



Growth of BPO in Travel & Hospitality – Delivering Customer Experience Takes Centerstage

Customer Experience Management (CXM) Services

Market Report – March 2019: Complimentary Abstract / Table of Contents

Our research offerings for global services

▶ Market Vista™ Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available	
▶ Application Services	▶ Human Resources
▶ BPS Banking & Financial Services	▶ ITS Banking & Financial Services
▶ BPS Healthcare & Life Sciences	▶ ITS Healthcare
▶ BPS Insurance	▶ ITS Insurance
▶ Catalyst™	▶ IT Services Executive Insights™
▶ Cloud & Infrastructure	▶ ITS Life Sciences
▶ Customer Experience Management Services	▶ Locations Insider™
▶ Data & Analytics	▶ PricePoint™
▶ Digital Services	▶ Procurement
▶ Engineering Services	▶ Recruitment & Talent Acquisition
▶ Finance & Accounting	▶ Service Optimization Technologies

Membership information

- This report is included in the following research program(s)
 - [Customer Experience Management Services](#)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model™ reports
- PriceBook
- Virtual Roundtables
- Workshops

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Table of contents

Topic	Page no.
Introduction and overview	4
Summary of key messages	10
Section I: State of the BPO market in travel and hospitality	13
• Market size and growth rate	14
• Adoption trends and growth drivers	16
• Evolving buyer expectations	17
Section II: Value levers for efficient services in travel and hospitality	20
• Key value levers for efficient service delivery in travel and hospitality	21
– Deep process expertise	22
– Technological capabilities	24
– Flexible commercial construct	29
– Skilled talent model	30
Section III: Transformation enablers by segment	31
Section IV: Provider landscape in travel and hospitality industry	36
• Provider landscape in travel and hospitality	37
• Key investments by providers	38
• Way forward for service providers	39
Appendix	40
• Glossary of key terms	41
• Research calendar	42
• References	43

Background and scope of the research

Background of the research

The Travel and Hospitality (T&H) industry is witnessing an increase in consumer spend. This, along with the entry of new players, growing consolidation in the market, and rapid technological advancements, is pushing enterprises to rethink their business models. Traditionally, enterprises outsourced to keep costs low, but now their expectations of service providers have evolved to align with new-age customer needs. The different levers that can help travel and hospitality enterprises gain competitive advantage in the market include technological solutions, deep process expertise, skilled talent pools, and flexible commercial constructs. But the challenges faced by individual industry segments are wide and varied, requiring different sets of capabilities to help transform operations.

Many service providers have identified this opportunity and are already on the path to building capabilities through in-house investments or partnerships/acquisitions. They want to play the role of a strategic partner helping enterprises unlock opportunities to enhance the end-to-end journey of their customers. From handling transactional tasks to more high-touch and niche industry-specific processes, these service providers want to partner with enterprises for all their needs. It is time for others to follow suit, else face the risk of falling off the radar.



In this study, we investigate the current state and key value levers for Business Process Outsourcing (BPO) services in the travel and hospitality industry. We focus on:



State of the BPO market in travel and hospitality



Value levers for efficient services in travel and hospitality



Transformation enablers by segment



Provider landscape in travel and hospitality

Overview and abbreviated summary of key messages (page 1 of 2)

This report aims to provide detailed insights into the rise in demand for BPO services in the travel & hospitality vertical. It covers the value levers for delivering efficient services in the travel and hospitality vertical. It also includes the transformation enablers for the individual industry segments – airlines, hospitality, Online Travel Agencies (OTAs), and rentals. It concludes by providing the way forward for service providers to help travel and hospitality companies drive competitive advantage in the market.

Some of the findings in this report, among others, are:

State of the BPO market in travel and hospitality

- The BPO market for travel and hospitality industry grew at 10-12% to reach US\$4.5-5.0 billion in 2018, with Contact Center Outsourcing (CCO) accounting for the highest share
- The rise in demand for BPO services is driven by entry of new travel and hospitality players, growing consolidation in the market, and rapid technology advancements that push enterprises to leverage provider capabilities to build differentiation in the market

Value levers for efficient services in travel and hospitality

- Demand of third-party support for customer-facing support functions and knowledge processes will continue to increase. Service providers with capabilities in delivering high-touch, complex services are helping companies drive differentiation in the marketplace
- Analytics will allow companies to capture voice of customer across channels, review partner performance, personalize offers, and anticipate customer needs. The future of travel and hospitality services is tightly integrated analytics and AI solutions

Transformation enablers by segment

- Technology is central to the transformation of airlines operations, aided by skilled talent pool and platform solutions. Some of the transformation enablers include ability to predict disruptions, drive quick revenue processing, or use of chatbots to answer queries
- Tapping customers with the right price point and loyalty program offers can help drive stickiness for hospitality companies. Leveraging advanced analytics to drive targeted recommendations is the key to drive transformation in their business

Provider landscape in travel and hospitality

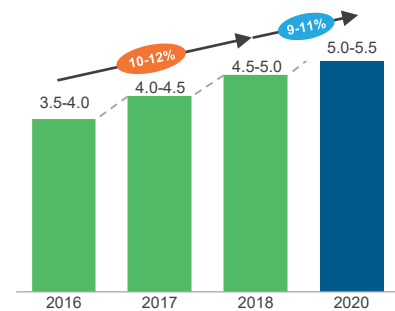
- Provider landscape comprises multiple players – travel and hospitality specialists, CXM service providers, and broad-based BPO players
- Travel and hospitality players are investing in technology and advisory capabilities to help buyers drive competitive advantage. Speech analytics, automatic data extraction, and chatbots are some of the solutions developed by players

This study offers four distinct chapters providing a deep dive into key aspects of the travel and hospitality market; below are four charts to illustrate the depth of the report

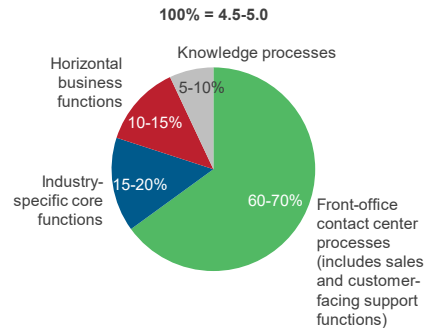
State of the BPO market in travel and hospitality

Size of BPO market in travel and hospitality
US\$ billion

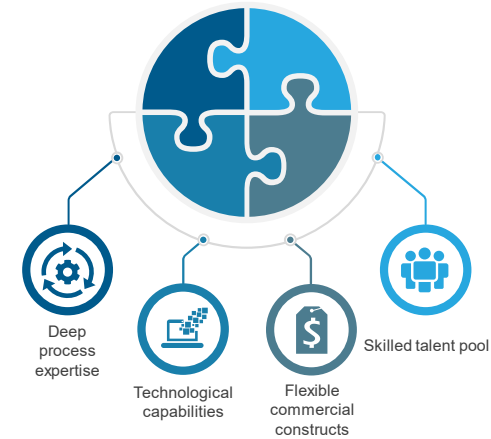
XX% CAGR X% Expected growth



BPO adoption by process
US\$ billion; 2018



Value levers for efficient services in travel and hospitality

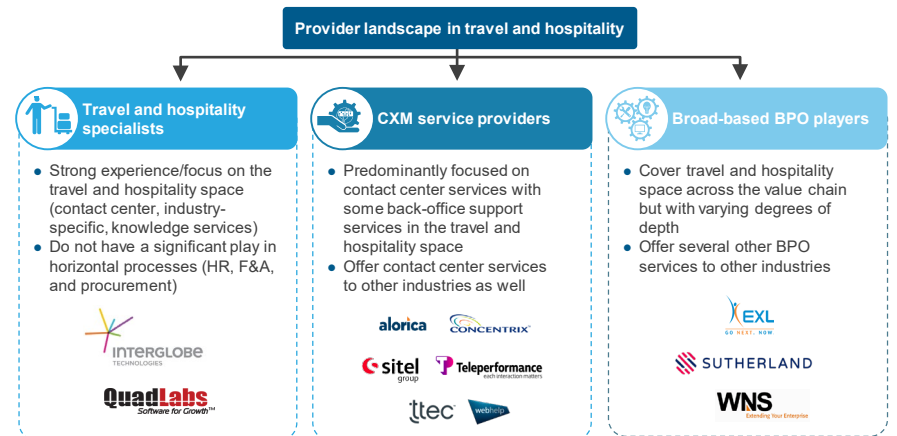


Transformation enablers by segment - airlines



	Customer acquisition	Customer engagement/retention	Back-office support	High-touch support
Sample workflow	<ul style="list-style-type: none"> Enhance effectiveness of marketing campaigns Drive sale of ancillary services 	Manage delayed and damaged baggage concerns	Enhance the efficiency of passenger revenue accounting process to deliver fast and accurate revenue data	Effective handling of flight disruptions caused by delay, cancellations, or route diversion
Transformation enabler	Advanced analytics solution to drive targeted recommendations	24x7 dedicated baggage helpdesk team, proactive outreach, assistance in back-end tracing, and coordination with delivery company	Platform-based solution for revenue accounting that also automates processes such as invoice generation, and revenue processing, among others	Analytics to predict possible disruptions, automation solutions to calculate compensation, and chatbots to help with alternate stay arrangements

Provider landscape in travel and hospitality



Research calendar – Customer Experience Management (CXM) Services

Published
 Planned
 Current release

Flagship CXM Services reports

Release date

Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2017	July 2017
Contact Center Outsourcing (CCO) – Annual Report 2017	August 2017
Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019	June 2018
Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2018	August 2018
Contact Center Outsourcing Annual Report 2018: Transforming Customer Experience through a Digital-First Approach	September 2018

Thematic CXM Services reports

The Philippines Pivoting to Deliver Customer Experience of the Future	October 2017
Chatbots Delivering Enhanced Customer Experience: It is Easy to Get it Wrong	October 2017
The Business Case for RPA and Chatbots in Contact Centers	December 2017
The Evolving Customer Experience Management (CXM) Talent Model: The Rise of the Super Agent	March 2018
Role of AI and Cognitive in Delivering Customer Experience of the Future	March 2018
Contact Center Services for the U.S. Market: Location Strategies for the Digital World	March 2018
Decoding Digital Customer Experience Management	September 2018
Market Report on Chatbots/Intelligent Virtual Agents (IVAs)	November 2018
Accelerating CX through an optimized CCO model Pinnacle Model™ Analysis Excerpt 2019	March 2019
Growth of BPO in Travel & Hospitality – Delivering Customer Experience Takes Centerstage	March 2019
CX Analytics – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	Q2 2019

Note: For a list of all CXM reports published by us, please refer to our [website page](#)

Additional CXM Services research references

The following documents are recommended for additional insight into the topic covered in this report. These documents either provide additional details or complementary content that may be of interest

1. **Redefining Innovation in CXM: Buyers' Perspective** ([EGR-2018-21-R-2885](#)); 2018. This report is meant to provide insights on what CX innovation means to enterprises and get deeper understanding of their outsourcing relationship. As part of this report, we look at need for innovation in CXM services, focus on digital-led innovation in CXM, role of CXM providers in driving innovation, assessment of CXM providers' innovation capabilities and way forward for enterprises and service providers to derive maximum value from engagement
2. **Conversing with AI – Intelligent Virtual Agents (IVA) Market Report 2019** ([EGR-2018-38-R-2869](#)); 2018. This report is meant to provide IVA buyers, IVA technology vendors, and third-party enablers (for e.g. service providers) a detailed view of the current state of the market. As part of this, the current report provides insights into key developments in the IVA market, adoption trends by geographies, industries & business functions, solution characteristics, vendor landscape overview, and future outlook for 2019-2020
3. **Decoding Digital Customer Experience Management** ([EGR-2018-21-R-2791](#)); 2018. This report aims to provide detailed insights into the role of digital solutions in delivering customer experience of the future. It establishes the scope of digital in Customer Experience Management (CXM) services, overview of the digital CXM market, adoption characteristics for digital solutions, and investments required for a successful digital transformation of CXM for enterprises. It concludes by providing a future-oriented outlook of the digital CXM market

For more information on this and other research published by Everest Group, please contact us:

Shirley Hung , Vice President:	shirley.hung@everestgrp.com
Skand Bhargava , Practice Director:	skand.bhargava@everestgrp.com
Vani Oswal , Senior Analyst:	vani.oswal@everestgrp.com
CXM Team:	cxmteam@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog



www.everestgrp.com/blog/