

[TTI 2019 Spring Conference Report, 21 March 2019]

CX and the Disloyal Customer

Easy is the new loyalty. It is all about a frictionless, hassle-free customer experience and this takes precedence over old notions of customer loyalty. That was the hypothesis explored during TTI 's 2019 Spring Conference, staged at the Holiday Inn in Kensington in March, where nine expert speakers offered their takes on creating the best customer experience.

You can't buy loyalty

Sarah Roberts and Hannah Whiteley of cxpartners, a user experience design consultancy and co-sponsors of the conference, jointly delivered the first keynote speech to kick-off proceedings.

'People really aren't that loyal,' said Roberts, cx's Experience Strategy Director. 'For sure, rewards are nice, but this isn't going to fix that problem.'

To illustrate this, she showed a selection of her own coffee shop loyalty cards, each offering a free cup after buying a certain number of cups. She uses each of these cafés for different reasons, though. Factors such as a desire to support a local independent shop, friendly staff, or the café being her go-to breakfast destination on the weekend (oh, and whether the coffee's any good) come into play.

Indeed, the coffee shop Roberts chooses to go to on her daily commute has scrapped loyalty cards. The owner explained the decision, saying: 'I believe in earning loyalty. I observe and listen and I give the best I can offer. I expect little in return. Loyalty is not something I can buy.'

cx's Principal UX Lead Whiteley took the baton to discuss how can travel companies earn loyalty from customers. 'Start with building up a pen portrait of who they are, their basic needs and then we can delve more deeply into what would make them loyal.'

She pointed to an image of Steve Martin's character melting down at an airport in the classic comedy *Planes, Trains & Automobiles* as an example of a regular business traveller who just wants to get from A to B as quickly as possible. 'What would make him loyal? Maybe it is a loyalty scheme or speedy boarding? Conversely, a large family who go on holiday once a year might place greater value on an easy-to-use interface and great customer service.'

Whiteley advocated examining customers' whole 'task journey' from the period they spend gathering inspiration and what finally triggers their choice destination, through research, booking, pre-departure, travel, arrival, in-destination, return travel and then sharing experiences afterwards. 'Understand the stages and clear user goal at each stage. Each pain point stops a user choosing you, and makes them choose someone else.'

At a time when there is so much talk about AI and machine learning, both Roberts and Whiteley emphasised the importance of old-fashioned human interaction. In the Q&A later, Whiteley noted a lack of diversity among the people developing AI and the problems that can cause. She mentioned the extreme example of American prison system where algorithms dictated that more white people than black people being released reflecting the biases of AI developers. A few hours at an airport watching customers experience your service or at a call centre talking to staff and acting on their feedback can be as valuable as tech solutions.

‘Human relationships are built on trust and trust results in loyalty,’ summarised Roberts. ‘How are you thinking about loyalty in your business and what are you doing that you think will make people loyal. Are you building a real relationship – one of trust, openness, predictability, empathy and communication? How do you measure loyalty today? What messages are you delivering and what effect are these having?’

‘This reflection should generate more questions and ones that will bring you closer to solving the problem of loyalty.’

Better than CX?

Next up was Richard Baker, CCO of Inspiretec, to talk about tools and techniques that brands can use to improve their customer touch points. Inspiretec provide a range of products and services to travel and tourism businesses, from Travelink, a reservations and bookings platform, through to Sequence, a full-service digital agency.

Baker described his presentation as the ‘lovechild’ of two of the company’s white papers, on customer experience and personalisation (tweet him @Richlybaked if you’d like free copies of the full reports!), and he began by referring to a model by market research company Forrester that defined the period since 2010 as the ‘Age of the Customer’. In this era, companies like Uber, Airbnb, Netflix and Amazon have grown exponentially by successfully engaging with empowered customers.

This CX battleground has already bred disruptors. There are the full-stack brands like Tesla. ‘By doing everything themselves in house – R&D, production, distribution, marketing, sales and service – they control that market completely,’ said Baker. ‘The objective is to control the customer experience using all channels required to deliver it ... This maximises profit but does present challenges to growth and scalability.’

Then there are the Interface/UI owners such as Uber, Alibaba, Airbnb, Twitter, WhatsApp, Facebook and Google, the fastest-growing companies in history. These companies are thin layers that sit on top of vast supply systems (where

the costs are) and have become the interface to a huge number of people (where the big money is made).

Baker suggested a three-step plan for how technology can drive an improvement in customer UX. First, pull all customer information into a single customer view to really understand their DNA. This includes transactional information, social media data, location data, etc. 'Offline is a potential honeypot too,' he noted. Then put in place the tech, people and process to create a Customer Intelligence (CI) system: 'You need tools that collate data from different sources and allow humans and computers to leverage that customer DNA that you've identified.' Third, personalisation: 'This is one of the most popular uses of machine learning (ML) and artificial intelligence (AI), using our behavioural data (within a CI platform) to tailor how a brand engages with you.'

A 2016 survey by Marketing Insider Group found that 78% of internet users in the United States said personally relevant content from brands increases their purchase intent. But there is a fine line between personalisation and creepiness. Just over a fifth of people in the UK find personalised advertising creepy (source: Adobe Digital Insights, 2016). 'The key is to use data in a manner that always adds value or insight and ultimately benefits the person whose data is being used,' said Baker.

Recommender systems are popular across social media retail and streaming services, both 'user-based' (where the algorithm uses other users' behaviour and preferences to recommend items to the new users) and 'content-based' (such as the 'Often bought together' feature on Amazon).

Inspiretec use machine learning-based segmentation with the Hot Leads tool, monitoring website behavior to predict the top 1% of people with the highest propensity to purchase. 'This very highly targeted segment can then be called, or promoted to online, to encourage them to make a purchase,' said Baker.

Looking to the future, Baker sees great potential in conversational bots, collecting feedback from customers to generate recommendations for the next holiday and even booking holidays that way. He raised concerns about the development of personalised pricing, however – 'A bit big brother for many – and even ethically dubious – but tailoring pricing based on 'me' and my behavior rather than more generic yielding based on performance will likely increase margins.'

He listed five key points to consider to successfully leverage ML and AI: One, create a single customer view; two, start small but do something; three, empower marketing via technology; four, establish an omnichannel focus – think about B2B, B2C, etc.; and five, measure success and modify.

Baker relayed a number of key thoughts from the UX bible, *Don't Make Me Think* by Steve Krug, to help create a user-friendly website. For example, 'Make it feel like a start', pointing to Booking.com's homepage which has the non-nonsense 'I know exactly what I'm after' UI on the left and the 'Hmm, not sure, give me

inspiration on the right.' He also cited the Visit Wales site which Inspiretec worked for using bold, exciting photos and video which suited their brand and their target customers.

Skyscanner were also highly commended by Baker for their focus on search, with nice touches such as a 'Can't decide where?' prompt to help people not familiar with the chosen destination's airports, and 'sort by' options to quickly filter out irrelevant noise. Embedding customer reviews on a brand's website taken from social providers (for example, Yellow Zebra Safaris, a specialist safari company, use TrustPilot) can make consumers' lives easier too.

Tech + the personal touch

After a break for coffee and cookies, the second session of the day focused on real-life customer experiences, beginning with Gatwick Airport.

'Consumers call the shots, and we have to deliver what people want,' said Chief Commercial Officer Guy Stephenson. This is a huge challenge at an airport that serves a mixture of low-cost, full-service and leisure carriers, and consequently a diverse passenger mix with very different needs. Furthermore, the number of passengers passing through Gatwick each year has increased from 31 million to 46 million since 2009, and it is an airport with limited space for physical expansion. So every square foot has to be used well, and Stephenson reeled off figures to back up his assertion that Gatwick has the most productive airport infrastructure on the planet. The secret? 'Rigorous focus on process, technology and people, to deliver efficient, effective service outcomes, with a friendly human touch,' he said.

This has meant paying attention to the customers' physical, digital and emotional journeys. The physical aspect required investment in terminals and operations to deliver capacity, quick core processes and a quality customer environment. Meanwhile automation and digital technologies have been exploited in the interests of the customer and the airport's bottom line. Equally important has been training staff to deliver memorable experiences and gain customer advocacy.

Stephenson, who was heading to a customer focus group after the conference, said passengers' attitudes have changed from 'I don't want to queue' in 2011 to 'I want to feel in control' now. Technological innovations have helped to address these issues. The Easyjet bag drop at Gatwick is the largest in the world bringing average queue time to 5 minutes or less. A trial of automated check-in and gate processes to allow people to get to the gates without needing to interact with staff was successful. Of 20,000 passengers (65 nationalities) across 355 flights 90% rated the boarding experience at 'excellent' or 'good', with an average 14-second transaction time at the e-gates for boarding.

'Automation is about predictability, that your journey will work for you,' said Stephenson.

The airport monitors real-time check-in data ('All anonymised, don't worry...' he added) to drive service improvement. Passive WiFi analytics (again, anonymised) helps to make the infrastructure intelligent, delivering insights such as live and predictive passenger flow management and improved retail visit counts. The multi-award-winning Gatwick Community app has also proved to be a very valuable resource for staff – 'When people ask questions, we can check in real-time using the app.' Meanwhile the myGatwick site helps to personalize the airport experience, rewarding engagement with benefits

The number of passengers that require assistance is growing and Gatwick Airport is responding with excellent developments such as the new North Terminal Special Assistance Airside Waiting Room, and the first airport sensory room, opened at the end of 2018, for autistic children. Its hidden disability lanyard – designed to instantly creates awareness that people may need additional support – is becoming a worldwide symbol.

'Technology is a key enabler but the personal touch completes the emotional journey,' said Stephenson. 'There are so many good things about self service – for instance, the 'always-on' aspect of it – but we must also provide the backstop of personal customer service because we are sentient human beings. Identify the emotional touchpoints where people need to talk to somebody. And we are very proud of our staff in what is a very busy environment.'

Nothing is taken for granted, though. Service delivery is quantified and measured monthly, and the data shows continuous improvement, with record levels of passenger satisfaction reflected in passenger advocacy.

'Now we're asking customers what they want over the next five, ten years... because pace of change is very rapid and it takes a long time to implement changes in airport infrastructure.'

What is your popsicle hotline?

Paul Stephen, CEO of digital marketing agency, Sagittarius, highlighted hotel in LA called the Magic Castle Hotel. Despite the, er, magical name, it is a fairly ordinary three-star hotel in an ordinary location. And yet it achieves exponentially high ratings on Trip Advisor. Why? Because it has a popsicle hotline! So whenever you are out by the pool and have an ice-lolly emergency, you can just pick up a red phone on the wall and a popsicle will be delivered to your sun-lounger. It is a great example of a simple service that delights customers and disproportionately benefits a business.

'The novelty of 'digital' has worn off,' said Stephen. 'For kids, digital is just something that is there. Not exciting. A good digital experience is just expected, so to stand out we have to do more – at Sagittarius we say 'be remarkable'

Quoting from *The Power of Moments* by Chip and Dan Heath, he warned: 'Beware the soul-sucking force of reasonableness ... The point they make is that sometimes to be 'remarkable' you might not need to change everything. You just

need to look for opportunities to create a magic moment where you do something different. It might not be large or expensive. But it make a users think, "Hey, that was nice".

'So all brands need to be thinking: 'What is our popsicle hotline? What is it the thing that sets us apart from the rest?' The trouble is we can't necessarily just have one thing. And that "thing" possibly needs to be different for different people who interact with your brand.'

Creating relevant and meaningful customer experiences at scale is an every-growing challenge. In the short-term, Stephen advised following the Pareto principle, focussing on the 20 per cent of users that deliver 80 per cent of a company's value.

As a case study, Stephen cited Sagittarius's work personalizing the customer experience for The Rubens at the Palace, a property in The Red Carnation Hotel Collection. First job was decluttering the website, improving mobile views and giving a clearer call to action on the homepage including a 'Check Availability button in the middle of the main image.

Algorithms that categorise people into groups labeled 'Stay Susie', Food and Drink Diana', 'Experience Erick', 'Spa Sandra', 'Wedding Wendy', etc, help to deliver appropriate home-page content. So, for example, users identified as being a Stay Susie are only shown promotional offers to stay at the hotel. Whereas restaurant and afternoon tea promotions are targeted at Food and Drink Dianas.

The results have been excellent with eCommerce conversion rate up by 19.3%, a 15.3% increase in online transactions and 13.3% increase in booking value. Another important measure is the Bounce Rate, down by 14%, showing that the relevant content is promoted at the right stage of the process. Also, page views are down by 11.5%, indicating that more relevant content is being presented faster.

Stephen reckons that travel consumers will increasingly expect to interact with travel brands using voice search. However, Alexa will struggle to inspire someone to choose a destination without images. 'So for me I think conversational search using both speech and typing with a screen of some description is here to stay for a while,' he said. 'But rather than create websites with hundreds of pages that a user *has* to wade through to find the information they need, why can't they just ask a 'virtual assistant' who can understand language and sentiment to instantly tell them what they need to know or what options are available?' To this end, Sagittarius are currently working on a proof of concept where the opening page simply displays the message 'Hello. How can I help you?'

In summary, Stephen quoted Ian MacArthur, Global Digital Strategy Director of Sagittarius: 'We are designing conversations, not destinations.'

Simplifying group travel

Well nourished by an excellent buffet lunch, delegates returned for a session on the theme of 'Next-Level UX'. Bas Lemmens, CEO of Meetings.com was first to speak about how automation is transforming the group travel business.

Meetings.com is an offshoot of HotelPlanner, founded in 2003, which comprises three brands: Lexyl Travel Technologies which develops all the technology used by Hotel Planner and partners; HotelPlanner, the world's largest provider of online group hotel bookings and event management services; and, meanwhile, Meetings.com, focuses on managed business travel for groups, meetings and individual travel.

Group bookings is a \$60bn business and traditionally it has happened offline because it's so complicated. But that is changing and HotelPlanner is the leading provider of online services to the group market. In 2018, HotelPlanner sourced around \$10bn-worth of group hotel travel. Four thousand affiliates use its technology to source group rooms and meeting space.

'Walmart needed 65 people to do all their internal bookings worth \$80m revenue,' said Lemmens. 'We needed just two people to do the same job because we have a system that automatically gets good corporate rates.'

Before joining Meetings.com, Lemmens himself had avoided group travel like the plague, but when the company's founders showed him how their product radically simplifies and expedites the process, he was converted. If a group booking request comes in, rate-checker technology delivers the guaranteed lowest rate – and does so instantly due to 100,000 hotel pre-loading discounted group rates. Then with automatic e-contracting, the booking can be completed in a matter of minutes.

'In one minute we can book five to 5,000 rooms at once into the PMS (Property Management System),' said Lemmens. 'The customer is happy, the hotel's happy, everyone's happy. I believe the hotel's job is not distribution or getting the bookings in, but serving the client, because a happy client will come back to the hotel.'

He reeled off the advantages of the type of technology his company offers – fast entry to market, an excellent user interface, responsive technology (50 per cent of transactions completed via mobile devices), translation into 28 languages, extensive security protocols etc. But he said it's still a constant struggle to convince hotels and clients that technology is helping. 'Well, you're a technology company, so you would say that...' is a common reply.

'People always go with what they feel safe with,' he has discovered. 'But I believe if the client and hotel saves time and cost, it's a win-win for everybody.'

Hyper-personalised packaging

'In travel, I think we are in pre-iPhone times,' argued Benno Iten, Head of Sales & Marketing for conference co-sponsor Nezasa, believing travel is lagging behind other sectors when it comes to meeting evolving customer expectations.

Comparing the Booking.com and Expedia home pages of 2007 to how they look in 2019, he argued that nothing much has changed. 'They still suggest that you have a special price and they use questionable techniques to make you book, rather than search any further.'

He quoted Glen Fogal, CEO of Booking Holdings: 'Travel is so frustrating at times and it should not be. The system should be able to tie things together. It's fairly obvious that the way we are doing things now is not the way it should be done.'

For example, Iten cited the difficulties of booking a multi-part 'bleisure' trip which entails presenting his name and details over and over again. 'I could go to a travel agent, but it will take them just as long. Then my meeting gets moved, and I have to change 20 bookings and it takes another five hours! Why should I be loyal to a brand that delivers this? How can we expect loyalty when it's all about price, price, price?'

So, he said, there is a need to remove the cumbersome stuff from the process so customers don't have to repeat something they've already done, to use state-of-the-art technology to provide a cutting-edge customer experience and focus on scalability in all processes.

In a Nezasa survey exploring what customers want and expect from a holiday trip, 75 per cent said a personalised and meaningful experience can make or break a trip. Over half of those surveyed (57%) said they would like to have a single app for planning, booking and all travel needs. And the results showed really high online engagement, with UK consumers, on average, looking at 121 travel sites in the 45 days prior to purchase.

'A trip starts from the moment I start looking,' said Iten, so travel companies need to provide inspiring, rich content, instant trip planning, intelligent tool support to reduce user complexity and a simple, one-click booking process. It doesn't stop there. As people prepare for the trip, travel and then share their experiences, they should receive trip and destination information to their mobile phones and AI-powered personalised recommendations.

This is how inspiration meets usability – or 'hyper-personalised packaging' as Iten described it.

'Travel companies should leverage an increased awareness of customer expectations, re-imagined technology strategy and differentiated offerings to provide unmatched travel experiences,' he said. 'Loyalty will follow.'

During the ensuing Q&A, conference moderator Paul Richer asked Iten and Lemmens for their thoughts on how the travel customer experience may change over the next ten years. 'I believe there will be fewer apps which allow people to do everything you want,' said Lemmens, citing WeChat in China as an example of where things are heading. 'You can do everything on this app – book a hotel, book an Uber, order a pizza...'

'Things will be much more connected' agreed Iten. 'The ones that can manage itineraries for their guests will be the ones who survive.'

Revolutionising Russian travel

The final session of the day offered insights on UX innovations in the Russian travel industry and in rail travel. First, Yaroslav Kotyshov, VP Revenue Management at Aviasales, explained how its flight metasearch engine became the number one in Russia and Eastern Europe. Aviasales handles a whopping two million searches leading to 20,000 bookings per day (twice as many as their nearest rival OTA).

'We only get paid for conversions, therefore we care about customer UX not just on our website but our partners' websites, too,' said Kotyshov. To this end, Aviasales don't allow what he called 'sleazy opt-out upselling' by partners. 'We tell OTAs they must only upsell in a fair way,' he added, and such is Aviasales' dominance and importance to the business of their partners, they do so without complaint.

The Russian travel market has certain characteristics that Aviasales has responded in order to better serve customer needs. For instance, several years ago, Russian law allowed for non-baggage fares for people who travel without checked baggage. 'But during the Russian winter, it is impossible to travel without a lot of clothes,' said Kotyshov. 'We discovered it was very important for customers to search for fares which did or did not include baggage – we were the first search engine in the world to introduce this.'

Another feature that has helped to increase conversions is that after filling in their details on the Aviasales interface, customers won't have to do so again with three of their partners.

Users can also subscribe to the Aviasales via their chatbot in Facebook Messenger and other channels to get cheap tickets. They simply subscribe to particular route(s) over a range of dates – say the customer wants to travel to London in summer, when the ticket price falls beneath a certain level, they receive a notification.

The company has also applied machine learning to predict future prices with impressive accuracy using wealth of data they receive from millions of searches each week. So if users want to get an idea of what prices are likely to be on a

particular route before tickets are actually available, to buy they can access that information.

'I believe our techniques can be used in many markets, so let's make a revolution together,' he declared.

Less taps, more speed

Sean Connell, Head of Design & UX, for Loco2, gave the day's final presentation. Launched in 2013, Loco2 grew from a mutual frustration among its founders in the lack of alternatives to flying or information for sustainable travel. To address the company took on the massively complex task of creating a way for customers to easily book train trips anywhere across UK and Europe, and it now serves millions of customers from all over the world.

A challenge the company faced was that 80 per cent of its business was desktop – understandable because Loco2 was focused on complex trips with multiple legs and people tend to buy complex trips on desktop.

'People book a complex trip once a month, year or even once a lifetime for the super-complex stuff,' said Connell. 'Great that we can cater for them, but they don't drive that many sales. Simple trips equals frequent buyers equals loyal users equals profitability. But simple trips are booked on mobile and we weren't doing well on mobile. Even our own employees were using competitor products to book short trips!'

To address this, Loco2's team went back to the drawing board. They changed to a mobile-first approach, knowing that that they needed to offer great UX/CX, getting customers 'hooked' by personalising their experience and making repeated use pay back.

They've developed a fast checkout so once customer had saved their details in their account, they could check out in four taps for favourite trips (compared to 5 taps on Trainline and 17 taps on GoEuro). Their app also offers an even faster, location-based 'next train home' suggestion feature which allows booking in 3 taps.

It's not all about reducing taps, though; it's about meeting the needs of different customers. 'Commuters can check out fast if they're leaving a meeting and just want the next train home,' said Connell. 'Regular travellers can check out fast but have full control over the checkout flow. Travellers looking to book those complex trips still have full control over their booking flow to set it exactly how they'd like it be all the way through.'

Loco2's aim is to add real value, following the advice of Nir Eyal who wrote in *Hooked: How to Build Habit-Forming Products* that, 'Users who continually find value in a product are more likely to tell their friends about it.'

To achieve this they are focused on putting customers in control, offering them convenience and choices without complications, and seeking to provide better value than competitors. So far the results are encouraging, with more than a 300 per cent improvement in conversion rate on app vs. desktop, and 21% growth in app downloads year on year.

A beautiful, intuitive UX also saves a lot of money, for example by increasing customer retention (lowering acquisition costs) and reducing customer support requests.

'We're just getting started and on this journey to adding more value to the customer,' concluded Connell. 'It never ends but we're on the right track.'