

Customer convenience is now king. Here's how the travel and leisure sector can leverage this



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More of us are heading online for almost every aspect of our daily lives, including when it comes to taking a well-deserved holiday. From buying travel necessities and banking to booking flights or accommodation, our interactions are becoming increasingly digital. This is why being able to serve customers on digital channels is now arguably today's most significant business imperative.



Source: 123RF

The pandemic accelerated this trend, and many businesses had to pivot quickly to this change in customer needs. Many of these businesses are still figuring out how to get the customer experience exactly right, and convenience plays a central role in this. South Africa's travel and leisure industry has much to gain from providing more convenient, digital interactions with its customers.

Meeting the modern customer

Moving online offers enormous opportunities for businesses willing and able to keep up, but many businesses in the travel and tourism industry are not digital natives. Their strengths lie in providing live experiences and dealing with customers face-to-face. The pandemic has also devastated the industry due to cancelled flights, bookings, and events. And, with limited resources, digitisation may seem like a costly investment.

In truth, investing in online capabilities has never been more critical to digitally transforming a business, restoring travel confidence, and catering to current trends. According to Statista's 2021 Digital Market Outlook, the global revenue of mobile apps in the travel segment rose by 38% in 2021 over the previous year. Meanwhile, in a survey conducted in September 2021, over 40% of travellers indicated that technologies like mobile applications that provide on-trip notifications, and contactless mobile payments – a cornerstone of the digital banking experience – would help increase travel confidence.

A recent CM.com survey highlights how South African consumers have embraced online interactions, with consumers preferring to head online to book accommodation (43% of respondents) and flights (30% of respondents). Online customers are becoming increasingly demanding, and businesses are now not only being judged against their market competitors but against businesses in other sectors as well. A poor user experience has become one of the most significant barriers to attracting online customers – and prioritising convenience is crucial to getting it right.

Convenience is king

In the long term, convenience may be what allows businesses to retain customers and acquire new ones. A McKinsey survey found that customers are now twice as likely to try new brands and experiences due to the pandemic. While customers may have been traditionally retained through loyalty programmes, their loyalty is now more difficult to hold on to in a competitive online environment. That is where convenience may be the key; combined with engaging customers on channels they are most familiar with and utilise on a daily basis.

There are also many travellers to attract. While the travel industry has continued to demonstrate <u>promising rebounds</u> in the wake of Covid-19, global economic and logistical challenges continue to impact numbers and destinations. Adopting the right approach to digitisation can go a long way in confronting that.



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Delivering convenience requires a customer-centric way of doing business and a proactive mindset that anticipates the changing needs of today's online customers. A poor user experience quickly causes frustration, but by removing friction and making online interactions more seamless, businesses will be more likely to outshine their competitors.

When it comes to leisure and travel, customers quickly become unsatisfied when they receive a delayed response to a query, have to repeat themselves multiple times when moving between different agents, or when getting a generic response that isn't relevant to their issue. By getting communications right, leisure and travel companies stand to gain customer loyalty, new customers and set themselves up for future success. But what exactly does effective communication require in today's increasingly digital environment?

Communication is key

Businesses need to stay a step ahead of their customers by providing all the information they need when they need it. Proactive communication before and during key moments of travel can mean the difference between a disastrous and a seamless experience, but it is also essential to avoid spamming customers with irrelevant communication. Digital communications can be automated based on specific actions or moments, such as when purchasing a ticket, checking in for a flight, or arriving at a hotel.

South Africa <u>scores respectably well in terms of its competitiveness</u> according to the World Economic Forum's <u>Travel and Tourism Development Index 2021</u>. Digitising time-consuming and tedious processes can contribute to uplifting the experience of a budget-conscious traveller.

Providing omnichannel communications with mobile capabilities is vital. While websites are more commonly used for purchases and bookings, more customers use mobile apps such as Facebook, Instagram, or WhatsApp as their preferred platforms for communications with companies. Mobile landing pages also transform traditional processes such as purchasing and check-in to being contactless ones, with the added bonus of accumulated data being available to upsell later in the year.

Self-service options like chatbots, which are available on popular platforms such as Instagram and WhatsApp, can help improve convenience and reduce frustration. These chatbots can discern specific needs to resolve customer queries or redirect them to a human representative when it is needed. However, it is still important that these chatbots provide answers that are natural and appear human – something many businesses are getting wrong with poorly implemented chatbot solutions.

A digital-first future

Digital tools and platforms give businesses in the leisure and travel sector a crucial advantage in this new landscape, allowing them to gather critical insights about their customers and provide personalised communications and customer service when it matters most. And as online users become more demanding, they will do more than keep up – they will be able to stay ahead of the curve in a digital-first future.

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