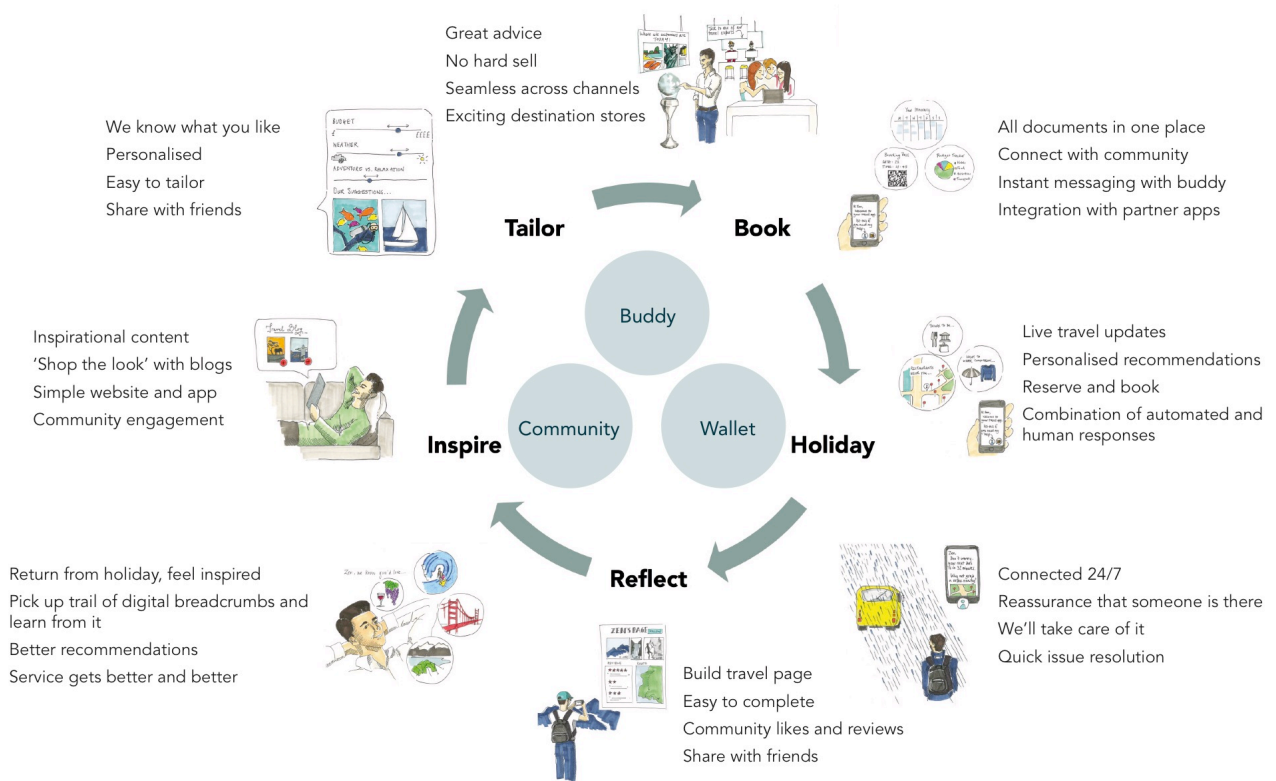
- Pin drop App – recommending and planning great locations to visit
- SITA aéro – connecting travellers at the airport and in the air
- TripIt App - all your documentation in one place
- Uber – technology driven, product free, great service

Community and personal service:

- Airbnb – community driven seamless experience
- AutoGraph – personalised recommendations and offers
- EatWith – fresh looking dining community website and app
- First Direct – great 24/7 customer service
- Google Now – intuitive information based on location
- Hammerson – personalised geo-location offers in their shopping centres
- Net-A-Porter App – community focused magazine

Reflect and feedback:

- Instagram – photo and video sharing made easy
- TripAdvisor – brutally honest reviews by travellers



The travel journey - customers expect to be inspired and for each step of the journey to be 'easy'

Even at the airport, on the flight and at destination, customers want to be 'always-on' their smartphones. This opens up no end of opportunities such as offers from retailers based on things you may need at the destination you are heading to. Whilst away the travel company of the future would provide you with relevant recommendations on things to do based on your preferences and location – they could even book you a restaurant on the first night based on what you like.

Customers want things at their fingertips such as their boarding pass, money, holiday documents and maps that can be used offline in the local area. We envisage all this being provided as standard by an easy to use app. During our research we have come across the need for customers to use their devices whilst on flights for downloading music or films or booking things ready for when they arrive in destination. This again should be personalised as we know the customer and can recommend great things to do.

The travel company of the future would have a 'we'll take care of it' policy so the customer feels supported at all times. Customers want assistance at every step of the journey to either deal with issues or just provide general advice and recommendations. There are obvious cost implications to doing this 24/7 with staff but we see a vast majority of this being automated based on great data and only using people for things such as a swift resolution of issues.

The final ingredient to ensure the customer journey is continuous and links back to providing inspiration for their next trip is the ability to reflect and feedback on their experience. We see this happening throughout the trip by the customer in the form of a holiday page. They can use this to share experiences, reviews and feedback via pictures they have taken or simply likes or dislikes of activities they have undertaken. This page could then be shared with a community, allowing other customers researching their holidays to book these elements with a single click – how great would that be both for customers and creating brand loyalty.

Research by E-strategy shows that 74% of online consumers say that they become frustrated when they receive content that has no relevance to them. However, the travel company of the future would know the customer well by continually

learning from their actions, experiences, likes and dislikes. Overtime the travel company would develop a strong understanding of each customer, providing relevant ideas for their next adventure for things they hadn't even thought about – that's inspiration at its best!

So is this possible for existing travel companies or are customers just waiting for the new Uber of travel?

The key components

To make this possible we see three key components:

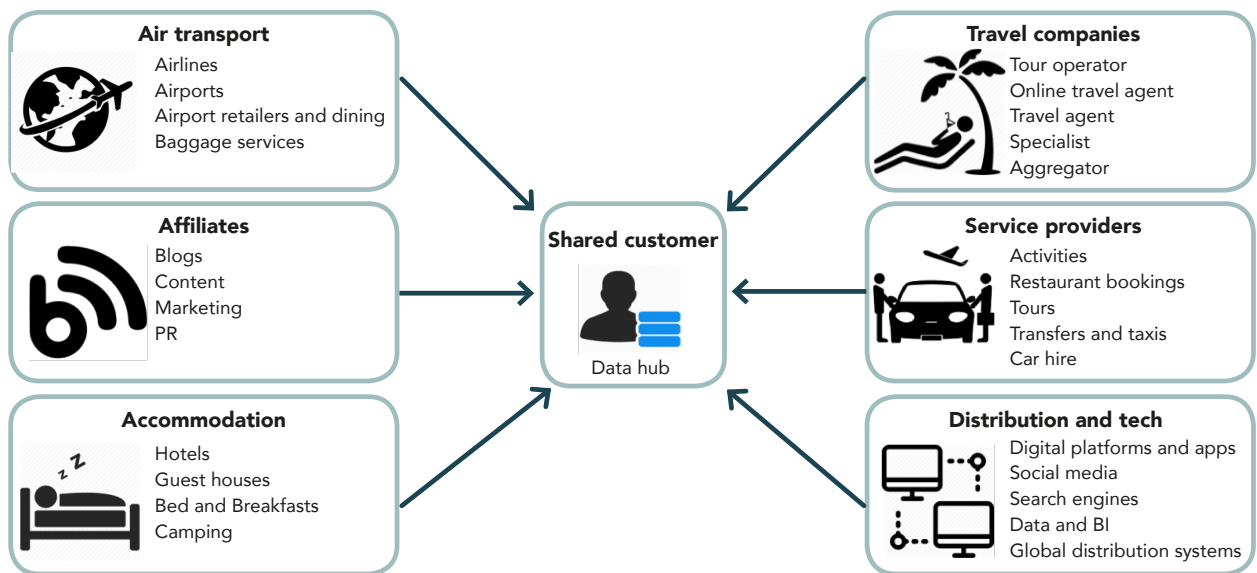
- **The Travel Buddy** – your personal companion with you at every step of the journey to offer support, whether that be automated or in person
- **The Travel Wallet** – provides you with everything at your fingertips and allows communication with the Travel Community and the Travel Buddy – essentially the glue
- **The Travel Community** – Allows you to share things with like-minded people and get inspiration for holidays. It also allows you to feedback to the company and ultimately for the company to get to know you better to provide a personalised service

What are we seeing

To achieve the vision there are some key challenges to overcome:

- Personalisation
- People and culture
- Customer relationship management
- Partnerships

These are big, chunky and complex areas for any travel company to deal with but the challenges vary depending on the type of business they are. For example a mainstream tour operator will find it more difficult to manoeuvre the mothership towards the vision than a new, more entrepreneurial, online travel agent. On the other hand, the smaller more agile business may not have the data and partnerships to make it happen. Perhaps neither can fully get there and that the only answer is a disruptive player such as a Google or an Uber.



A complex ecosystem - companies must form partnerships and share data to provide customers with the experience they demand

We are seeing some moves towards the vision by various businesses. On the store front, we've seen some really good new formats which are helping to move more towards inspiring the customer in the form of things such as travel lounges by Scott Dunn, relaxed coffee shop environments by Abercrombie and Kent and great use of digital technology at TUI's new format stores - but it still feels there is some way to go to change the 'hard sell' culture in the industry.

We've also seen some companies offering a more personalised experience for their customers. Audley Travel have experts with a deep knowledge of travel destinations who can tailor your holiday to your needs. Travelcounsellors.co.uk provide you with a personal travel advisor to help you get what you want from every part of your holiday. However, these examples are few and far between and there is still the big issue of so many companies being involved in a single trip.

This leads us to a harder area to overcome, concerning the ownership of the customer and their information. We see this in retail as well - but in travel, with a more complex ecosystem, it is more of a challenge. As our diagram outlines, because there are so many companies involved at each step

of the customer's journey it becomes extremely difficult to provide a consistent experience. One answer is to form partnerships with other companies and work closely to deliver a great experience to the customer. We are seeing moves in this direction in the market. Perhaps companies need to start sharing more customer data - however, this will take many companies out of their comfort zone.

The ultimate driving force to all of this is the customer. They demand a more personal and simplified experience - so if their chosen holiday company does not deliver then they will simply book elsewhere until a company provides them with their ultimate direction of travel.

Summary

Travel companies need to offer a seamless journey to their customers through every step. This will be driven by personalisation using great data, partnerships and a pragmatic use of digital. This will inspire customers and allow them to share experiences with their travel community and also ensure travel businesses can provide great customer service at all times - this is the travel company of the future!

About PatelMiller

PatelMiller is a business consultancy that works closely with its clients to develop their strategies and deliver their full benefit. Our team have gained their skills from working for leading consulting firms as well as some of the worlds best consumer facing businesses. We combine the tools, methods and analytics of a strategy consultancy in a pragmatic, engaging way, to make sure potential benefits become real benefits, quickly.

Our service offering includes:

- Vision setting
- Business plan development
- Operating model design and process improvement
- Analytics and operational improvement
- Programme management
- Due diligence
- Digital

Our people have worked with businesses including BT, feelunique. com, John Lewis, M&S, Monsoon Accessorize, Tesco, Thomas Cook, TUI, Vodafone and White Stuff.

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Jonathan is an experienced advisor to Retailers, having worked for Accenture as a strategy consultant, and then directly for Asda-Walmart, Tesco and Dixons in strategy and operations development roles.



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Wayne has a wealth of retail and consumer experience having worked in the sector since 1996 for companies such as John Lewis, TUI and Hammerson. His roles have varied across food retail, department stores and the travel industry with a core focus on eCommerce, the customer and omni-channel.