



THE IMPACT OF CONTACT CENTERS IN THE HOSPITALITY INDUSTRY

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Strategy. Support. Success.

The Impact of Contact Centers in the Hospitality Industry

The travel and tourism industry represents one of the most important sectors in the economy. It is a highly competitive sector that relies on customer engagement and service that exceeds customer expectations. The most successful organizations find themselves trying to acquire their target guest time, not just their discretionary spend. This research highlights trends in the industry, customer behavior, and other emerging issues; it demonstrates how trends in the customer reservation system in the travel and tourism sector benefit from maintaining an efficient and knowledgeable contact center and customer engagement platform.

Contact centers play an integral role in delivering quality customer service and engagement services in the travel and tourism industry. Competition has necessitated providers in the industry to rely heavily in e-commerce in their business models to enhance customers' experiences. Understanding the real-time behavior of customers through these online platforms offers an opportunity to develop customer positioning. Direct phone reservations have not been completely replaced by online booking and

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payment. Online transactions are subject to mistakes, delays, and other complications that require clarifications from a trained and knowledgeable customer care agent. Contact centers continue to play a crucial role in facilitating communication between consumers and the organization. Some common problems faced when consumers book online include the inability to transfer funds, restricted inventory, gaps in product descriptions, failure to receive a receipt, or delays in receiving confirmation. Sometimes, clients do not understand resort options, and require instantaneous communication to make reservations (Nazli, 2020). Contact centers provide quick and effective communication and clarifications on urgent matters, especially when embedded seamlessly within the reservation process (chat or voice).

COVID 19 has significantly changed the travel and tourism industry, which has transformed the role of contact centers. Customers need to have up-to-date information about the pandemic, safety measures, and requirements. Customer care platforms must collect the most current information, regulations, and policies to ensure that the customers are



safe and in compliance with local laws. Restrictions on movement have made it necessary for customers to conduct business online and utilize contact centers when they face complexities (Zito et al., 2018). The travel and tourism industry continues to experience changes that could also transform the role of contact. COVID 19 brought a paradigm shift in how people travel. Providers have recognized the problem and are working to better integrate contact centers as part of the customer service function. Efficiency in the industry requires adaptation to changes, where contact centers play the most critical role in providing precise, knowledgeable, and customer centered assistance.

Trends in the Reservation Systems

The reservation system has also experienced changes due to the influences of different generations. There are different reservation systems adopted in the travel and tourism industry. Some of the channels include hotel websites, online travel agents, central reservation offices, global distribution systems, and hotel walk-ins or phone reservations. The emergence of mobile devices and smart technologies have transformed how customers make reservations through online systems. The development of mobile applications offers a real-time medium for customers to observe the seats or rooms available for booking. The application has integrated features that also facilitate payment processing of receipt with ease. Technology continues to change and transform the travel and hotel reservation system as innovation changes different

aspects of the service journey, however, immediate person-to-person contact remains the most efficient means of contact across all generations.

The digital revolution has transformed the travel and tourist industry. There has been a surge in the number of online travel agents, which is a major component of the innovation in the sales and distribution of rooms. Agents can list rooms available for rent and offer support services to facilitate booking. Travel agencies have been critical because they provide variety and offer

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a platform to compare services. It is referred to as a sharing economy involving selling underutilized capacity through coordinated means on the internet. These travel agents can charge a commission of 20-25% for the reservations they book. Currently, online travel agents represent about 24% of all online distribution in the reservation in

the North American market. Direct contact centers can provide an organization the same personalized customer care, at a fraction of the price. This arrangement depends on the contact center's ability to provide instantaneous communication and real-time engagement with customers (Sharma et al., 2020). The digital revolution has transformed the role of contact centers because they have become the primary tool of engaging customers before they arrive on site.

Purchasing patterns of millennials and generation X have led to a social media revolution with outstanding implications on the distribution and marketing of the travel and tourism industry. Digital advertising has become the largest platform for promoting services in the travel and hospitality industry. Facebook has become one of the leading mediums, with 79% of all advertisements channeled through the platform in 2018. The demographic characteristics of millennials and gen X make social media and online platforms the best avenue to advertise. They are tech-savvy, understand different applications, and are interested in smart

technologies (Monaco, 2018). Digitization has transformed practice in the travel and tourism industry and enabled providers to reach a larger customer base, for example, 97% of millennials share photos and other information about their experiences when they travel. The younger generations have also recorded the highest level of adoption of online reservation and booking systems has pushed the proportion of online reservations to 84% of the total (Kutschera, 2021). Digitization of the reservation system has transformed the role of contact centers because they connect the organization to customers.

Older generations such as the Baby boomers consider the telephone reservation system a reliable method of making a reservation. Direct booking (walk-ins and phone reservations) forms a huge proportion of all reservations, representing 49%. The diversity of booking mediums enables organizations in the industry to reach more people and helps in promoting efforts to penetrate the market.

Conclusion

Contact centers offer support to assist customers and solve online and digital service experience problems. Customers lack the patience to wait for a problem to be solved and often require an instant solution. Contact center agents can provide clarifications and advising, process requests for orders, and provide technical assistance, while creating a positive guest experience. Contact centers provide strategic benefits because they provide one of the most relevant avenues of engaging customers. Professional contact center representatives are aware of the appropriate language and have the technical ability to understand the needs and preferences of customers. For that reason, they support enhancing the satisfaction of customers. Contact centers operate around the clock and ensure that customers can engage the organization, solve any issue, make the necessary inquiries, and offer advice to customers.

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