

THE TRAVEL INDUSTRY'S BEST AMENITY? DIVERSITY.

**An authentic commitment to inclusion
and diversity drives loyalty and growth.**



Travel, it's said, is the only thing we can buy that makes us richer. That richness comes in large part from interacting with people who are different from us; who have fresh perspectives on life. That's why it's particularly disappointing when lodging, airline or cruising providers don't cultivate diversity among their employees and clientele.

To open up the world to travelers, regardless of their gender, age, abilities, ethnicity or sexual orientation, the industry must make all travelers feel **welcome and accepted.**

In today's competitive market companies across all industries are taking note of the value inclusion and diversity bring to customer loyalty and business growth. Travel providers like hotels, airlines and cruise lines are lagging behind in maximizing the richness of diversity and cultivating experiences where travelers and their employees feel a sense of belonging.

Our new research reveals just how important fostering a culture of inclusion and diversity (I&D) is for attracting and retaining customers. While it's traditionally been viewed as a nice ideal to promote, social pressures have now forced I&D to become a business imperative.

The new survey of more than 2,700 consumers from the airline, cruise and lodging segments across the US, Canada and the UK find many companies are not going far enough with I&D.

This research reveals four key I&D initiatives for travel companies to undertake in order to enhance engagement, improve customer interactions and earn long-term customer loyalty.

Make I&D a priority

Travelers are paying attention to companies' commitment to I&D—and it's influencing their purchasing decisions.

About 3 out of 5 travelers say it's important that their preferred travel provider demonstrates I&D values similar to their own. That number rises to nearly 3 out of 4 among LGBTQ persons and (self-identifying) ethnic minorities, whose increasing spending power across the US, UK and Canada [is well documented](#).

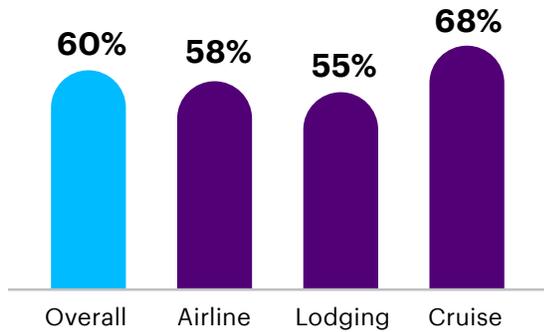
More than half of travelers (56%) surveyed say it's important that the company they book with is committed to I&D practices, such as providing advancement opportunities for under-represented groups within their organizations. Even more ethnic minorities (64%) and LGBT+ in all instances persons (67%) hold this belief.

Our study reveals that nearly half of travelers are willing to pay a premium of 5% to 20% to book travel with a company that values I&D among diverse segments, about 3 in 5 ethnic minorities and LGBT+ persons (and younger travelers, too) are willing to pay such a premium.

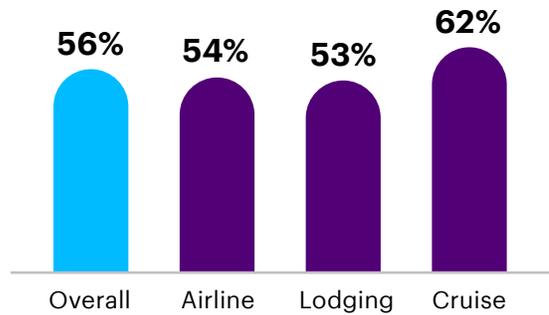
SPOTLIGHT

Beaches is the first resort company to complete The International Board of Credentialing and Continuing Education Standards training and certification to provide autism friendly kids' camps, custom dining options and other services, opening up luxury vacations to more families of children with special needs.

How important is it that the company you book with exhibits I&D values that align with your own?



How important is it that the company you book with is committed to I&D practices?



CRUISING FOR I&D

Cruisers value I&D even more than airline customers or lodging guests:

- **More than 3 in 5** cruisers say it's critical for cruise companies to share their I&D values and believe it's important to book with a company committed to I&D practices. (Those numbers are also high for the airline and lodging segments, at 58% and 54%, respectively.)
- Over the next 12 months, **2 in 5** cruisers (compared with 1 in 5 lodging guests and air travelers) indicated they are likely to switch to a travel provider that reflects their I&D values.
- **Two in five** cruisers have shifted **10% or more** of their cruise spend away from companies that don't reflect their I&D values.
- More than half of cruisers are willing to pay a premium of **5% or more** to book with a company that reflects their I&D values.

Foster true loyalty by boosting I&D practices for all

Companies without a strong culture of I&D aren't just failing to gain new customers; they risk losing their current ones. We found that customers who switch to another travel provider could cost travel companies around the world up to \$212 billion in potential revenue. Meanwhile, 3 in 5 travel executives report that it is more difficult than ever to win customer loyalty.

We've discovered that 2 out of 5 travelers—including more than half of ethnic minorities and LGBTQ persons—will switch providers if a company does not publicly reflect inclusive practices.

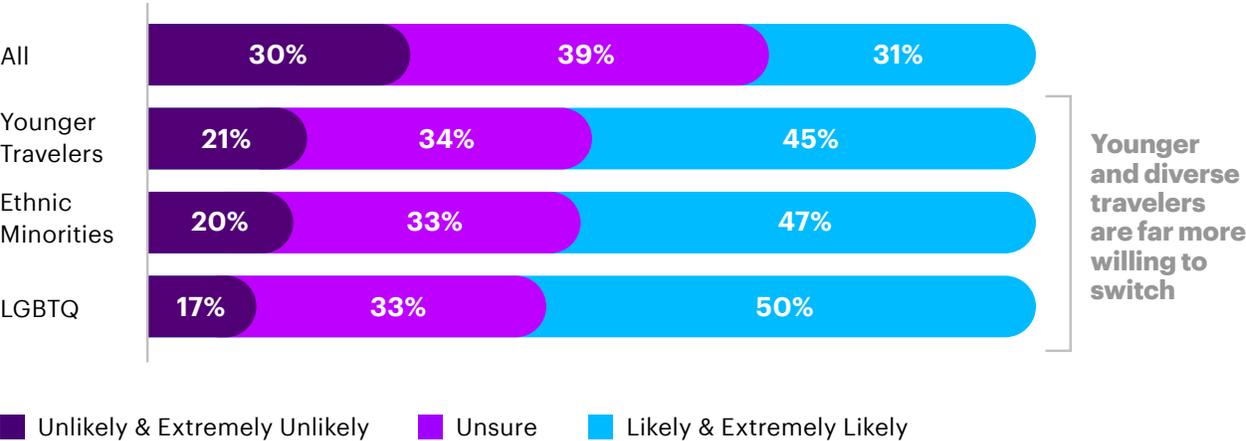
Also, 56% of travelers (65% of ethnic minorities and 70% of LGBTQ persons) will switch providers if a company doesn't take responsibility for its own I&D challenges. And 75% will switch providers if their preferred company doesn't offer them a welcoming environment or treat them fairly.

In fact, over the past 12 months, one-third of travelers surveyed have shifted more than 10% of their travel spend away from a company that doesn't reflect their I&D values. A full 56% of ethnic minorities and 42% of persons with a disability claim to have done the same.

SPOTLIGHT

Consultant and keynote speaker Evita Robinson has created an online community for travelers of color, Nomadness Travel Tribe. The group has more than 16,000 international members with over 100,000 passport stamps and hosts more than 100 meetups per year.

In the next 12 months, how likely are you to switch to a travel company that reflects how important I&D is to you?



Demonstrate I&D principles through the customer experience

While some travelers are making their decisions based on a company's perceived commitment to I&D, what matters most to them are their personal experiences. 2 in 5 travelers care about public disclosures of diversity statistics, advertising images or the diversity of front-line employees. These factors represent more of a minimum requirement than a notable accomplishment.

82% percent of travelers value feeling welcomed and being treated fairly, while 74% care about whether the company offers a range of products and services to make those in their diverse segment feel included.

Over one-third (37%) of all travelers agree that providers too often overlook factors like age, ability, ethnicity, gender, gender identity and expression, religion, and sexual orientation when planning the environment or experience they offer. That percentage is significantly higher for ethnic minorities (48%) and LGBT+ persons (54%).

Overall, 36% of respondents are dissatisfied with the current array of travel products and services, while an even larger percentage of LGBT+ persons (51%) and ethnic minorities (52%) agree.

SPOTLIGHT

R Family Vacations was a pioneer in creating customized trips for LGBT families and their friends. This year, they are offering a group cruise on the Royal Caribbean's Harmony of the Seas.

How important are the following actions/attributes when evaluating if a travel company's I&D values align with your own?



Have a quick-response team in place

We've found that travel companies need to take swift, corrective measures in the wake of an I&D-related incident. Travelers can be persuaded to switch providers when these situations are not quickly handled well.

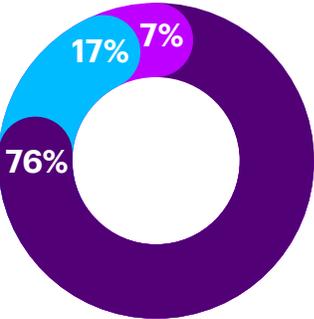
Three-quarters of travelers (76%) believe that if a company is involved in a negative I&D-related matter, it should immediately take responsibility.

In a finding that underscores social media's strong influence on consumer behavior, 39% of travelers can be persuaded to stop booking with a company if a friend or family member takes to social media to draw attention to a negative I&D-related incident. An even larger percentage of ethnic minorities (48%) and LGBT persons (53%) can be persuaded by such posts in their feeds.

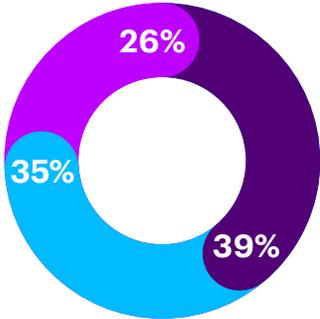
SPOTLIGHT

In September of 2018, in the midst of #metoo revelations, big brands including Hilton, Hyatt, Marriott, Wyndham and InterContinental Hotels Group announced a joint initiative to equip hotel employees with panic buttons to increase their safety and reduce sexual violence.

If a company experiences its own negative I&D incident, how important is it that the company takes responsibility?



How likely are you to be persuaded to stop booking with a company if a friend or family member takes to social media to draw attention to a negative I&D incident?



Ethnic minorities (48%) and LGBT+ groups (53%) feel more strongly about this

■ Extremely/Somewhat Important ■ Unsure ■ Somewhat/Not Important

BUILDING A CULTURE OF EQUALITY

How a company interacts with travelers and expresses its values in relation to I&D externally often correlates with how those values are demonstrated and committed to internally. How can companies across the cruise, airline and hospitality industries meet and exceed consumers increasing expectations?

As our previous research has shown, companies can build a culture of equality which drives innovation, creativity and competitive advantage. For instance, in partnership with Disability: IN and the American Association of People with Disabilities (AAPD), [we found](#) that companies that embrace best practices for employing and supporting more persons with disabilities in their workforce are, on average, twice as likely to have higher total shareholder returns than those of their peer group.

And our “[Getting to Equal 2019](#)” report found that an innovation mindset among employees is six times higher in the most equal cultures than in the least equal ones.

Here is a subset of broad components to start building a culture of equality and ways you can strengthen them:



Bold Leadership

- Make it clear to employees, and to the public, that I&D is a priority.
- Establish diversity, equal pay and advancement goals.
- Communicate progress against these goals internally and externally; hold leaders accountable for progress.



Comprehensive Action:

- Introduce HR policies to reflect I&D priorities.
- Put in place objective processes to create gender-neutral job descriptions.
- Establish programs or incentives to encourage hiring and retaining underrepresented groups.
- Track how successful your actions are, using metrics and leveraging workforce analytics and insights to identify priority areas.
- Remove bias from talent management process.



An Empowering Environment

- Support a workplace culture that encourages people to be themselves, be creative and take responsibility.
- Use technology to make sure employees with disabilities are properly accommodated and that everyone in the company receives comprehensive, role appropriate training at convenient times.
- Put in place discrimination and harassment policies that combine clear zero-tolerance communications, reporting and disciplinary processes, and ongoing diversity training for all people.

Contact the authors

SARAH DILLON

Management Consultant
sarah.dillon@accenture.com

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