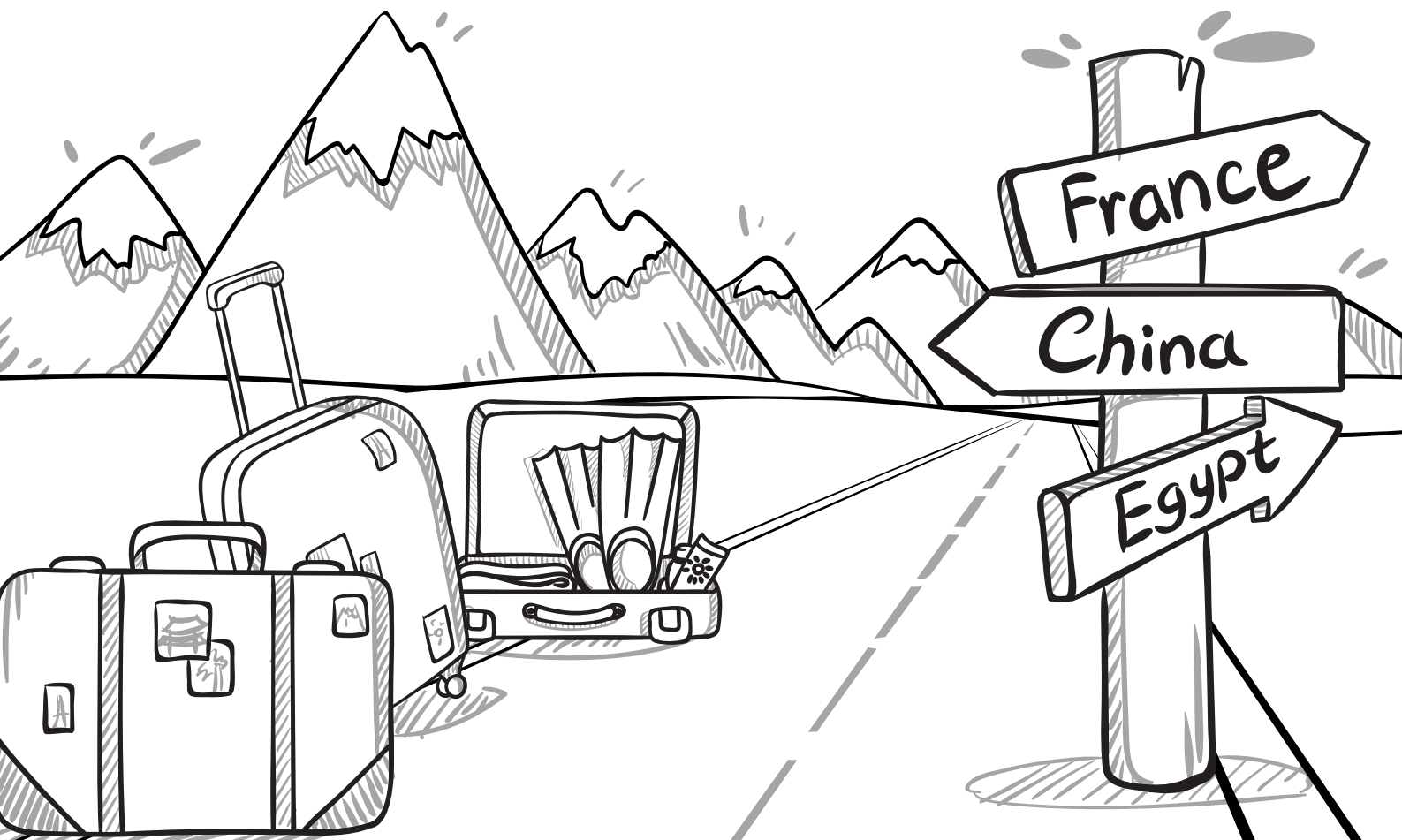# kapture®

From Stagnation to Elevation:

Revitalizing Travel Customer Experiences

We find ourselves in a customer-centric ecosystem where users expect nothing short of smooth experiences with every interaction. A major chunk of these interactions are now technology-driven and these experiences, even if new to customers, have to be seamless and niggle-free. Users have no problem moving on to alternate platforms or service providers if they are able to get the service they feel is deserved, costs notwithstanding.

> "
> As we move on from ecosystems that are rapidly going obsolete in this post-AI paradigm, a few key questions remain.

How can travel brands continuously improve their Recency Frequency and Monetary (RFM) values while also increasing their Customer Lifetime Value (CLV) at the same time?

The question can never truly be answered in any authoritative way mainly due to the ever-changing nature of customer expectations. Even at different points in the journey, user demands are different.

A great starting point to gain an understanding of customer behavior would be to gather insights from the very beginning all the way through every step along the way. Another point to consider is that

The idea of getting continuous and detailed feedback every step of the way seems like a dream for anyone developing a product for use by the general public. That level of insights are not only extremely difficult to come by in a practical, reliable way, it is also an improbable proposition to lay on end users. Feedback fatigue is real and people tend to mark off answers randomly after a point, sullying the data.

we seldom have a deep understanding of the customer, at least not enough to know whether or not the respondent will be the right fit, or even if we are asking the right person the right questions. Considering how cutthroat the travel, tourism, and hotel industry is, a travel-based service provider is bound to have more than a few questions of this sort.

According to a United Nations World Tourism Organization (UNWTO) report, global tourism will be back to pre-pandemic levels and even exceed it in 2024. Travel is finally back and now is definitely the time to take a big plunge into Customer Experience (CX) insights.

With this in mind, here are four simple pointers that travel brands have to keep in mind.

- **Invest:** in a 360-degree feedback tool which can get you insights from pre-travel to post-travel-support experiences

- **Ask:** the right questions to the right target group

- **Use:** all the insights you glean to make sure customers feel heard

- **Integrate:** all your customer feedback into easy to read and understand formats for all those who service end users

"

An excellent example of leveraging CX to great success can be seen in the case of Alaska Airlines.

The Alaska Airlines Case

Amidst all the changes in customer expectations, and at a time when the difference between customer experiences and expectations peaked, Alaska Airlines rose above, and managed to deliver top-tier CX. Being a relatively small player in the North American travel market, they have the best scores in the American Customer Satisfaction Index (ACSI). According to ACSI, they are currently placed first ahead of American and Southwest, in the overall ranking. They have an impressive score of 81, well above the industry average of 76 points. They are also bettering their scores with an 8% improvement, year on year. In 2022, they were 7th in the industry with a score of 75, matching the industry average.

How did they manage this in the years considered the worst for air travel?

Travel and hospitality are also known to be one of the industries where customer expectations are high and brand loyalty is scarce. Dissatisfied customers easily walk away and are even able to sway the public with their opinions on social media. **Alaska Airlines** managed the unthinkable in spite of all these factors stacked against them.

The challenge

Like any carrier, Alaska also has numerous departments that need to work in perfect harmony to be able to function smoothly. There is no room for error in an airline, from prospective sales teams who handle passengers trying to search for flights and buying tickets, to ground staff getting the planes ready and in-flight crew who fly the planes, and passenger-facing ground crew who work the counters, everyone need to be of one mind, so to speak. Each of these touchpoints are data-heavy and just right for feedback collection and continuous improvements.

The solution

While most airline service providers were content with a multi-channel feedback framework, Alaska Airlines embraced an omnichannel strategy which enabled them to provide 24x7 support across different channels seamlessly. They did this by doing a ground-up rebuild of several of their internal ticketing systems and took a cloud-first approach to this issue.

The implementation of cloud-based, real-time monitoring of every application across the entire stack, both technological and infrastructural meant that all applications, from guest services like ticketing, check-in, boarding, and real-time passenger information updates to applications used by flight crews were all integrated. Alaska Airlines has said that this gave them the, "ability to quickly detect and repair issues across our entire technology platform and reduce our mean time to resolution". They also ensured CSAT surveys and scores were made easily accessible across web-pages which increased their pool of insights.

Now, every team has a firsthand view of how each team is doing while also being able to effectively comprehend how all this ultimately relates to CX.

The impact

Since 2015 when these changes came into play, Alaska Airlines has steadily risen on the ACSI Index; finally reaching the top in 2023.

Their innovative approach also helped them grab the Trip Advisor's Travellers Choice Award for the past three years.

These use cases showcase the versatility and value of AI in automating and enhancing customer service operations, ultimately leading to improved customer satisfaction and operational efficiency.

Alaska Airlines has said that "continuous innovation and significant reduction in outages" is their main takeaway from these steps. Soon after the new technologies were introduced, they say up to 60% of Level 1 and Level 2 outages were cut short. Detection time also dropped significantly, they say—from one hour to less than 10 minutes. Having all the info needed by multiple teams and managers in one glance, helps detect, predict and solve issues before they affect the experience of end customers.

From the traveler's lens

?

Can I get instant support and answers if something goes wrong before I travel, or during my travel ?

Will the travel brand be as supportive or would they disappear after selling the package to me ?

Carriers find themselves in a position where they have to revolve their innovation and post-sales support around questions like these. Brands that are able to answer such queries on a 360-degree scale keep their current customers, rake in more customers, and increase their market share.

60% of travelers will leave a travel brand after 1 or 2 poor experiences.

According to PWC, the travel industry and specifically the airline segment has a 33% gap between customer expectations and customer experiences. In fact, it is the highest gap between an ideal world and reality when compared to every other industry. So customers have no other choice but to find a carrier who matches their expectations the closest.
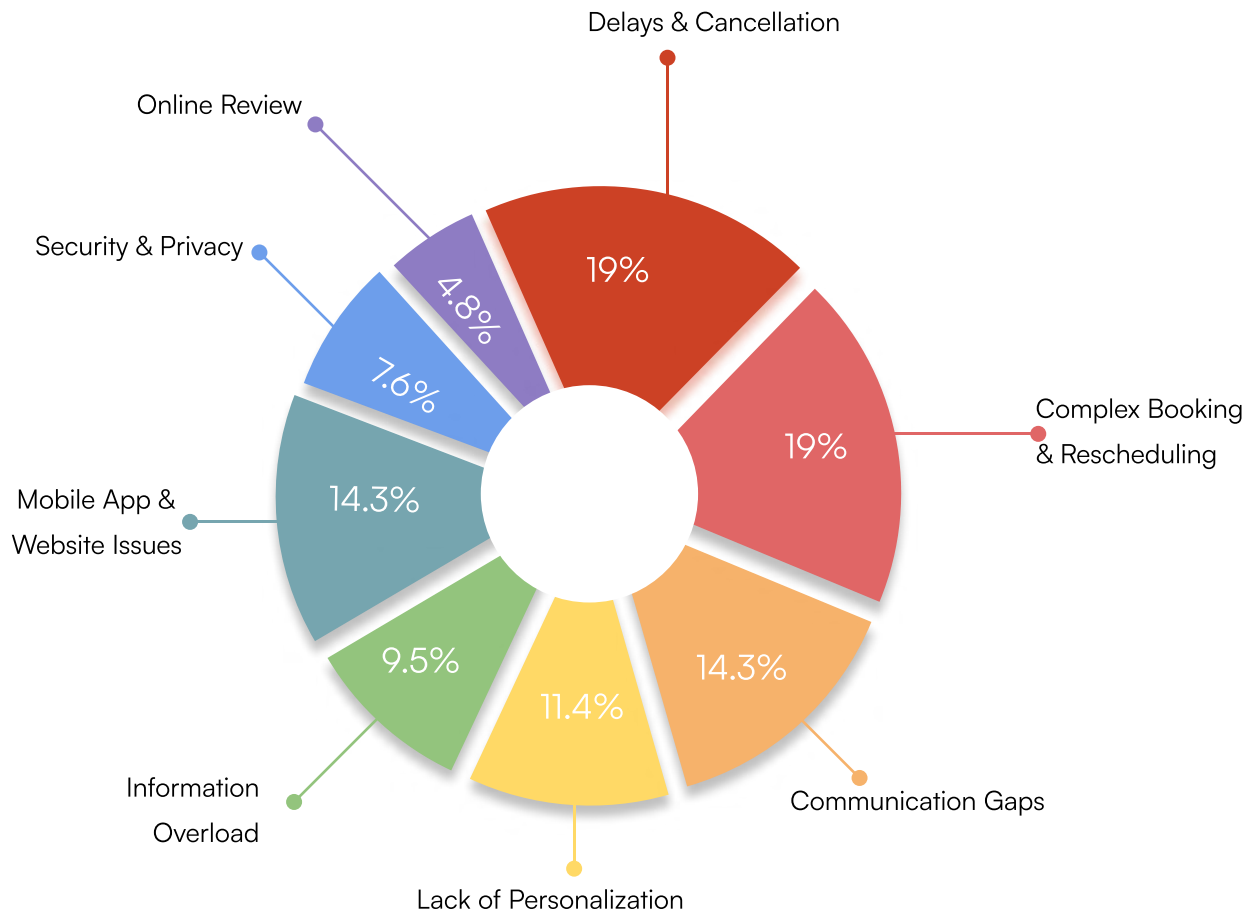
What are some of the key challenges, from the customer's perspective?

The International Air Transport Association (IATA) puts out global passenger surveys every year and the 2023 report reveals a lot about the current state of air travel. While the satisfaction levels are reaching record highs with 82% of travelers either satisfied or highly satisfied, there are pain points that still need to be addressed.

With air travel getting better, it has also led to a place where people's dissatisfactions seem magnified. The fallacy of having most things work out positively is that the small negatives seem much more intense and this could be the reason for people to stray away from a service provider. Take for example an airliner that has a customer facing app where it is difficult to check-in, reach customer care, and responses do not happen for hours.

Even if they are always on time and offer great prices per ticket, there will be people who feel like their expectations and experiences did not match. As we've seen, that gap is at over 33% in the travel industry.

Pie chart showing travel challenges:
- Delays & Cancellation: 19%
- Complex Booking & Rescheduling: 19%
- Communication Gaps: 14.3%
- Lack of Personalization: 11.4%
- Information Overload: 9.5%
- Mobile App & Website Issues: 14.3%
- Security & Privacy: 7.6%
- Online Review: 4.8%

> ❝
> # With each of the challenges, travel brands have no choice but to observe and analyze at every touchpoint!

Whether it's an airline, a cruise operator, a travel booking site, a hotel, or a rental platform, all travel brands are in a position where they cannot ignore offering top-notch CX. While it is a great strategy to onboard new users, retaining existing customers should be the focus. Studies show that it is five times more cost-effective to retain a customer than to find a new one.
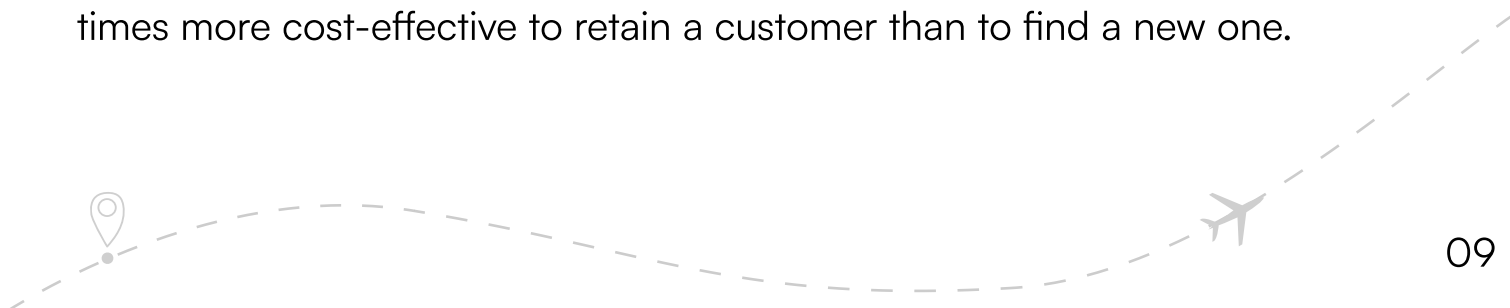
83% [HubSpot] underscores this, noting that mere 5% increase in customer retention can catapult profits by up to 95%.

Another secondary effect is that long-term users are likely to spread positive word of mouth, bringing in customers who are already acquainted with the service

70%more likely to be able to sell to existing customers as opposed to new customers. All of this is possible through great CX.

Simply put, the impact of CX is unequivocal. According to [Forbes'] Daniel Newman, **86% of travelers willingly pay a premium for superior customer experience.** More than in any other sector, CX isn't merely a buzzword in the travel industry; it's the linchpin of success. It is the difference between a one-time booking and a lifelong brand advocate.

Activate loyalty, supercharge growth:

Take command of your revenue engine

Proactive and real-time communication in the customer's preferred channel

Travel brands have to be prompt in their communications, and omnichannel is the only way. In the 2000s, the average traveler used 2 channels to communicate with the brand. In 2023, the average traveler used 6 channels to communicate. That's why brands which offer an **integrated omnichannel experience retain 89% of their customers,** while brands which only offer **siloed multi-channel experiences retain 33% of their customers.** An omnichannel system could also increase **Customer Satisfaction (CSAT) scores by at least 20%.**

Personalized marketing is important, personalized customer support, even more!

No two travelers are the same, and while personalized marketing is much more appreciated than generic suggestions, personalized customer support draws far more loyalty.

According to Salesforce, most of the customer expectations revolve around brands having 360-degree data about customers, so as to provide personalized support quickly.

> ## Personalization of customer preferences and instant support can increase airline revenue by 10 to 15%

Zero-tolerance for churn: eliminate friction points, elevate every interaction

Staying in tune with customer pulse is more important than ever before. Predicting churn by analyzing a customer's overall journey, their propensity to repurchase, and their affinity to other travel brands can help support teams turn unhappy customers around. For travel brands catering to B2B corporations, having a single-dashboard view of all employees who make travel arrangements helps understand the possibility of churn.

Precision growth delivered: target, engage, and convert with tailored touchpoints

| Concern	Resolution	Business impact	Responsible touchpoint	Success metrics
Mishandling of baggage	Immediate assistance. Follow up emails with links to helplines with information and expedited delivery services.	Prevents high-level escalations	Baggage Handling Team	Fewer detractors, lower churn
Flight/cruise related support	Flight details regarding cancellations, delays, rebooking links, alternatives and more.	Prevents switch to competitors	Sales Support	Higher retention rate
Hotel booking preferences	Immediate responses for hotel related queries like change in rooms, meal plans, and other requests.	Attracts high post-stay ratings	Support and Front Desk	Higher ratings on booking sites
Insurance Recommendations	Surveys before vacations enable insurance providers to provide customized plans	Increased mind share for customers	Support and Customer Experience Teams	Higher ratings, repeat customers, and improved revenue sharing with insurance vendors
Enterprise-wide visibility	Offers enterprise-wide visibility into individual customer experiences	Position services / pricing better	B2B teams	Increase retention
Automated follow-up emails	Uses AI-assisted tools to generate email responses and recommendations based on past preferences	Improved confidence in products sold	Post-sales Support	Improved NPS, CSAT, Increase in repeat purchases

Forget Travel 2.0, Enter Kapture:
The Revolution Reshaping Every Trip

Any travel agency can come close to perfecting customer satisfaction by implementing Kapture Insights. Using customized surveys, the agency gathers targeted feedback on travel experiences and creates new sets of tailor-made travel packages. At the same time, the tool also automates follow-up communications, such as custom itineraries which can increase CSAT scores by up to 15%. The agency's ability to create personalized customer journeys, in turn, helps increase repeat bookings.

Enabling persona surveys + AI-powered recommendations + enterprise dashboard = 20%+ increase in Net Promoter Score (NPS)

Another example of how Kapture Insights can revolutionize the CX space is in the airline industry. Persona-based Surveys from Kapture enable airlines to gather feedback on different aspects of the journey from in-flight entertainment, to meals and seating. Real-time dashboards provide instant access to feedback and allow for prompt responses to traveler concerns. With the addition of an enterprise-wide dashboard, it provides a 360-degree view into customer history and an AI-powered recommendation engine helps identify areas of improvement, NPS scores can increase by over 20%.
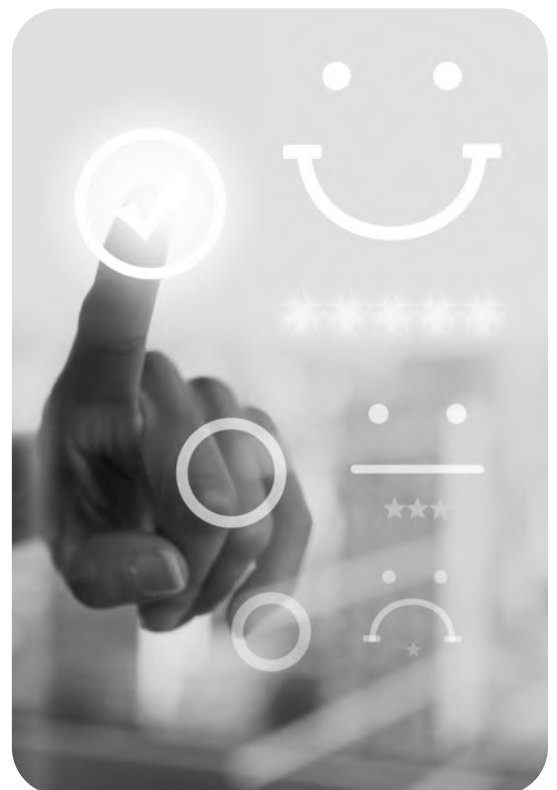
Churn risk reduction + CSAT increase >25% with Kapture Insights's unique KPI scoring model

A chain of luxury resorts can achieve destination excellence through Kapture Insights. The combination of Persona-based surveys + AI-based recommendations can help the resort identify issues among different target groups based on their rating of different aspects of their experiences. Meanwhile, the Key Performance Indicator (KPI) Scoring Model identifies guests at risk of dissatisfaction, allowing for prioritized services and interventions reducing churn. It can result in a 25% increase in guest satisfaction scores.

"

Unleash the power of feedback. Optimize CX with Kapture Insights.