



THE MISSING LINK:
what the travel sector needs
to do to regain customers'
trust and loyalty

Introduction

In 2019, there were an incredible 1.9 billion international trips made globally and the travel sector accounted for almost [1 in 10 jobs worldwide](#).

Then, it all came crashing to a halt as borders closed and planes remained grounded. Essentially, the travel sector experienced two whole years of virtual non-operation.

Of course, the pandemic was a harrowing time for many industries, but the effect of border closures hit the travel sector particularly hard. According to the World Travel and Tourism Council (WTTC), the UK economy suffered [£7 billion in losses](#) because of the shutdown of international travel. Uncertainty in the industry meant job losses as many airlines had to rely on government support to stay afloat.

However, at the turn of the year, there was promise of a resilient resurgence and a new dawn for the industry as restrictions eased. A return to normality at the beginning of 2022 came with a surge in demand for travel from consumers. TripAdvisor forecasted customers wanted to make up for lost time, with [78% of UK respondents](#) saying they planned to travel for leisure in 2022.

What followed was a [summer of travel chaos](#) as stripped back airlines, airports, and transport systems struggled to cope with the passenger numbers.

Now, companies across the travel sector face shocking yet expected pressures as the industry battles to stand back on its feet. And one of the biggest challenges it faces is, regaining customers' trust and loyalty through exceptional customer service, something they arguably once had.

What can travel businesses do to meet high customer expectations in a competitive yet under-resourced market?



A closer look: how did we get here?

What has led to the massive pressures on the travel industry? Obviously, the pandemic looms large over any discussion here, but let's drill down on the specific consequences of COVID-19 on businesses in the travel sector.

The pandemic led to a mass exodus of the industries' most experienced and brightest workers. With no passengers, businesses in the aviation industry could not afford to maintain all their services, with both airlines and airports cutting back and offering redundancies. Naturally, there was a vicious cycle at play as businesses in-destination, including hotels, car rental companies, restaurants, and other attractions, both domestically and worldwide, also had to cut back on staff with no incoming tourists to cater to. Many businesses simply didn't survive the pandemic.

Estimates suggest that the global travel and tourism market lost roughly 62 million jobs in 2020. While the remarkable losses slowed in 2021, the sector still reported around 44 million fewer jobs worldwide compared to 2019.

In the UK, 1.8 million people worked in travel and tourism before the pandemic but then over 200,000 lost their jobs over the course of the next two years. Many of those positions remain unfilled. The WTTC has warned the sector's recovery is at serious risk as one in fourteen openings remain vacant. Experts predict the hotel, entertainment, and aviation sectors in the UK to be the worst hit, with vacancies of 16% (one in eight), 18% (one in six), and 11% (one in nine), respectively.



The recruitment challenge

Industry leaders explain that the recruitment process at short notice is challenging. Many jobs, particularly within the aviation industry, require skilled workers, and jobs like airport security are subject to lengthy vetting processes. Also, even though there is a revitalised demand for travel, budgets remain tight for travel businesses. Investing in areas such as customer service teams remains challenging for many in the tourism sector because of the various budget pressures related to the pandemic.

Unfortunately, going forward, this means that the consumer experience suffers.

As we saw in the summer of 2022, many holidaymakers faced an incredibly fraught travel experience as staff shortages led to myriad issues for the industry.

Understaffed security has led to [long delays](#) at border control. A lack of baggage handlers led to incredibly chaotic scenes at Heathrow Airport [as thousands of suitcases stacked up in hangars](#) without the staff on hand to get them to their destination.

On arrival at destinations, many holidaymakers visited hotels, restaurants, and attractions only to find that their expected holiday experience wasn't up to scratch as places simply didn't have the staff to cope with the travel restart.

On top of all the first-hand customer experiences falling short of customer expectations, the travel sector was hit with a high volume of customer questions and complaints. Disgruntled customers, already frustrated at the initial poor customer experience, found it challenging to get through to overloaded customer service teams.

According to a report by [Travel Daily Media](#), the tourism sector has the



second worst reputation for customer service across all industries. It's easy to see how a succession of compounding factors has led to this deteriorating reputation.

Businesses had to cut back on staff because of the pandemic. They then have a lot of unhappy customers trying to process refunds and compensation for poor experiences over a turbulent travel season. Yet, during that process, airports, tour operators, and airlines in particular don't have the required numbers of skilled customer support staff to handle enquiries to the expected standard.

As a result, businesses deliver a substandard service that only serves to cement discontent and damage brand reputation.

And, with the cost-of-living crisis bringing a whole new threat amid rising labour unrest and the prospect of strikes across the travel industry, there aren't simple answers on the horizon for businesses in the sector.

What's at stake if pressures keep building?

In short, if the tourist industry does not alleviate its current challenges, many businesses are headed for disaster.

Let's examine the specific trends that are only likely to worsen given the current circumstances unless we find a solution.

➤ Employee burnout

There's a tendency to focus on the vacant positions within the industry and to look for solutions to fill those gaps. Naturally, this is a priority for businesses so they can cope with the capacity of travel-hungry holidaymakers.

However, those recruitment efforts must not come at the expense of employee care. Businesses must devote resources and time to helping current employees that are struggling through the stresses they face at work.

Employee burnout is a problem that cuts across all industries in 2022 as the effects of the pandemic, the current cost-of-living crisis, and potentially overzealous remote working habits all combine to put pressure on workers.

Travel workers are dealing with all those issues and more. Many faced the strain of job risk throughout the pandemic, and some experienced the limbo of furlough schemes that provided some respite. Working under such precarious circumstances can be stressful as the financial uncertainty can cause anxiety.

Now, as travel restarts, those same employees in the travel and hospitality industry deal with increasing customers with less staff, meaning they are overburdened, overworked, and often abused in their workplace. Customer service staff face the demoralising task of dealing with angry, disappointed customers all day without the colleagues, and sometimes the skills, to offer customers the service they deserve.

All of this amounts to a situation where employee burnout within the industry is at crisis point. It threatens to further contribute to the recruitment challenge as exasperated employees leave the industry. Employers have an obligation to help their employees and provide them with the support they need, whether it be proper training, financial help, mental health support, or better protections against disgruntled customers.

Besides this duty of care, there is also a business case to support employees. Of course, it's the employees that provide customers with the brand experience, whether it's restaurant workers, check-in staff, hotel cleaners, or call centre workers. Unhappy, burned out, demotivated employees are less productive and engaged with work, meaning the customer experience they provide suffers.

The best way to ensure a fantastic customer experience is to ensure a happy, engaged, motivated workforce who enthusiastically perform their roles. The ultimate beneficiary of content employees are the customers themselves.

That's why businesses in the travel industry should provide much-needed support to prevent further employee burnout and help turn the tide toward employee satisfaction.

➤ Diminishing customer loyalty

I already mentioned that when businesses deliver a substandard service, they only serve to cement discontent and damage brand reputation.

This is an alarming issue for many brands within the tourism industry. Businesses within tourism have been able to build loyal customer bases in the past. Think of customers returning to the same hotels year on year because they can rely on great service, or consider airlines curating their customer base through frequent flyer programs.

However, it doesn't take much for loyal customers to shift loyalty and for a fantastic reputation to crumble. Disruption at airports, staff shortages due to strike action, and increasing flight and hotel prices post-pandemic have seen big brands within the industry take hits to their reputation.

This negativity can be terrible for business. According to a report in Travel Daily News, 60% of travel consumers say they would consider switching brand allegiance after 1-2 negative experiences with a brand. In the same report, over 65% reported experiencing something less than good customer service, with 40% saying their customer experience had been "Ok" while 25% said it had been "slow and frustrating".

These stats reflect a volatile industry where customer loyalty is in flux. In such a competitive marketplace, brands cannot afford to offer substandard experiences because customers will simply head elsewhere.

While this is an incredibly challenging time for the industry, many businesses should also see this is an opportunity to re-earn customer loyalty. With big brands facing faltering reputations and diminishing brand equity with consumers, there are a lot of hungry travellers and tourists whose loyalty is up for grabs. This context means whichever businesses provide excellent customer experiences and fantastic customer support have a great opportunity to steal a march on their competitors.

As we move forward and through this crisis for the industry, those who remember that the customer is a business' greatest asset should invest in their customer support to gain a competitive advantage over others.

For businesses to grow and thrive in the tourism industry once more, they need to have the trained and skilled resources across all functions. And first on the list, are capable and empathetic customer service teams dedicated to providing world-class customer care to rebuild customer loyalty.



How can travel businesses fill the void and put it all back together?

So, what are the actionable solutions for businesses in the travel sector? We've established that you need to have the resources available to offer first-class customer care when there's so much frustration among customers.

This should be a business priority as your brand reputation lives and dies by how customers perceive your brand.

However, building this customer service capability in-house is a long and challenging process. Recruitment drives are costly and time-consuming and can still result in a skills shortage since it takes considerable time to train employees up to the required level. As we've seen, industry leaders aren't confident that vacancies in aviation, hotels, and entertainment venues will be filled as they acknowledge the many roadblocks facing the recruitment drive.

Fortunately, there is another solution.

Travel businesses can engage some of the world's most competent, intelligent, empathetic, customer service resources by opting to outsource part or all of this service.

Outsourcing can be both a short-term and long-term solution for businesses facing a talent shortage that can help them provide the first-class customer experiences their customers expect and at times, demand.

A core solution Sigma Connected provides to our clients is an outsourced customer service expertise that's highly cost-effective and solution-driven, making it a perfect fit for times like this.

A lot of the help that customers need is not difficult or complicated. It does require, however, sufficient, well-trained people who can offer the skilled, delicate "human touch" when dealing with already frustrated or concerned customers.

Having people you can rely on to engage in meaningful dialogue with consumers and understand their concerns can go a long way to mollify disgruntled customers as you attempt to repair and build customers' love and loyalty.

We provide that ready-made customer service solution completely tailored to your business needs, with over 12 years' experience catering to the needs of clients across various industries.

Benefits of Outsourcing with Sigma Connected:

- Outsourcing can save on operational costs for your business. It is a much cheaper and more efficient option than investing in recruitment and training. With Sigma's hybrid model of UK-based and South Africa-based outsourcing, we can offer an exceptional service at competitive costs.
- Outsourcing can free up internal resources to let you focus on what you do best – create positive travel experiences for your customers.
- Outsourcing for specialised services can reduce stress on your current employees by removing a stressful burden from their workload, reducing the effects of employee burnout and the compounded employee attrition that comes with it.
- Outsourcing allows your business to expand at scale. There's a bank of customer service experts ready and waiting to grow with your business should you need them.

Final thoughts

The predicament for businesses in the tourism industry is challenging but the task isn't insurmountable. It's clear that a shortage of workers, caused by various factors, is leading to an unsatisfactory customer experience for many holidaymakers and travellers.

Whether its airlines, hotels, airports, train services, restaurants, or entertainment venues, all tourism-related businesses are feeling the strain and are susceptible to customer complaints as a result.

When an industry is in crisis facing unhappy consumers, brands need to go back to the business fundamentals. When customers are crying out for support, they'll remain loyal to the brands and companies that offer them empathetic, efficient customer care.

The intimidating challenge to overcome is that many businesses don't have the resources to give customers what they need.

Either these businesses prioritise other business elements within their budgets, or their budgets simply don't stretch that far. This approach can be quite costly. To progress through this crisis and emerge in an opportunistic place for growth down the line, businesses need to protect their customer base.

That's why investing in outsourced customer care solutions is a savvy choice for businesses in the tourism industry, both to meet a short-term necessity and to adopt a great position for further growth.

Reach out to [Sigma Connected](#) today to find out more about how our first-class empathetic customer care solutions can work for your business.





Connect with Sigma Connected

Reach out to [Sigma Connected](#) and see how we can shoulder the burden of the talent shortage for your business.

We have plenty of [case studies](#) showcasing how we've been able to fit seamlessly into other businesses and take of the customer experience for them, whether through collections, complaint management, general customer services, new customer acquisition, or a range of other helpful options.

Our trained, empathetic operators can work wonders for your business, helping you navigate the challenges you face now and guiding you forward to growth in the future.



Where people



with people



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