Travel Industry COVID-19 analysis and Insights

REPORT BY CHATTERMILL

Chattermill

The Covid-19 outbreak has left travel providers in shock, wondering how they can possibly combat the decline in travellers in the coming months.

In order to help find opportunities to minimise negative fallout, build long-term brand trust and to recover from the crisis; we have analysed data from 15 companies. Since the start of the outbreak, the data has shown the following trends and insights to support brands through this difficult time.

Our findings and recommendations…

Double Down on Customer Service without Increasing Costs

Think of ways to improve customer care experience without increasing costs. For example; providing dedicated COVID-19 help/contact pages and information. And automation of information (i.e which countries are no longer accessible, which flights are cancelled) via app notifications and emails.

Clarify Customer Compensation

Have a clear COVID-19 compensation policy in place. This should include how to claim, what the terms are, the time frame for cancellations and how long refund payments will take to process. This will help ease the strain on customer services.

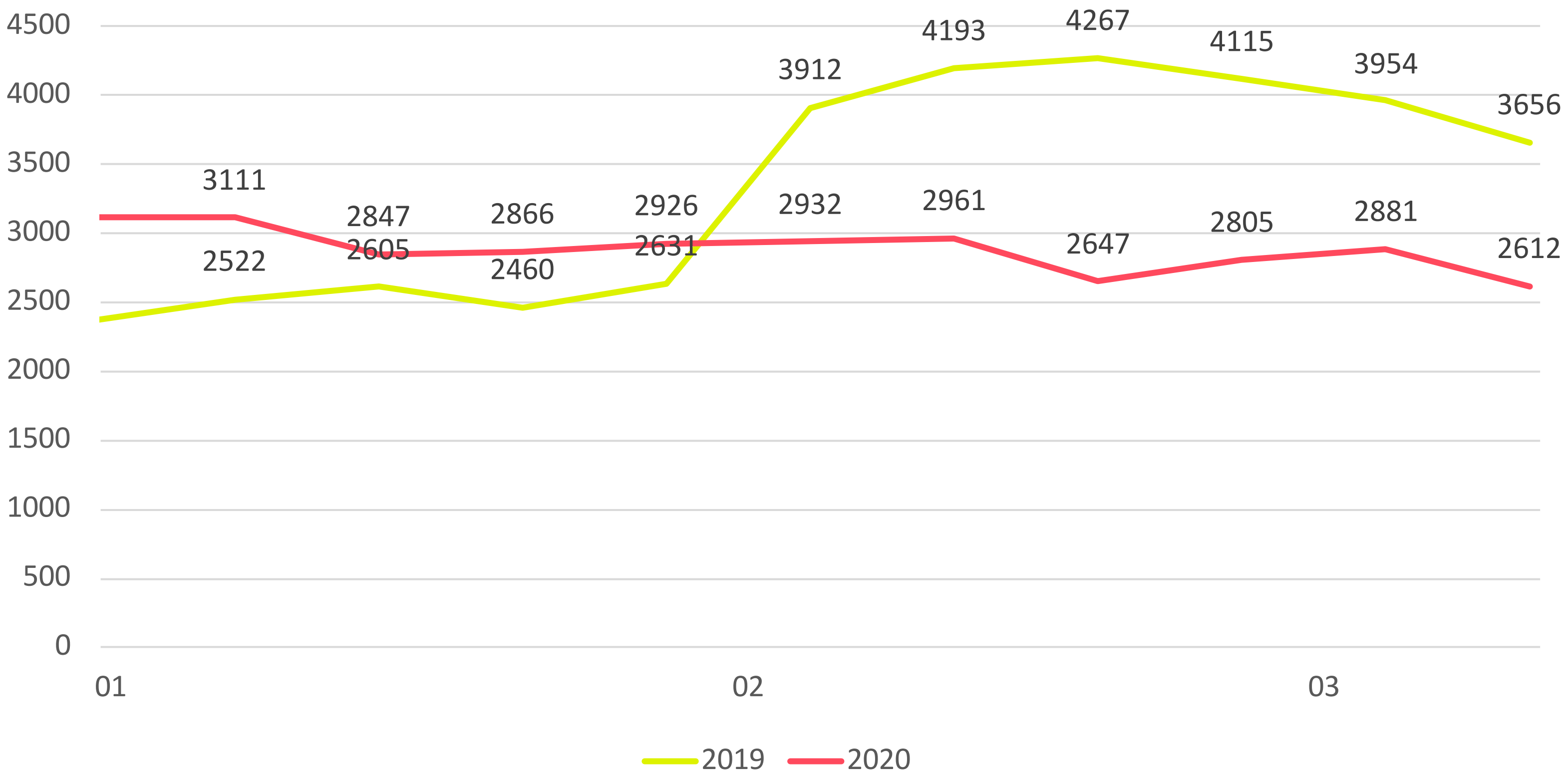
Aim to Remain Competitive

Continue to remain price competitive in markets that are safe for customers to travel to. Encourage booking modification by making it easy and inexpensive.

Chattermill

Travel Industry decline in **Customer Engagement** by **29%**

Volume of responses YoY*



*Date range 01.01.2020 – 15.03.2020

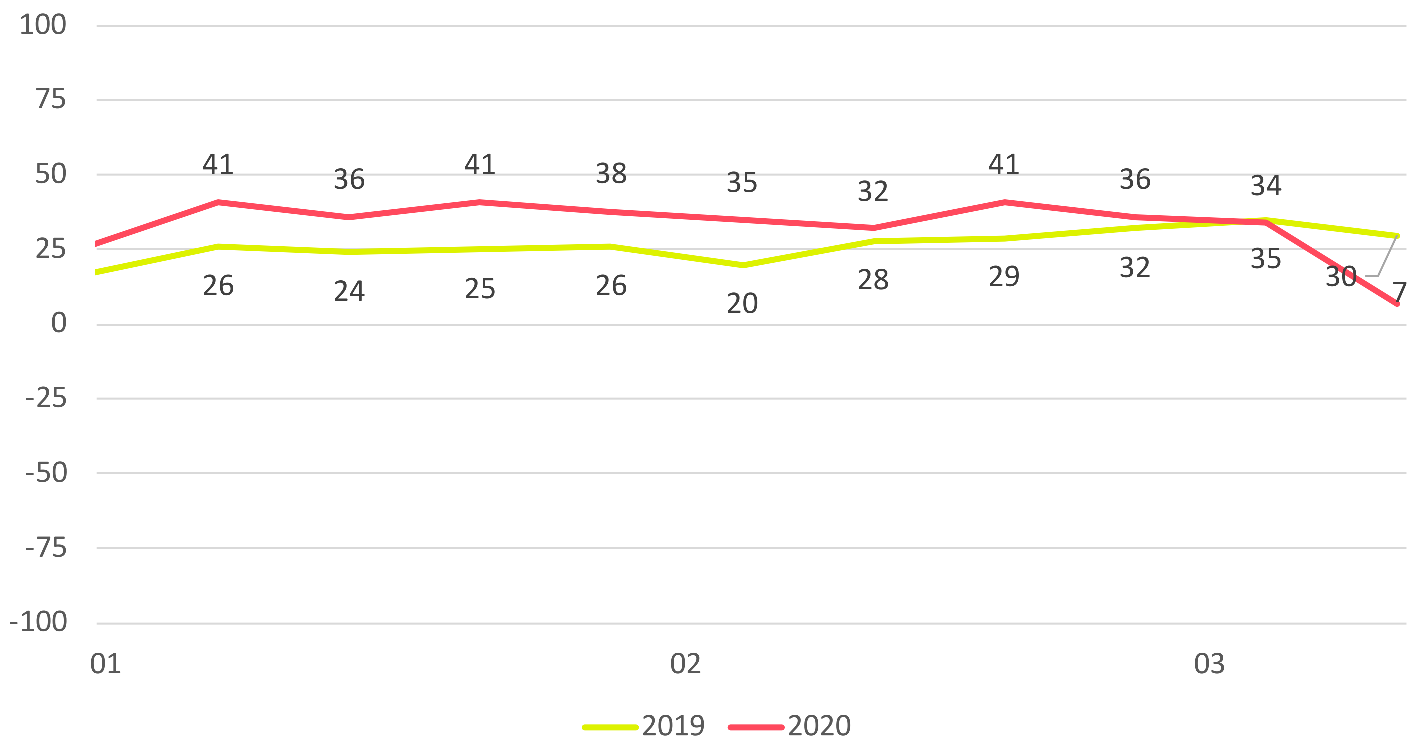
The following graph illustrates a decline in customer engagement in 2020.

The increasing uncertainty of when the COVID-19 pandemic is expected to come to an end and the addition of international states closing borders; customers inevitably became reluctant to book trips.

Chattermill

Travel Industry decline in **Customer Sentiment**

Net sentiment YoY*



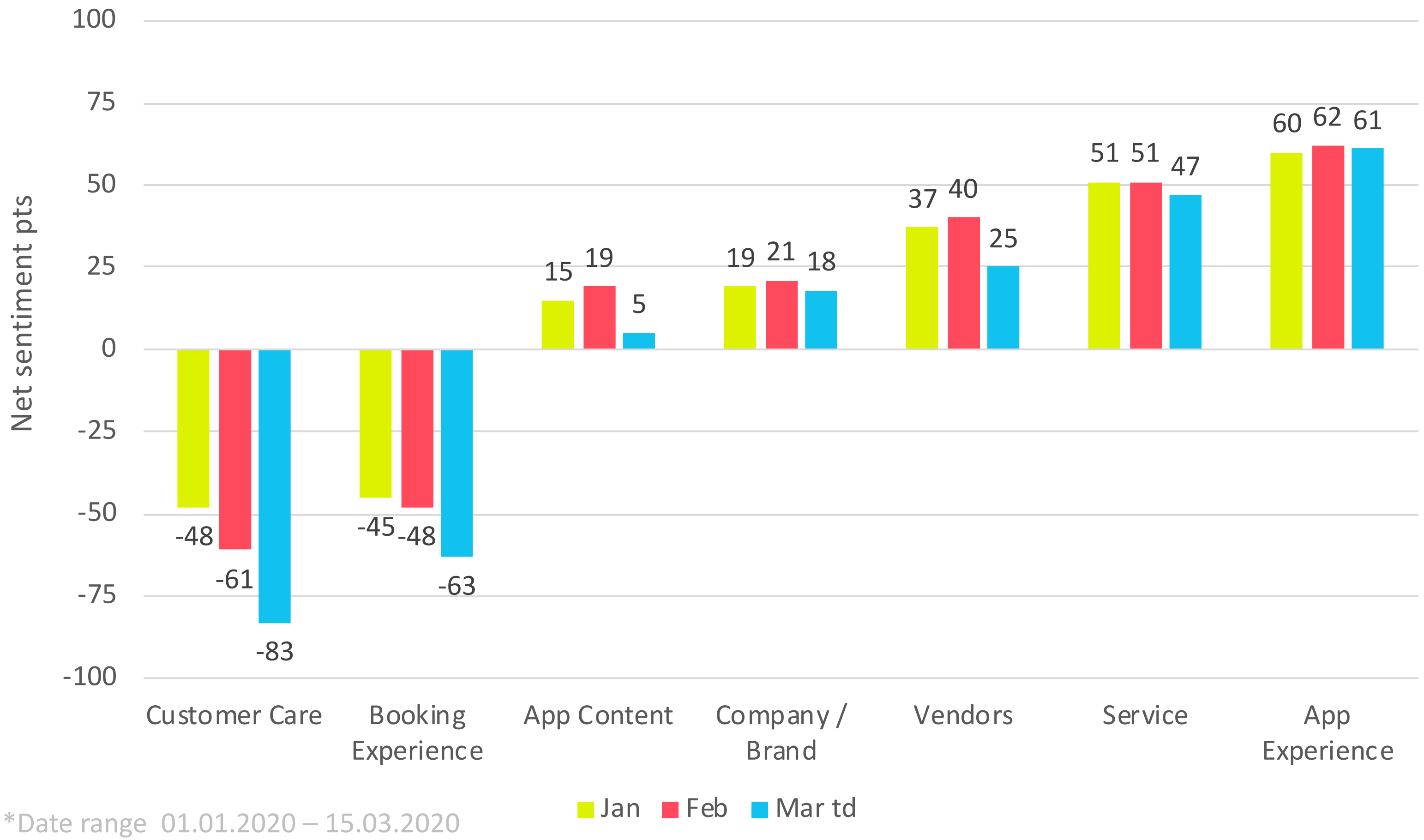
There is also an expected **decrease** in **sentiment** towards travel providers.

An influx of concerned customers looking to cancel, reschedule and request refunds on upcoming trips in the next few months are being met with misinformation, long delays reaching customer care agents and difficulty finding appropriate contact channels.

*Date range 01.01.2020 – 15.03.2020

Where is COVID-19 causing the most damage?

Net sentiment per category MoM



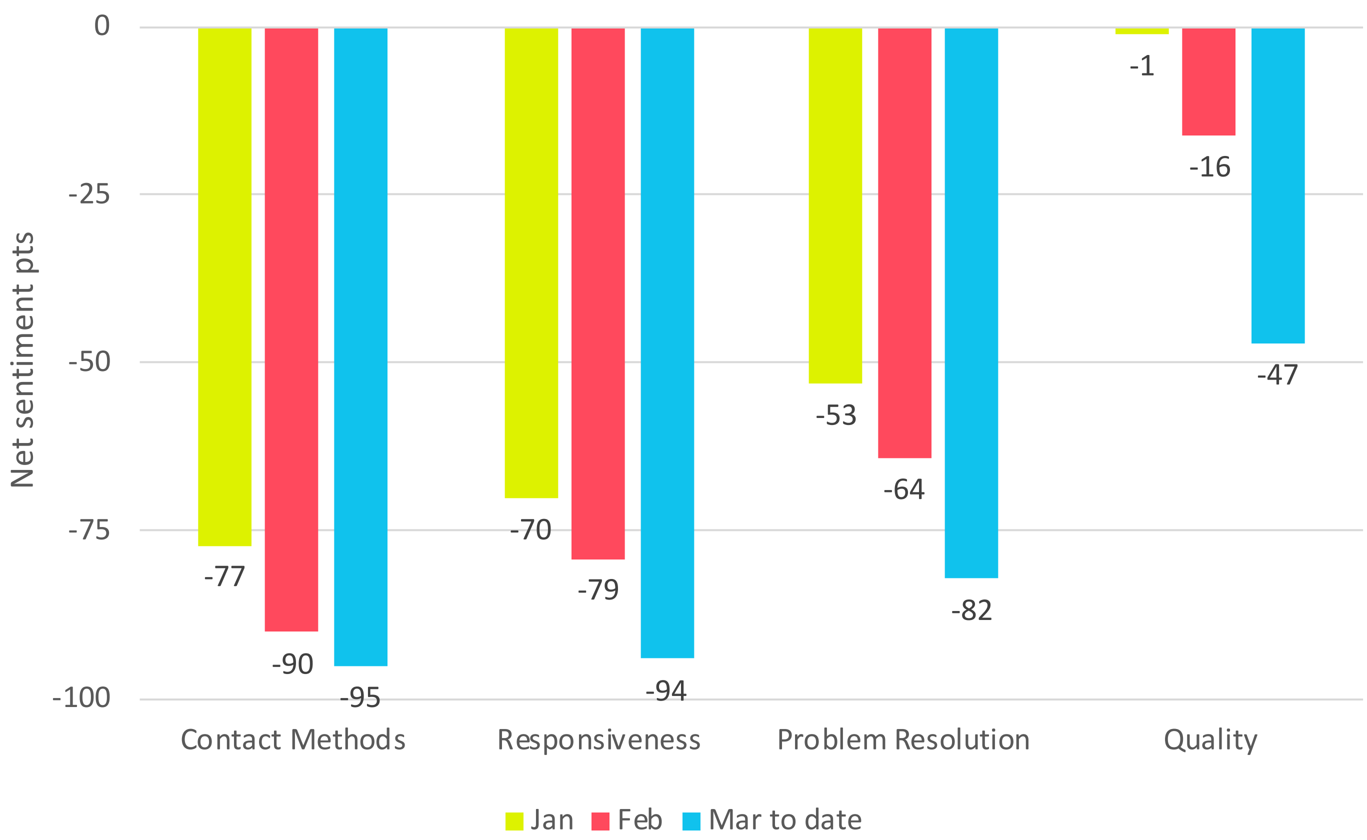
Customer Care has seen the biggest **decline** in customer sentiment since January (-35 pts) followed by **Booking Experience** (-18 pts)

Areas in which do not seem to be impacted by COVID-19 are **App Experience** (ease of use, design layout**)** and **Service** (value for money, quality)

*Date range 01.01.2020 – 15.03.2020

What is driving decline in Customer Care?

Net sentiment per them MoM

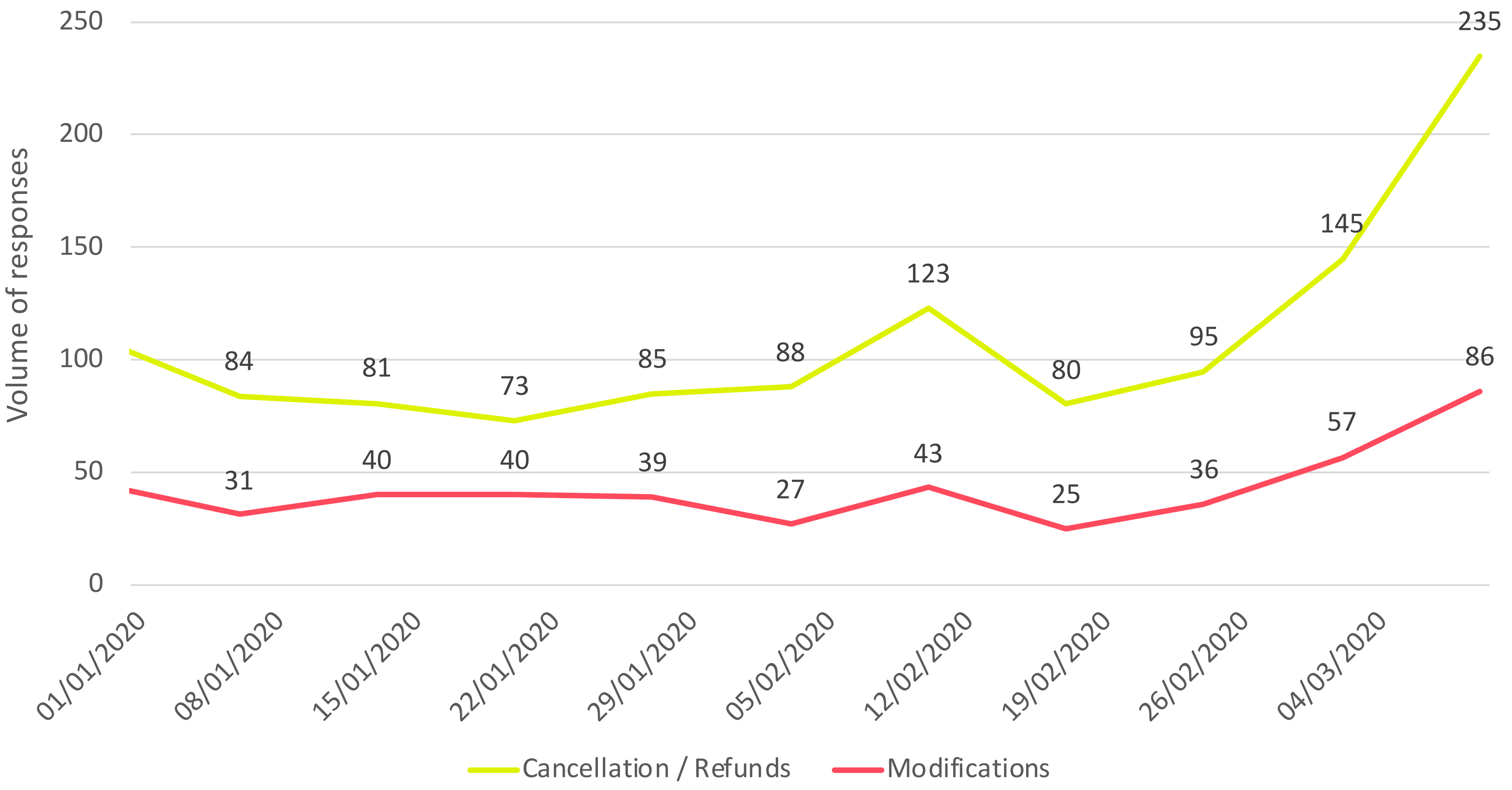


*Date range 01.01.2020 – 15.03.2020

- **Quality** of customer service has seen the biggest **decrease** MoM (-46 pts). **Contact Methods** and **Responsiveness** are also low in customer sentiment.
- Customer data suggests it's difficult for customer to find contact numbers and email addresses online. Phone lines are backed up causing huge delays in responsiveness.
- Customer do not like to be directed to chat bots and prefer to talk to customer agents as COVID-19 related issues often require immediate action.

Chattermill

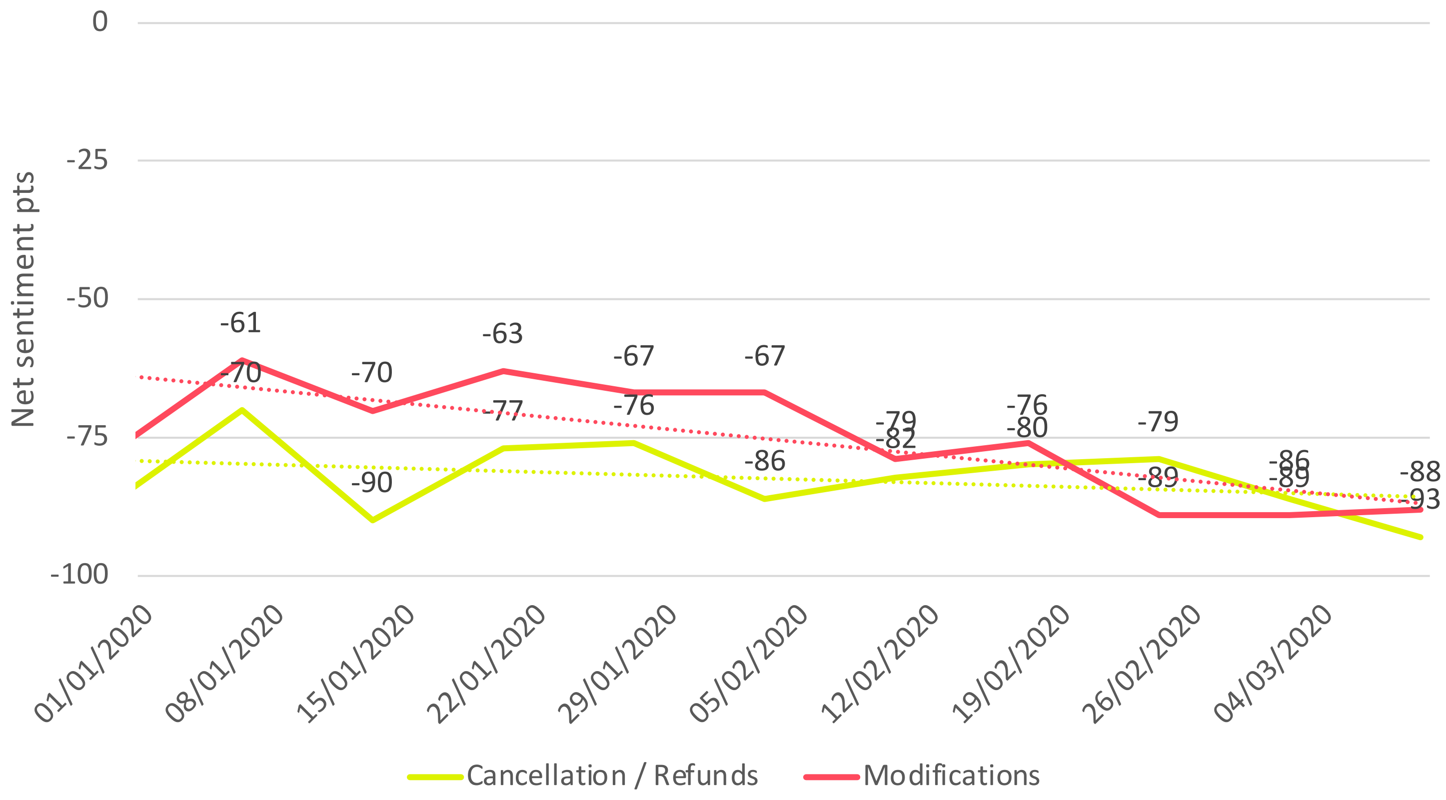
Increase in volume for cancellation (115%) and modification (91%) of bookings.



*Date range 01.01.2020 – 15.03.2020

Decline in sentiment for booking refunds & modification

Net sentiment per theme*



*Date range 01.01.2020 – 15.03.2020

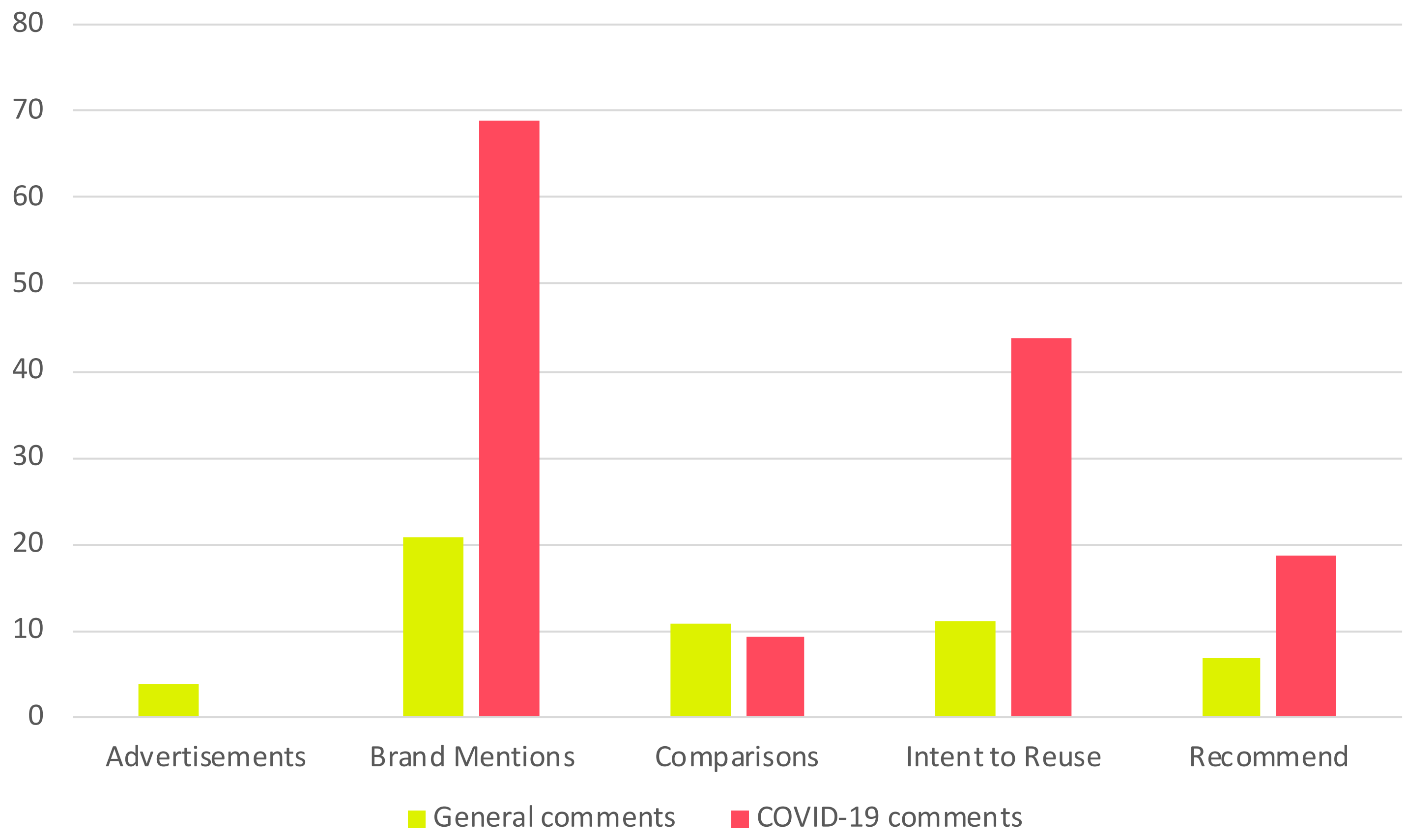
Booking modifications seem to have experienced a steeper decline than cancellations/refunds. This suggests it is more difficult to make modifications than it is to cancel bookings.

Reasons for decline include the following:

- Unable to receive refunds for cancelled flights/bookings.
- Cancellation fees.
- Additional fees to update/reschedule existing bookings.
- No clear ownership of who is responsible for customer. compensation resulting in customers getting sent back and forth between vendor and travel provider.

COVID-19 impact on Company Brand

Negative sentiment per theme*



*Date range 01.01.2020 – 15.03.2020

Data suggests that travel companies that are unable to resolve COVID-19 related issues for customer leads to a negative impact on their perceived brand. We see the biggest negative sentiment for **Brand Mentions** and **Intent to Reuse.**

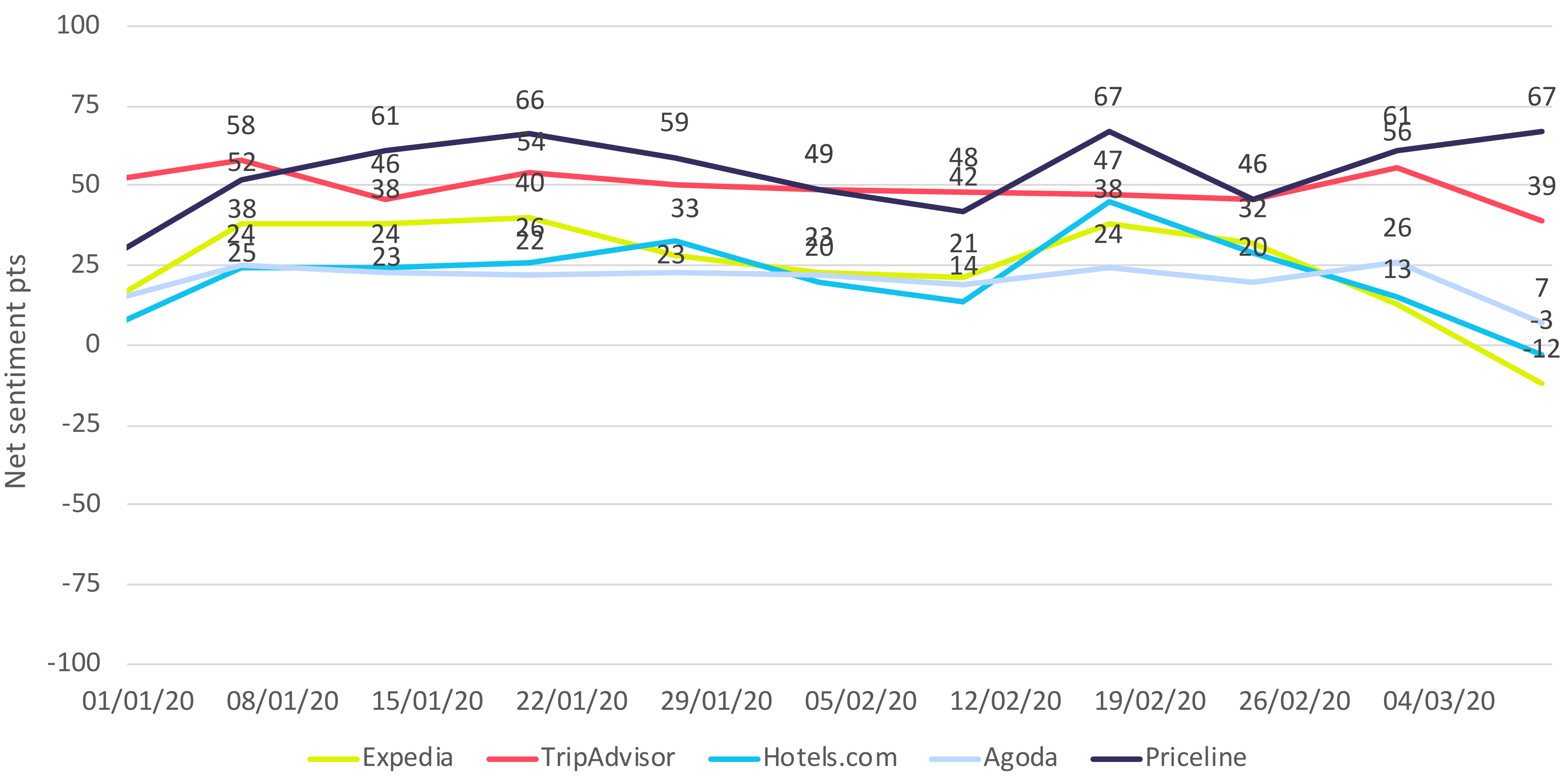
Customers are less likely to reuse a travel provider that has refused a refund or made it difficult to cancel/modify bookings. Customers lack trust that future compensation will be provided.

It will become increasingly important for companies to take measures to help customers at their own expense (e.g refunds for closed borders). This will pay off in a big way for brand loyalty in the long term.

Chattermill

Current landscape for Travel Industry per company

Net sentiment per company*

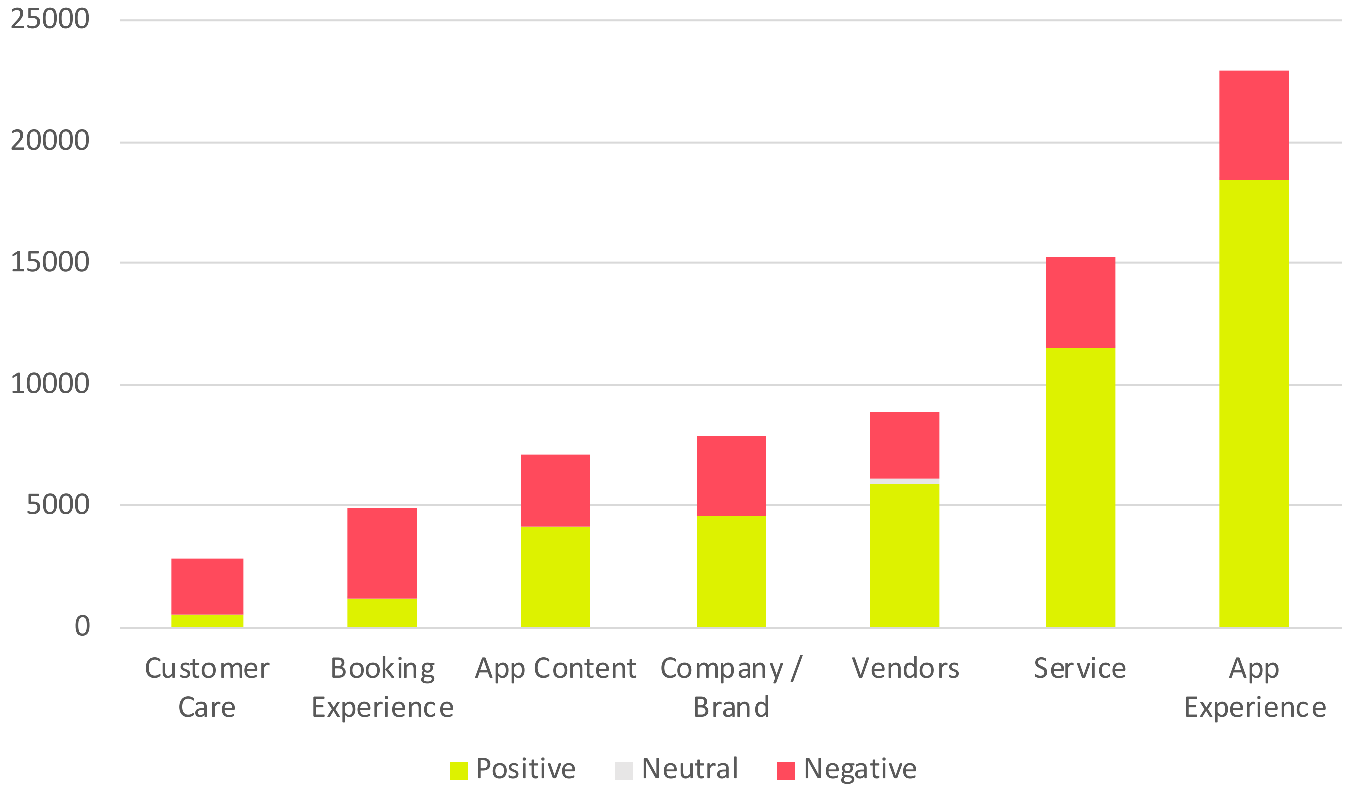


*Date range 01.01.2020 – 15.03.2020

Chattermill

It's not all bad news...

Sentiment distribution per category*



Aside Customer Care and Booking Experience, other areas within the company are overwhelming seeing positive sentiment. App Experience and Service seeing the biggest proportion of positive sentiment.

The data suggests that customers are still looking to travel and appreciate **apps** that allow **easy comparison of pricing** and **facilitate bookings**.

Offering **competitive deals and packages** with **quality vendors** is also a driver for positive sentiment among customers.

*Date range 01.01.2020 – 15.03.2020

Chattermill

Appendix

- **31, 702 comments** analysed over **10 travel companies***

- **Net sentiment definition:** A measure of the overall customer sentiment . Calculated by subtracting the proportion of negative mentions by the proportion of positive mention within the comments analysed for this report.

[**Agoda, CHECK24, CheapTickets, Expedia, HomeAway, Hotels.com, Kayak, On the Beach, Priceline, Travelocity, Trip.com, TripAdvisor, Tui, eDreams*]