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Welcome to possible

5 Steps to Win Over the Connected Traveler



A decade ago, the idea of a business that instantaneously linked a person looking for a ride with an independent driver was almost inconceivable. Equally far-fetched was the idea of one website where travelers shop for a wide assortment of individually owned vacation rentals. New business models like Uber and AirBnB represent the leading edge of the most disruptive force to hit the travel industry in recent history – a digital revolution inspired by the connected traveler.

The typical connected business traveler owns two to three digital devices. A family of connected leisure travelers is equally hyper-connected, with at least one mobile device per family member. These travelers are savvy online shoppers who routinely consume content across devices and relish real-time offers that simplify and personalize the travel experience. They are quick to post a bad travel experience on their favorite social media website or promote a positive one with an Instagram post.

The connected traveler expects context-aware personalization and real-time information throughout the travel experience. Convenience influences the traveler's selection, whether it's avoiding a line at the rental car window or enjoying a seamless end-to-end airport experience. The company that simplifies booking and paying for hotels, flights, ground transportation, and special events will acquire and retain the connected traveler's business. Recommendations that line up closely with the stated and unstated desires of an individual consumer will be the biggest revenue producers.

Meeting the heightened expectations of today's connected traveler is a sure road to growth. But it's also a tall order for any company working with a legacy IT foundation. If you are a traditional travel, transportation or hospitality company, you will need to make significant changes to your customer-facing systems (systems of engagement) to ensure that they can keep pace with changes in the market. Your legacy back-end systems of record are not designed for quick and agile releases to keep up with the rapidly changing marketplace. However, they are designed for stability and to provide high-quality data management. The balance lies in managing your IT the Bimodal way – one focused on stability and accuracy for your 'systems of record' and the other emphasizing agility and speed for your 'systems of engagement'.



5 Steps to Transforming Your IT Infrastructure to Win the Connected Traveler

Digital disruption is sending IT architects from many industries back to the drawing board looking for ways to emulate successes from other industries. Travel, Transportation & Hospitality companies too need to embrace new technology and consider new business models. Companies that can see the opportunity in disruption and transform their IT infrastructures to accommodate change will thrive in the new era of the connected traveler.

These 5 steps can help:



Change your business model to inspire viral growth

At first glance, it might not look like Uber or AirBnB have much to teach a large airliner, hotel chain or rental car company. But what these upstarts demonstrate is that there is astounding growth to be had from new business models. These new competitors don't own assets. They've simply built an app and wrapped a business model around it. It's their streamlined shopping experiences and real-time information updates that appeal to connected consumers. The question for you to ask yourself is "Are there opportunities within my business to create similar revenue models for ancillary revenue?"



Take a lesson from retailers

The travel industry was ahead of the brick-and-mortar retail industry in offering loyalty programs and compiling big data sets on their customers. But it was online and multichannel retailers who were first to build satisfying and personalized real-time digital shopping experiences using in-depth knowledge about their customers. Today's connected traveler expects consistency across channels, discounts, pre-filled personal and payment information, and targeted cross-sell and upsell opportunities. Did you know that travel companies that manage customer information with retail flare will be the go-to companies for connected travelers? **A global survey commissioned by Mindtree, comparing traveler expectations against Travel and Hospitality company initiatives offers exciting findings. Data from this research states that you can achieve an 8-10% uplift from a unified marketing personalization strategy. And targeted, personalized offers result in 78% of consumers becoming repeat customers.***



Know the device-wielding customer

The connected traveler values useful information and routinely consults a digital device for that information. Your landing page becomes a favorite if the traveler routinely finds helpful recommendations there. This new breed of traveler wants to know the

real-time status of flights, hotel bookings and baggage. They appreciate guidance concerning airport and hotel environments, and they notice offers for lounge vouchers, spa treatments and discounted travel items.

Sixty percent of consumers prefer offers that are targeted to where they are and **what they are doing***.

The more targeted the offer, the better. Immediate offers that build on geo location, date, time and stage of travel have instant appeal. How do you provide these kinds of personalized, targeted offers to the connected traveler?



Don't let your aging systems slow you down

The travel industry started out ahead of other industries in its exploitation of technology. Today, it's strapped with aging legacy systems, some of which have been in use for more than a quarter century. These systems aren't designed for deploying new offers and real-time information in minutes – a shortcoming that leaves most travel companies with a dilemma. On the other hand what they really are designed to do and have been really effective with is to provide robust and reliable systems to run the business efficiently. You may want to ask how you can transform a legacy system in a gradual manner while simultaneously advancing into new technologies that cater to consumers changing demands with quick and continual software releases? The answer lies in delivering 'Bimodal IT' by de-coupling your legacy systems of record from your systems of engagement.



Open doors to personalization with new technologies

Today's traveler is most likely to take action when a system of engagement targets one unique individual rather than a larger demographic group. Responding to a "segment of one" requires combining structured data available in a company's marketing database with unstructured big data from outside sources. Are you capable of applying analytics to unstructured data and leveraging new technologies like the Internet of Things



* Jan 2016: Mindtree research titled "Winning in the age of Personalization"

to win the attention of connected travelers? Consider Disney's Magic Band. It is a fantastic innovation that combines information in the user profile with the user's activity inside any of Disney's various Leisure spaces – be it a resort or a theme park. The device powers Disney with the capability to provide a unique personalized customer experience.

Delivering 'Bimodal IT'

It is important to first recognize and separate your management strategies for (1) the systems of engagement and (2) systems of record.

Mode One: Systems of Engagement

There are two important aspects related to systems of engagement – innovation and time-to-market.

- **Innovation:** It's important that you enable a mechanism to foster innovation, particularly with regard to systems of engagement. This means creating an "intrapreneurial" environment and an almost incubator-like facility within your IT ecosystem. This enables the disruptive incremental innovation that it takes for your organization to engage with the connected traveler better. For example, consider a meeting services app launched by a leading hospitality chain. The app enables their event customers to have a concierge service right on their fingertips. This means that rather than rely on calling or finding an individual, all service requests are placed on the app and dealt with in a matter of minutes. This delivers a quantum leap in customer satisfaction.
- **Time to Market:** Once you have an innovative idea, it's important to bring it to market at a rapid pace. In an age where technology changes in a matter of months, if not days, the time-to-market for the innovation forms a critical element. An agile approach to product or system releases is critical for your systems of engagement. Implementing such an approach requires as much technology skill as it needs the ability to manage a successful organizational change. To enable this, you must carefully choose a best in class partner eco-system that understands the domain and offers extensive technical skill.

Mode Two: Systems of Record

While systems of engagement are changing to adapt to the rapidly changing marketplace, systems of record need to support this change while maintaining resilience and stability.

- **API Layer:** This can be achieved by establishing a business API layer that consists of micro-services which can be leveraged to deliver business functions to multiple channels used by the systems of engagement.

Summary

To succeed in a digital landscape, traditional travel & hospitality companies need to conduct business in ways that meet a connected traveler's expectations. Competitive advantage grows from carefully conceived multichannel experiences, advanced analytics and fast, automated operations. To achieve this advantage, a company with a legacy transaction system needs a 'Bimodal IT' architecture. A rapidly evolving system improves customer engagement and opens new markets, while a steadily transforming transaction system ensures availability, scalability and data integrity.

Reach out to us at info@mindtree.com to know more about how bimodal IT is transforming Travel, Transportation & Hospitality industry.

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Ranjith has been working in the Travel, Transportation and Hospitality industry for over a decade.

He enjoys working on the cusp of business and technology to provide technology solutions that address business problems. Over the course of his 17 year career, he has led teams that have helped large enterprises craft solutions and deliver business value in diverse areas such as Digital, Distributed Agile Development, Direct Distribution, E-commerce, and Loyalty Marketing.

About Mindtree

Mindtree [NSE: MINDTREE] delivers digital transformation and technology services from ideation to execution, enabling Global 2000 clients to outperform the competition. "Born digital," Mindtree takes an agile, collaborative approach to creating customized solutions across the digital value chain. At the same time, our deep expertise in infrastructure and applications management helps optimize your IT into a strategic asset. Whether you need to differentiate your company, reinvent business functions or accelerate revenue growth, we can get you there. Visit www.mindtree.com to learn more.