



TRANSCRIPT

Travel Tech Vision

Embark Episode #11

Emily Weiss

Welcome to a new episode of Embark, the Accenture podcast, where we talk about travel, technology, and trust. Today's episode focuses on how travel companies can reinvent themselves to go beyond existing industry benchmarks. I am pleased to introduce today's guest speakers from Microsoft and Accenture.

Julie Shainok is a Global Managing Director for Travel, Transport, Logistics, and Hospitality at Microsoft, where she focuses on delivering new technology solutions for her clients and her company. Based in Jacksonville, Florida, she has 40 years of experience in managing and engaging as a subject matter expert in complex engagements in the travel and transportation industry, working closely with clients, including airlines, railways, and travel-related services.

Mike Tansey is the Accenture Travel Industry Lead for Growth Markets and has extensive experience in the travel industry. He is specialized in leading programs that demonstrate the key role technology plays in simplifying business processes to improve operational efficiency and customer experience. Welcome Julie and Mike.

Julie Shainock

Thanks, Emily. Great to be here.

Mike Tansey

Yeah. Hi Emily.

Emily Weiss

Good to have you both. Wonderful. In today's volatile market, it's crucial for travel companies to continually reinvent themselves to meet the ever-changing expectations of travelers. Total enterprise reinvention is a strategy that travel companies can adopt to continually reinvent themselves and create value. It's all about leveraging technology, talent, and sustainable practices to go beyond industry benchmarks. It's about embracing the art of the

possible and creating a new performance frontier for organizations in the travel industry.

This means looking at a set of next generation capabilities that they want to focus on to help overcome obstacles and achieve growth. Our latest research has identified a small but growing number of companies that we like to call reinventors. These reinventors are setting a new performance frontier for their companies, and the benefits they unlock are truly remarkable: improved financials, perpetual breakthrough innovation, increased resilience in the face of disruption and an enhanced ability to create value for all stakeholders. So what is the journey to a new performance frontier?

This is a valuable approach for navigating disruption, unlocking human potential and driving continuous innovation in an environment where ideas can develop and flourish. While not every travel company can be leading in every capability of the new performance frontier, their efforts fuel overall progress within the entire industry. So let's get started talking about the first part of the new performance frontier, the digital core.

Right now, lots of companies are dealing with challenges that hold them back from evolving. Economic uncertainty and technology debt are big obstacles, but to really thrive, travel companies need to have a strong digital core. That means bringing together cloud data and AI to make platforms that are secure and flexible. With a solid digital core, companies can easily adjust to new demands, meet customer expectations, and handle costs and workforce challenges effectively.

It boosts productivity, drives innovation, and creates awesome experiences for customers. That's how you stand out. So, Julie and Mike, let's start Julie with you. What are the key opportunities and challenges in leveraging cloud, data, and artificial intelligence to build a strong digital core that powers enterprise wide reinvention in the travel industry?

Julie Shainock

It's a great opportunity and just a great intro, Emily. As we look at some of the challenges around cloud, as you look at airlines, or you look at the travel industry all up, it was slower to adopt cloud. And the other challenges have been gathering all that data, but we're starting to see a lot of the airlines and even hospitality companies really start to embrace cloud one and two all the data that has to be incorporated in order to use AI and Gen AI around all those different insights.

So, I think first off, there's a lot of silos out there. Bringing the data together, bringing it into cloud, which really can help from a cost standpoint, but it also leads to this cybersecurity environment. And the movement to cloud also gives them one level of a Sustainable environment as well.

Those are some of the challenges that we've had around our industry, as we look at delivering that digital core with data, cloud, and then AI. The one other comment I want to make is just all the changes and all the capabilities that are coming out of Gen AI... the copilots from Microsoft are just unbelievable. Customers can build their own. So this is a really exciting area. And only if our customers in the travel space can pull all this together, can they draw the real insights and the true capabilities from a Gen AI environment going forward. So, I think the data is probably the most important and challenging piece that we've seen in the marketplace.

Emily Weiss

Great, Julie. Thank you. Mike, do you want to add and comment on that?

Mike Tansey

Yeah, sure. From my observation, the exploitation of cloud is nowhere near the potential that it offers the industry. If I can simplify, what we've seen is that many travel companies have migrated their legacy applications into the cloud, and they're definitely getting advantages from that.

But they're not transforming those applications once they're in the cloud. So they're not reinventing, if you like their business in the cloud, they're just moving it to the cloud. And that's like 20 percent of the benefit. So, if we take something like crew planning or crew management for an airline, there's probably 10 or 15 different applications that are involved today in that business area.

And what airlines have done, they've moved those to the cloud. Great. But what they haven't done is look at them holistically and say, how can I reinvent crew and completely transform those applications using cloud components to make that business process or both the experience for the member of crew, and the business completely new. And that's where the

big opportunity for me sits.

And of course, we can't forget that, the underlying legacy platforms, both in airlines and hospitality still remain. And they are the big, big rocks, similar to what banking and telco, that's probably the 2 industries that were very similar that are also struggling under this decades of legacy tech, and it's only when those platforms can be broken apart, decoupled, whatever phrase you want to use that we're going to see a true business reinvention.

Emily Weiss

Yeah, it's interesting, Mike, what you touched on, following up on Julie is: we're talking a lot about modernizing, but once you've modernized, there is then the transforming and it's a very interesting 2 step process and it's actually a multi step process. And I think we're going to get into a lot more on that, as we talk about the other areas of reinvention here. So thank you for that.

Let's shift and keep moving forward and talking a bit more about powering your operations. And I believe, both of you really introed this already. But in the travel industry, we know data is key to success. And as Julie mentioned, companies need to break down data silos. They need to use automation, AI machine learning to work smarter. So this helps boost efficiency and make planning and decisions faster, but it also frees up employees to focus on customers and automates repetitive tasks. We talk a lot in the hospitality industry about allowing the workforce to lift up and talk to the guests.

Plus AI and machine learning can help analyze disruptions that also can help analyze property performance and complex data. So by using data and automation, travel companies can improve customer experiences, they can streamline operations, and they can also find new growth opportunities. Julie, let's start with you and talk a little bit about some strategies that travel companies can adopt to seamlessly communicate with travelers through their desired mode of communication, and provide what we'd say is a human-like experience using AI.

Julie Shainock

I'll give you one example that's probably well known example within Microsoft. And we started this with airlines in a pre pandemic. And then they went completely operational in this post pandemic environment.

But it's really utilizing a single communication collaboration platform. And this is all around utilizing Teams. And this is to help with turn time and operations at the airport. So we looked at gate management and did a complete reengineering of what you needed to do, from a gate management

perspective and utilize the people.

This is one thing you have to think about the people who do this on a day to day basis. They've got great ideas and they know how to streamline a lot of the efficiency as well. And think about when we came back from the pandemic. We still did not have enough workers. So this leads to customer experience as well.

And this is all around the turn time and the gate agent and everyone above and below the wing being able to be on a single platform. We spin up a teams when a plane comes in, you've got everybody, operating around that environment. You've got one person at the jetway. You're checking at your boarding, the people when you can get to a certain point where you know, that the bins are actually probably 80 or 90 percent full, and you can send a message to the gate agent to go ahead and start checking bags. Because we're full from that standpoint. And the other piece is, you can open a flight, you can close the flight, you can resolve duplicate seats. You can make catering announcements.

And we're even to a point where we're starting to see and utilize AI and Gen AI to actually predict. We spin up all these flights, we look across the channels and we can predict, based on the chatter that's going on, which flights might actually be delayed. So, this is a way that we can actually resolve these things prior to the flight even coming in.

This is just a great example of having I'll call it a smooth and seamless boarding capability for airlines, and it also feeds into the overall turn time. So it's going to give you a better customer service of bringing the passengers on board. And then it's also making everyone else happy, your employees, because they can actually utilize it and see above and below the wing what is actually going on and make sure everything runs smoothly. And now this is all feeding into MRO and it's feeding into the NOC or the SOC or the OCC, however you want to call it. So it's just a really interesting environment on how we can drive efficiency and really cut down costs too, and then make the passengers happy.

Emily Weiss

That's great, Julie. When you're in the section, we're talking about powering your operations. But as you mentioned, it's also about elevating the employee experience. And so it's a very holistic example. Thank you for that.

Mike, can you share some examples also of how travel companies have successfully implemented automation?

Mike Tansey

Yeah, coming back to the earlier point about one of

the big challenges that travel companies face is this large fragmented estate of legacy applications. And one of the consequences of that are there many sources of the truth. And this makes it very difficult for travel industry employees, hotel employees and airline employees to actually give a consistent message to the customer. Because then no one's quite sure what the real answer is. And so, this obviously leads to a very poor customer experience, definitely leads to frustration with the employees as well.

So, we can see some of the biggest opportunities is around both the centralization of that operational data. And then, as importantly, is the automatic communication across all channels, both to employees and customers, of the consistent message. Because there's nothing worse than being told your plane is delayed because of the late arrival of the incoming flight. And yet you're standing at the gate and the plane is there already. So, getting that consistency of message. And we're starting to see airlines implement these, not just the communication platforms, but more importantly, the underlying data that means that the truth is shared across all channels. So when customers use the contact center, or use the mobile app, or they look at the airport screens, whatever it may be, it's the same answer. And that's really important for building trust in the organization and building customer confidence.

Emily Weiss

Customer confidence is critical here. And obviously we talked about elevating the employee experience. So you also want employee confidence. So let's shift gears now. It's really playing on what you both just discussed and talk a bit more about delivering winning traveler experiences. And when I think about this section, for me, this is really the meat. Everything we talk about before and everything we talk about after, really comes back to the end-to-end traveler experience.

I think about it in three phases and many people describe it their own way. But I look at sort of the inspiration phase. I look at the retailing and commerce component, and then the servicing and disruption management phase. And to give travelers the best personalized experience across all three of those phases, companies need a full 360 degree customer view and orchestration. That allows them to personalize bookings from start to finish. But it's not only about that. It also allows for, as Mike, you just mentioned : Smooth operations across all channels and touch points. And consistency is key. And they should also connect with partners and be ready for any disruptions along the way. And I know Julie, you just talked about that a little bit in your

example. So, what's the ultimate goal here? It's a seamless journey experience with zero hassles. So Julie, let's start talking a bit about the inspiration phase, how it's become such a greater focus, I would say. So how do travel companies shift from performance to inspiration? And picking up on something you said earlier, how can travel companies use advanced tools like gen AI and seamless user interface design to incentivize and inspire travelers to book and engage more?

Julie Shainock

Yeah, I think there's probably a lot of different ways that you can look at the inspiration.

As you start to look at all the different travel points, inspiration is where you start. And you can apply tech to that as well. And there's all these large language models. You can use natural language to ask questions to the large language models. I want to go skiing in February for president's weekend or something like that. But these are the kinds of things where it would bring up some very specific information based on the criteria that you're actually generating with the natural language that you're using. You can develop some bots in these environments using some of the large language models. So as you start to look at where do you want to go, this is going to give you feedback and information for you to actually make some various decisions and refine what you're thinking about, especially from a leisure standpoint. And then you might be going on a business trip and you might be going to a really cool place. And then you might want to do something different afterwards and extend your trip.

You're starting to see a lot of that take place in the marketplace.

Emily Weiss

One of the other things that I've been seeing is the usage of social media and demand signals, right? And being able to pick up on activity and these signals that indicate where's the activity. So even though we say that inspiration is much more so required around the leisure travelers. If we start seeing through social media, through LinkedIn or whatever, different channels, that there's a conference.

And then we know that there's certain companies that will be attending it. And, you're looking at trying to find a way to capture that, the blended leisure travel. That's another opportunity.

So Mike, maybe we'll shift to the second phase of this, end to end traveler journey around accelerated retailing. And given how essential it is for bringing new booking, shopping, and buying experiences to

travelers, what are some of the challenges and opportunities and things that travel companies should consider in this space?

Mike Tansey

The biggest opportunity here particularly in the airlines is the decoupling of the legacy PSS system, which has been the constraint around retail transformation in airlines for decades. And that's why all airline experiences are pretty much the same.

The booking flow is the same because it's dictated to by the legacy PSS. And the exciting news is we're seeing major airlines around the world starting to accelerate their technology transformation, which will unleash huge opportunities for airlines and hotels to provide a much better retail experience. And actually some of it will be very straightforward in as much as for decades customers have been trained to book travel in the same way. Where do you want to go? When do you want to go? How many people? People can do it in their sleep. But that's not how people think about travel.

Think about people think it. Hey, I've got a weekend free. I'd like fancy a beach retreat, and I've got 1,000 dollars.. So the way in which customers will engage with travel companies in the future will begin to pivot around what the customer needs are rather than what the business processes of travel companies are.

And I actually think it's going to be quite daunting for travel companies because, as I said, for decades, they have been trained in a way to think. And suddenly if you take those constraints away, I don't think it's as straightforward as people think that, they'll realize what the opportunities are because they've been so blinkered for so long.

But what it will mean is finally the realization of the fully integrated trip. Whether that's your trip to the airport and your flight and your hotel or your hotel and then your restaurant and your theme park tickets. Whatever it may be, at the moment, that sort of trip is stitched together pretty badly.

And certainly badly from a customer experience perspective, if you want to change anything on what we're going to see in the future is a fully integrated trip capability for people to be able to sell those the components that you want, and also to be able to service those components in a seamless way. And it's going to be unbelievably exciting.

Emily Weiss

It's really interesting because you just made the comment about finally the fully integrated trip. But there's two pieces that always strike me when we have this conversation. One is around even working with partners, right? If you book a flight and you

have a connection and your connections with a different carrier, even if it's in the same network, that the experience is completely different.

That's number one. Number two is the concept of a shopping cart doesn't even exist in the airline industry, really in travel overall, but particularly in airline. And so your comment, your last bit of that around the integrated trip leads me right into the next section around disruption management, because as I was saying, if you experience a disruption throughout your trip, it's never an easy task, but particularly when it's not an integrated trip, it becomes that much harder.

And so as we talk about that, Julie, maybe you could just share a little bit with us around, how travel companies learn from past disruptions, use those lessons to enhance their preparedness for future disruptions. And whether it be technology and data and AI that's allowing them to do it, whether it be more decision intelligence or self service tools, better communication strategies, what exactly are you seeing travel companies do to really improve the disruption management process?

Julie Shainock

I think it's a very exciting area, especially with disruption management. One of the things I would tell you is what you talked about earlier as well is, you've got to make sure that you're serving your customers over a channel choice. Nobody likes disruptions, but, certainly they're going to want to receive information.

One of the most frustrating things for passengers, and Mike mentioned it as well, is the gate agent is the last one to actually know this information as well. But I think, as you look at the disruption management that happens today, there's a lot of different things that you can use technology to apply to.

So certainly, if a passenger is in the airport itself, we can use different disruption technologies, over the cell phone and sort of ask customers if they want to do certain things. You can make different kinds of offers to a passenger if they don't have access to the lounge, and you have room, you can give them access to the lounge.

You can give them coupons to go get a cup of coffee or a voucher to go get a meal or those kinds of things. And then the other thing we've actually thought about is looking at the gaming aspects of things. And certainly, as we talk about retailing and commerce, gaming can actually play another role. You could even do some kind of scavenger hunt in the airport itself.

So we've played with some of these things and technology on how, in this environment when the disruption occurs, whether the plane is delayed an

hour or 30 minutes, you're going to offer certain things and you've got to be able to offer things to your passengers over that channel. And it's going to be their cell phone if they're in the airport itself. And then if there is a complete disruption and we've got to change reservations, maybe to the next day or later, or whatever you have to do, you've got to be able to seamlessly make sure that the passenger receives the information. And they shouldn't be standing in line anymore, or calling on the telephone to the call center.

All of this should be very seamless. And as Mike talked about the integrated trip, this would be part of that integrated trip. That you run into a disruption, but it's handled seamlessly and the information is communicated, meaning you've got some kind of voucher to get to a hotel. You've got a voucher that's going to take you into the hotel and a voucher for a meal. And then you've got your reservations on your device to bring you back to the airport the next day. And then you go on your way. That is the ultimate integrated trip and the environment that the passengers are looking for.

We have the ability, we have the technology to do that today, but it's still not done. And I think I also agree with Mike, the boat anchor, the albatross is still the old legacy systems that have been around 40 to 50 years. And we haven't done anything but put band aids on there.

Certainly. We can't have a rip and replace kind of strategy, but for our airline brethren has to start really looking at how are they going to handle this? So we start to move forward. And I think the cart aspect and the whole retailing aspect, you look at an Amazon in the marketplace, they've completely disrupted the entire retailing environment on how we do things. Brick and mortar stores don't even handle the way that, e commerce is being done. So I think as you look at some of this, we have to figure out, in the future, how we're going to work with our airlines and travel companies and hospitality to handle this retailing aspect of things going forward. Those would be some of my comments. And we have the technology, it's making the investment and really streamlining how we deliver information, not only to employees, but also to our passengers.

Emily Weiss

Great, Julie. Thank you. And so that leads me into, kind of summarizing this whole section around the end-to-end traveler journey. And we talked about 360 degree customer orchestration. Mike, maybe you can share just to wrap up this section examples of how travel companies have successfully used data insights to provide personalized offers and recommendations, upsell ancillaries, cross sell relevant products and services, and really just

looking at having that 360 degree view of the customer.

Mike Tansey

I think the best example that certainly I've seen, in my part of the world by a country model is Singapore Airlines. And they have building and investing in their customer database for over 10 years now. And they have more and more data sources going into it, including operational data sources. They're doing analytics on that data, and they're feeding that through to every customer touch point. And the biggest leap that they're making, in the recent past is the live streaming of that data. So, one of the big problems has always been the if you like the latency of the data accuracy getting into the customer 360.

And of course, a lot of the part of your travel journey is time relevant. And if the data takes 3 or 4 hours to get into the customer 360, then its value is dramatically reduced. And so we're seeing huge impact, cost positive impact on the customer experience. If you call the contact center, okay. They actually say to you, are you calling about your next flight to Bangkok? Because they know that you're, that's your flight and it's in the next 48 hours. And they know from doing analysis that 80 percent of the people that call it's about their flight. That's about to happen, right? So they also looking at your propensity to buy upgrades, extra leg room, extra baggage.

So all of that personalization is brought into both the digital experience, but also the physical experience. So that customer 360 is very, very advanced. They were voted the number one airline this year. There's no question that Singapore Airlines customer experience is fueled by their customer 360 approach, which, as I said, has been a multi year journey, but the sophistication that they have there is truly phenomenal.

Emily Weiss

That's a great example, Mike, around the importance of not just having the 360 degree view, but all the components that lead to it. So having the data, having the insights, capturing information about the guests and the traveler across the entire journey, and then developing actions based on that.

So with that, maybe we'll shift gears a little bit here.

And Julie, I want to talk a little bit around seeking and scaling new growth. We know that travel companies have to think outside the box and find new revenue streams beyond their core business. And we're seeing some of them start to take actions already.

And it's fresh ideas around loyalty and their frequent flyer programs or catering to the eco-conscious

travelers, but really elevating and going to the next level. And they should be open to other revenue opportunities and businesses that can stand the test of time, beyond what they have done to date.

And that looks at things like diversifying income sources and even teaming up with partners and building out new business models. So, can you share with us a great example in ways that travel companies can use technology and AI to better design and enhance their loyalty programs or anything that's really providing instant gratification and lifetime value flexibility for the traveler.

Julie Shainock

Yeah, I think part of what we're seeing around loyalty and artificial intelligence, and you heard Mike also talking about latency of data, and then making sure that we've got that 360 view and how you're looking at all the different ancillaries out there. A lot of that also can carry into loyalty as well.

So, you're seeing a lot of coalition marketing programs taking place and that may not be new, but bringing all the data together for them to deliver this whole program. And the one of the things I can also mention is we have done some work with Singapore as well around the Chris flyer for the loyalty system, their blockchain capabilities, where you're utilizing points for other environments, whether it's groceries, petrol, movies, et cetera. I think you're starting to see this take place across a number of different airlines and the marketing programs that are taking place.

The other thing you're starting to see is this whole area around super apps. And this whole super app in the marketplace where airlines are developing their own super apps to do all kinds of different things. Probably one example would be, like an AirAsia they are predicted that 50 percent of their revenues would come from, Other environments by 2025, that's a year away. They're working with the cargo aspects of things, and with the super app, they can do the cargo aspect with becoming a small package delivery company as well. And they're working with a partner out in the marketplace.

So I think, as you look at two things, one would be the coalition marketing and how do you build and utilize loyalty across a number of different things that consumers, passengers want to acquire. And then the other piece would be this whole super app in the marketplace.

And I think you're going to see more and more super apps come into play where they can really just buy and transact anything and everything that they want to do going forward across that mechanism.

So that those are some examples that we're seeing in the marketplace and how airlines, hospitality companies can all get engaged in those environments.

Emily Weiss

Excellent. Thank you, Julie. So that brings us to the conclusion here. And I wanted to really wrap us up and summarize a little bit about what we've discussed during today's podcast. And we talked about how reinventors can build on the capabilities that we mentioned to shape the art of the possible in the travel industry.

So think of them as fundamentals for a flexible business that constantly reinvents itself to align with consumer expectations and weather future shocks. Of course, we're all very familiar with industry shocks, especially these days. But every travel company should figure out their own unique new performance frontier.

There's not one. And when we say total, we don't mean every single aspect at one time. But by looking across these capabilities and identifying the organizational, the operational, and the cultural obstacles that might get in their way of achieving ambitious growth. And this will help them focus on what really matters for their company.

And we know that there are various benefits to embracing continuous reinvention. It's in terms of financials, as well as positive outcomes in other areas. And to achieve this value, financially, we know that reinventors across the industries are reporting generating 10 percent higher incremental revenue growth, and 13 percent higher cost reduction, and improving their balance sheets by 17 percent

compared to the rest of the industry.

We see rapid results. So 66 percent of them say they are moving significantly faster than before. And it's predominantly because of their ability to move at greater speeds enabled by their more sophisticated technology infrastructure, and ways of working. And we do talk often about 360 degree value, and companies that fully commit to reinvention are also excelling in other areas.

So they're improving 32% in this area of sustainability. And 31% they're better at creating outstanding experiences for customers, suppliers, and employees, as well as improving their scores and innovation, talent outcomes and inclusion and diversity. So to achieve this value, as I just said, it's important to understand that total enterprise reinvention, it's not a simple one time checklist or to do. It's a, to be, it's an opportunity to continually reinvent and transcend not only present practices, but also future possibilities.

There's no going back. In fact, the gap between what technology makes possible and what's being done in practice is widening. And the urgency to act is escalating. So thank you so much, Julie and Mike for joining us today. And thanks to our listeners. I hope you tune in again for our next episode of Embark, where we talk about travel, tech and trust. Thanks again.