



EMBARK: TRAVEL, TECH AND TRUST

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So, welcome everyone to our Embark podcast where we are going to talk about Travel, Tech and Trust.

Today, we are going to talk about the new traveler and this podcast, as you know, is a chance for you to catch up with the latest on the travel industry and how the Cloud and new technology are actually influencing and changing and transforming the industry.

I am Marco Ribas, I'm the host of the podcast, Country Managing Director for Columbia and also Client Account Lead for Avianca. And today we also have Emily Weiss, Travel Industry Sector Lead for Accenture; Shantha Maheswari, Travel Technology Lead for Accenture, and Jonathan Sullivan, Travel Cloud First Captain at Accenture.

In our first episode, we will cover the state of the industry and the new traveler, and how technology creates incredible new possibilities for travelers and the travel industry as a whole.

My first question is related to how traveling will be changed by the pandemic, and what do you expect from travel companies and how travel companies can get closer to their customers to better understand their expectations, and what is in there for them in the future?

Jonathan: Good question, Marco. We were thinking about this internally and some of our research has sort of broken it down into

four different ways that we can look at this problem. What do we think about ourselves and how would we like to see ourselves; how do we act in the face of this pandemic and how much of that do we expect to be permanent; how are some of our habits changing today and how are we buying differently today were the four key questions that popped out of that. And I think, across the spectrum, what we are fearing is Health & Safety and, you know, we are now at year end of this, but I think that is still quite permanent on what is there and I expect that we will have a permanent change to that, sort of like the medical system did following Florence Nightingale. We are just going to have a very different level of expectations on cleanliness and contactless-ness going forwards from travel companies and probably most of our interactions. Second, I think with, you know, what we want to see from ourselves, how we see ourselves aspirationally? I hear a lot of people talking more about living more locally, more conscious consumption. The climate change agenda has, I think, gotten a lot stronger over the course of the last year and I would expect that to boil over for a while on travel; at least how we think we want to travel and then when we are traveling. I don't think a commoditized experience in different parts of the world is what a lot of people will be looking for. They will be looking for the local feel, the local taste, the local culture where they go. And that is both what they want from an adventure perspective, but probably also just



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they will feel better about themselves when consuming things that feel local rather than global. From a shopping perspective, we see a lot of people spending time shopping for more luxurious items now than they did before the travel sort of pandemic and embargoes started. I don't know if that is permanent or not. I think budgets ultimately are going to set that and we might be dreaming about things we can't afford or we might want to splurge on. But maybe, after the first trip, we will go back to living within our budgets and trying to consume where we are; maybe not, but time will tell. But I think how we shop in the future, both for travel and everything else, will be far more digital and omni-channel than what we have done before. We will expect our hotels that we deal with to be able to have a physical and digital conversation with us simultaneously. The same with the airlines we deal with and that's a very different change to what we were doing before. I just expect that because that's how these other companies we work with are dealing with this today. Travel companies should do the same thing.

Emily: I think... Jonathan... great point, and I would add also here talking a bit about the sort of... moving to better integration between the digital and the physical experience and we also spoke earlier about Health & Safety leading to contactless. I think it's going to definitely shift much more permanently to this seamless contact journey. In the past, contactless was almost about convenience. You

know, travelers - especially business travelers- did not want to interact with, you know, the front-desk clerk or they didn't want to have any kind of human interaction; they just wanted to get to their room or they just wanted to board quickly. But when you add in the Health & Safety protocols, it makes it almost more of a requirement and then it really does need to be seamless where, if you can go and do all your check-in online, you then want to be able to actually follow through the entire journey in an online and digital way. Whereas not, you know, polka-dot chunked... I've got to have a physical interaction here and have a digital interaction there - they don't speak to one another. I almost find myself having to repeat it. The experience I have on my mobile device is different to the one I have in the hotel, at boarding, or even on cruise. So I do believe there is definitely going to be this shift and it's going to encompass the entire end-to-end journey. The other thing I would also add is that I think there is going to be a much greater emphasis on personalization. So again, in the past, I felt as if topics like personalization were almost more convenience, you know; know my customer, know what they need, know what they want to help market, but it is even more so now about consumer demands and consumer expectations are just so much greater given what everyone has experienced over this past year, and I think our travel companies and clients are going to have to be responding to that very rapidly.



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Shantha: Emily, you have brought up a great point. I think the other dimension that probably I want to add on is around, if I think about the travel companies. I think the travel companies' ability to create a lot of elastic workforce. I mean, be it in terms of having talent - whether it is the frontline or the crew or any of those aspects - and bringing a lot of digital ways of innovation around that space in terms of dealing with the workforce, in terms of training, in terms of the platform for talent... a whole lot of those experiences are also something that I think significantly that will also emerge.

Marco: That's very interesting. When I reflect on the points you all make, to follow up with my next question... how do you think the travel industry companies are adapting to this new reality and getting ready for these realities, and what are the things they should be thinking about in terms of preparing their capabilities to face this new traveler?

Jonathan: Yeah, good question. I think travel companies have pretty much nailed the 'let's make sure it's clean and safe' and they will never go back from that and, you know, they did that quickly in a way that was responsive because they knew they needed that to sort of save their business. I have seen mixed results on how they are innovating digitally to try and keep contactless real and personal. As Emily was saying, personalization investments in the past were more convenience related than actually really knowing you and linking data together in the right way. My experience is limited

because I have not been traveling a hell of a lot, but what I have seen talking to our clients, there is not a lot of capital to invest in those kind of projects right now and their investment windows and their horizons are so short in this time period when the business has been so uncertain they have been reluctant to really commit to doing it and maybe just now they are getting their heads around to 'OK, we better get ready for this new world after we have survived this for a year.' For the first few months, it was just how do I save the business, how do I put it in a position where I can think about the next three months/the next six months without wondering whether we are going to be in business or not? Emily and Shantha, you guys are in different parts of the world - maybe you see different things?

Emily: No, I mean, sadly, I also have not been traveling. It is a very strange dynamic, candidly. I would say when I go backwards from what you just said, Jonathan, I think that history and the pains of the past for our travel companies are, you know, they are just hitting them hard right now because the lack of investment and the lack of innovation over the years. Maybe I wouldn't even say the 'lack of' but this slowness and the limited adoption of advanced technology over the years, due to whatever reasons, is catching up and I think it is very, very difficult to make significant investments like this and really turn the corner in the midst of the pandemic when actually you need it more. And so there is a lot of, as you said, a



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lot of cost-cutting activities that have been going on, but they have definitely been reactive and they have not been cost cutting to fuel innovation, but it's really been this is more survival mode and so that is something I think they are struggling with, but I will say they are not at a shortage of ideas. It's just a matter of how do you translate those ideas into programs that are sustainable right now be it in the current environment. The other thing I just wanted to add quickly before I turn over to Shantha is that when you are talking about the Health & Safety protocols, I agree, I think the travel companies adapted to that incredibly well and incredibly quickly. What I found most interesting early on is how, historically, if you think about in the hotels, you know, housekeeping was almost something done late at night/early in the morning. It didn't want to be visible. I remember hearing a CMO say to me very early in the pandemic "never in a million years did I think that one of our marketing campaigns was gonna be 'come to our hotel, it's the cleanest place in the world!'" So it is absolutely front and centre and it isn't going away and, you know, it's for the better because I think everybody needs that right now to just really regain trust and confidence in traveling.

Shantha: True that, Emily. But I think the other interesting dimension that we are all seeing more and more is where are the places of automation and where are the places where data insights can be gathered especially with a lot of master data and all of that. Where are the places where for

example can we create personalized campaign management? Can we create a personalized experience for somebody, or can we automate certain aspects which was never thought of before? I think these are some places where we definitely see a little more of a very conscious shift that is happening more than ever before. I think we really see a lot of in-house, you know, self-mobile kind of experiences whereas to really to see are these the things that are happening or are these the things that happened in my room, have they checked it, have they tested it, have they screened it? I think all of these aspects are something that I kinda want to see in my home before even I walk up to that room. I am also linking it to the digital experience whereby I can see it anywhere, anytime, even before I check into that hotel or even before I get to my room that is allocated to me.

Emily: I want to see it any time... I just want to travel to see it!

Jonathan: Marco, are you seeing anything different in Latin America?

Marco: We are seeing very much the same. I think definitely things around safety and cleanliness. But I think you are right; I think the expectation and I think Latin America is a great example. The most valued company in Latin America now is an online company. And I think this has changed behaviors of consumers in a way that will not be reverted. So people do expect to be known, they do expect to have a complete different shopping experience.



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As you are meeting lots of clients and discuss this with them, what are the trends you see, what are the topics that seem to be recurring in conversations with clients now?

Emily: There's definitely some themes that are emerging independent of who I speak with, really, across the industry, across the sectors. I think the first one is really just about how the return to travel is going to start with domestic leisure over international and over business, just no doubt. And how are they going to, you know, prepare themselves to respond to that? Not respond to domestic regions solely, but respond to that being the first wave back. That is certainly a trend and I think we are seeing that it seems to be across the globe, I think until the vaccine roll out is much more widespread and we have much better clarity on borders opening, governmental restrictions changing, quarantine, etc., there will be a big focus. Jonathan mentioned it earlier, but a lot around conscious traveling within the domestic region. So I'd say that is one of the themes. Another trend I am seeing is really around, I'm not even sure I would call this per se a trend, but all the travel companies are really looking for new revenue streams; ways to inspire guests and get travelers to come back. And so although there are a lot of people saying that the pent up demand is just so high, the travel companies are not going to need to inspire guests any more. I don't think that's entirely true; I think there is no doubt that there is pent up demand... I'm very much one of those people! But they are going to have to start thinking a lot about really imagining the

whole experience; everything from meetings and events. So even though business travel might not bounce back as quickly, people probably are not going to be travelling across the pond or across the country for a one hour meeting right now. There are going to be meetings and events, they just might be re-imagined in a new way. Things around like from work alternatives. Or how do you capture that business market? For example, maybe people aren't going to be traveling Monday through Thursday any more, but if people aren't going to be going into an office on a daily basis like they used to, maybe they are going to travel once a month. Those who never did, they just did a daily commute; now they are going to go once a month from home to a big meeting or a gathering of employees who are working from home regularly. So that would be the second one. I might cheat and actually give you more than three here. But I would say the digital nomad concept; the work from anywhere is a big theme and a trend that travel companies are trying to figure out how to respond to and whether it just be providing facilities to support that. But what does that actually mean?

And then I would really say the last one we have already touched on it, but is the concept of touchless everything. And that's really around making sure there is a seamless end-to-end contactless experience. But it's also about inspiring trust and confidence and until we have the trust and confidence back in our population, travel will be slower to rebound and so I'd say those are generally the trends and that our clients are



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figuring out how to react to them, how to respond to them and really get back and return to growth and get the world traveling and moving again.

Marco: Reflecting on what we discussed so far, there are immense changes going on and I think the expectations are higher than ever before. How these main challenges will actually cascade across the business Jonathan and how companies will need to respond and change their current way of operating and behaving to actually match the new challenges we just talked about?

Jonathan: I think we can look at all travel companies and say they simultaneously need to become more flexible in what they do. They have to have lower unit costs because the revenue environment isn't going to be the same and they have to sell more services. And then at least with the airlines they have to do that from a smaller airline base. And those four things to not to go together very well, they have to do more, deliver more with less inherent risk, less fixed costs at lower cost structures in order to recover the margin and that really can only be done by replacing a lot of humans with machines for tasks that can be automated and then putting the human creativity towards trying to fulfil customers' desires with new services. It is a re-purposing of what we do, away from processing tasks, away from simple movement tasks into dream fulfillment tasks for lots of our customers. And, you know, I

think you then can look at that and spread that across the business and the business functions and take something as simple as baggage handling and say that's a task, you know, it costs me more to check a bag in so that it can be shipped 300 feet underneath the tarmac or underneath the top floor of the airport I'm on, to the aeroplane and then shipped 300 feet back than it does for a month of Amazon Prime. In that process, I don't exactly know where the bag is. I don't know if it's going to show up on the aeroplane when I get onto it, except for a few airlines in the world. And we have to look at that process and say well, that's not really what our customers want. And so for an airline to say OK, I need to find a way to reduce costs, they could say 'Jeez, I already know who the customers are before they are coming because they have to put their biometrics in for the passport stuff and for the COVID test, so that's great. When they come in I should be able to identify them on the way into the airport the same way the airport identifies them on the way out through these automatic gates through customs.' Well, if I do that, then I should just be able to take their bag and if I can take their bag and I can go through the scanning processes, let them know where it is, let them know when it gets loaded on the airplane, and then I have got to think about how to get that bag off the aeroplane really, really, really fast and get it back to the customer so he is not waiting on it at the end. And if I do that then the customer can walk more handily through the airport, it doesn't have to take as long to board the



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aircraft, isn't going to be as stressed when they get on the airplane itself, my best customers don't have to wait in line and are the longest to sit on the airplane the longest amount of time so they can a little bit over ... and they might even pay me for this service at a rate that is commensurate with the value they think they are getting. That's a different way of thinking about the airline business, but if you think underneath it's a lot of technology, it's a lot of Cloud work, it's a lot of stitching together, it's a lot of airport environments we need to do ... It doesn't have to be all done at once; it can be rolled out over time on specific routes for specific markets. And that kind of technology integration can be done really effectively without the Cloud. You could try to do that yourself, by yourself, but it's really a bunch of partners we need to integrate together with maybe ... and services. And I think if we look across this whole industry, we need stuff like that everywhere. It's not just baggage services because no-one really knows what goes on underneath and it's quite clean down there, but it could be automated more.

Marco: Where should they look at, you know, copy with pride what other industries have done better in terms of adopting technology that could help them?

Jonathan: I will give you one example, I'm sure Shantha's got 15, but a good example would be retail at the start of the pandemic when people couldn't go into stores and they wanted to get something quickly. I remember my father saying something like

his router had broken and he needed to go and buy a new router for his home. So he went to Best Buy online and, you know, bought something and drove up to the parking lot and somebody walked out in a mask with gloves on and five minutes later gave him what he needed and he was back home and back online in 15 minutes. It's that kind of customer experience and adaptiveness and I think that has been pretty well prepared for something like this to take place. But they stitched it together in two weeks' time and that was a ridiculously fast amount of time as soon as those lockdowns came on and was able to sort of drive loyalty, drive business and probably drive long term warmth from my father to that company. You know, I could see airlines and hotels doing all sorts of things like that, but Shantha, maybe you have got other industries because you have done everything in the world.

Shantha: The other examples sometimes that I see are in the financial services area. I think, you know today the banks and the regional banks are like one touch, one service, you just go there, you get your entire customer ID transactions. I don't have to look at ten different bank IDs, 10 different wallets, ten different systems. It just comes to me like a nimble view of how I get my customer idea and I just everything I want to do as a transaction. I think today I would like to do the same, like when I have to do my bookings, so there is Booking.com, there is Makemytrip. At least on this side of the world I have so many systems for me to figure out where the best possible airline is,



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where the best possible feature is. I would like some of those features to be brought on so simplistic in terms of the experience and thereby I am able to... I mean that is something I have seen in the banking experience some of those things come out very quickly. I would think something like that is definitely very adaptable to something we can do for the travel industry. The other aspect I think is definitely health. I think there is a lot that the health industry does with respect to electronic medical records, digitizing the hospital, virtual care. I am just imagining many of those experiences if I can have while I am getting into the check-in or the entry gate, all the way till I board even beyond, like home to home. I think if I can just get that experience whether it is my health record, otherwise we keep carrying so many records. I keep carrying so many transactions and evidence of every one of those; at some airports the process is different, some airports it is not. How can you make that? I think if we can borrow some of those health, digitization of health records, digitization of making that as one record and make it available wherever I travel and wherever I am, I think that could be a great example of convergence.

Emily: We have been having lots of interesting conversations with our auto colleagues and really the concept of the end-to-end journey. And so when we talk about travel and this isn't necessarily stealing from another industry to Mark's direct question, but it is really about working together and leveraging other industries and you know stringing them together and so the

whole concept of I want to be able to leave my home and return to my home and I want that entire journey to be seamless. So, how do I get to the airport, how do I get from the airport to my hotel, how do I make sure that my luggage departs my home and arrives in my hotel before I get there and I don't have to worry about it; similar to what Jonathan talked about. How is it if I would need to cross the city that I need to understand what the traffic patterns are and make sure I am able to, you know, get on the right bus or get on the right subway that is going to allow me to get to my destination. Or when I land, am I able to take advantage of knowing I need groceries before I go back to my home after I have been away on a trip and brought myself to the grocery store before I get back? And so it's that whole and again this isn't necessarily stealing from other industries, but it's that stringing together best practices and trends in multiple industries in creating that seamless journey that allow you to say my travel, my movement, my mobility is not chunked up to say 'oh, I have to deal with this rental car company or I have to deal with this train and then I have to deal with the airport, oh and then the hotel and then I have to get into an Uber and then get to a grocery store' on and on, but it's that full journey that is seamless and it is really strung together very nicely. I think the biggest thing that jumps out at me is the use of data. I think that that is what we are watching other industries do tremendously well; which is really leveraging data to be able to provide that journey and those activities for the consumers and that is where we have been looking a lot now about the consumer



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and at what the consumers' experience is with consumer package goods or the consumers' experience in retail or through travel.

Jonathan: That brings up a good point and Shantha when you were talking, this just popped into my head. We used to travel and I am speaking personally here, used to travel so much it didn't feel any different for me to get on an aeroplane for my weekly commutes from London to Columbia or something, as it would be to just get my train and go into London for work. But it has now been a year. I am not sure I know what favourite restaurants are still open in which cities of the world that I used to go to all the time. So I have to be reintroduced everywhere I need to go. I have absolutely no idea what the regulations are for any place I would want to go right now and that level of complexity kinda feels the same to me as international travel did 25 years ago when you really needed visas and paper processes and had to plan in advance before a lot of travel. There is a huge amount of pre-convergence work that needs to be done just to make that first step within the travel journey work. Everybody has got to do that from their own perspective for their own customer base and for everyone that is visiting. That is really hard.

Emily: I couldn't agree more, Jonathan. I have been speaking to client executives, airline executives who are saying no one right now wants to travel because of that complexity because no one knows am I going to get stuck there, or am I going

to arrive and I am not going to be able to enter? I never thought, definitely not a year ago, that I would say 'Oh, I am overwhelmed by the idea of taking a trip.' But right now, to your point, we don't know and I think that everybody seems to be thinking about this and working on this independently as opposed to holistically and that is something else that we are going to really want to see a shift in because until that fear and that confusion and that unknowing process is more clear, I think no matter how much pent up demand there is, the pent-up demand is going to be hindered to some degree.

Shantha: I think just adding to that and probably closing in on that point about convergence and best practice that we talked about is, you know, how can we just co-create, co-work and be their partner so that we solve the problem at large.

Marco: So the new traveler, I think, is an interesting topic because we will be traveling very differently.

Shantha: And maybe just connecting from there I think, Marco, worldwide definitely there are a lot of technologies that are probably going to make a huge difference in a variety of aspects that we have spoken on so far. There are definitely going to be aspects of IoT, blockchain, AI, automation. I think we have spoken about many of these in a variety of conversations now. I think one growth enabler we definitely see it getting more prominent is Cloud. To the point that Jonathan made on how do you focus on bending the cost curve, how do you help create nimble infrastructures, how do you



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help the aspects of bringing the flexible and lower cost of units? I think for a variety of those we are seeing a lot consciousness with many of our travel clients and each one of them are in different majorities of course. At the time that we are talking now I think there are a few who probably made the jump much earlier than pre-COVID, like one of our guest experience platforms that we have done with some of our cruise customers. Or for that matter, you know, some of the customers who did some of those kind of journey points I think there is a little bit of innovation ahead when it comes to some of their thinking in terms of how they will transform and change experiences. But I think each market needs geography. I think we are seeing more and more clients getting Cloud first thinking because they see that as a way of accelerating their digital journey. They see that as a way of bringing the dots together on data and customer journeys. I would not say Cloud is not all, but definitely it is one of the very important growth enabler and acceleration enabler that we do see across the clients and across the majority of different options of clients.

Jonathan: I absolutely agree. This idea of Cloud-infused working; it is in a small portion of a lot of these companies and it needs to cross every bit of these travel companies in order to bend that cost curve. It is not analytics; it is everything. It is linking together devices and people, automating stuff so that we have got fewer people doing the boring and more people doing the interesting.

Marco: It is interesting because reservation automation was one of the first real world application of computer systems. I mean, the airline industry has led the usage of computers to crack tough problems in the past. So the other thing it is also a great time for this leadership to emerge, to bring about the changes that will be needed for the future, so I think it is a great opportunity. And companies who can jump fast and first on that will reap the benefits like the ones who had first installed and sorted the automated reservation systems back in the '60s. So it is really an interesting time to watch the industry from that perspective

Jonathan: Yeah, I think if we were to wrap up, you know, the challenge is daunting. The cost curve has got to be bent, just as Shantha would say, in order for this industry to recover whilst demand and the lost margin that is coming from business travel not being there is in the future. And the only way to really do that and still do this capital intensive/labor intensive complex things we call delivering travel is going to require imagination, a lot of intricate integration of computing services and I think the Cloud is the only way to do a lot of that. And then a lot of thinking about what is the next level of what customers want? I mean how can we inspire them to come back to travel? How can we make this digital nomadic life real, lasting, something fun to do so people travel more and how do we make everything touchless and easy and in one spot in that process across the entire



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world with everybody working one bit at a time?

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