

Travel, Logistics & Transport Infrastructure Practice

Make it better, not just safer: The opportunity to reinvent travel

Do you remember your first flight? The first time you fell in love with a new city? We do.

by Melissa Dalrymple, Ryan Mann, Melinda Peters, and Nathan Seitzman



We remember the first time we jumped in a cold lake on a hot summer day with our siblings. The first time we ate street food walking the streets of a new country with college roommates. We even remember the first business trip we took—straight out of college, and too nervous to enjoy the ride.

This desire to build memories, to connect with people, and to see new places drove 1.4 billion of us to travel internationally in 2019.¹ Creating safer travel experiences is now paramount to protect this privilege.

Now is clearly a moment of crisis for the travel industry. Available seat miles on US airlines were down 71 percent in April 2020 from the previous year.² Globally, hotels are at 29 percent occupancy, compared with 72 percent over the same period in 2019.³ However, we are seeing green shoots of demand in areas that are opening up, highlighting an enduring desire to travel; our April survey of Chinese leisure travelers shows that many people are already planning their next trip.⁴

But the future of the travel industry will depend on more than just travelers' pent-up demand. For some, the romance that travel used to inspire was already wearing thin even before the crisis. We spoke to people across multiple geographies who have traveled in the last two months,⁵ and the one constant across their experiences was added stress—whether due to limited entry points, multiple new checkpoints, or fellow travelers' inconsistent compliance with published safety measures.

Safety must be the first priority. Wherever possible, however, intensified health and hygiene protocols should be implemented in ways that avoid making journeys more difficult in the aftermath of the pandemic—for example, the way that travel became logistically more complex after 9/11 because of additional security measures. The imperative to move fast has often meant unilateral decision

making, rather than solutions developed through quick, iterative feedback. Any further advance of cold or sterile experiences as a result of the (appropriate) pursuit of safety could radically shift behaviors toward simpler experiences, such as choosing to drive instead fly, or could even dampen the overall recovery.

Travel companies need to excite and attract customers as well as reassure them. To achieve this, leaders should focus on making travel better—not just safer—which means giving travelers more control, offering greater authenticity and personalization, and taking a customer-centric, agile approach.

Moving beyond table-stakes safety initiatives

Many travel companies have already announced a series of health and hygiene measures, often promoted with well-known cleaning brands or health experts. But not all of these measures will survive in their current forms: some won't be effective, some won't resonate with travelers, and some will prove impossible to deliver consistently and at scale. Constant one-upmanship on cleanliness, though well-intentioned, can be problematic for two reasons. First, each new announcement resets the bar on hygiene standards, leaving industry players scrambling to keep up with initiatives—whether or not they actually improve employee or traveler safety. Second, the travelers we interviewed told us that the fragmentation across new cleanliness programs creates anxiety and confusion about what works and who to trust to keep them safe. If one airport claims that its security process is safer than another's, for example, why would travelers trust that any airport is safe? Travelers should have confidence in the whole system, rather than be anxious about pieces within it (Exhibit 1).

¹ *International tourism highlights*: 2019 edition, World Tourism Organization, 2019, e-unwto.org.

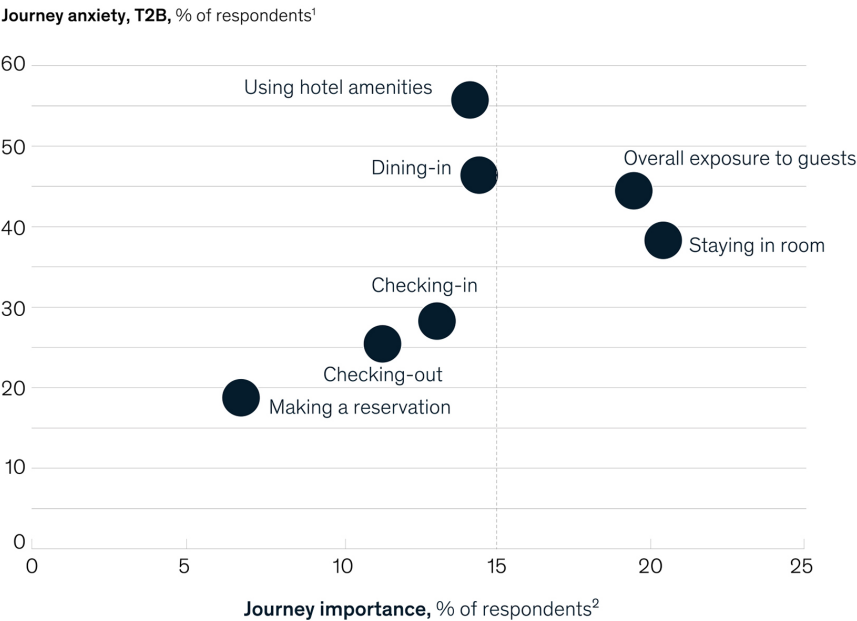
² Andrew Curley, Alex Dichter, Vik Krishnan, Robin Riedel, and Steve Saxon, "Coronavirus: Airlines brace for severe turbulence," April 2020.

³ STR occupancy data for May 17 through May 23, 2020.

⁴ Xiang Mi, "Big data from Tongcheng: The average room rate of domestic hotels during the 'May Day' rose by about 42% year-on-year," DoNews, April 27, 2020, donews.com; Kay Chen, Will Enger, Jackey Yu, and Cherie Zhang, "Hitting the road again: How Chinese travelers are thinking about their first trip after COVID 19," May 2020.

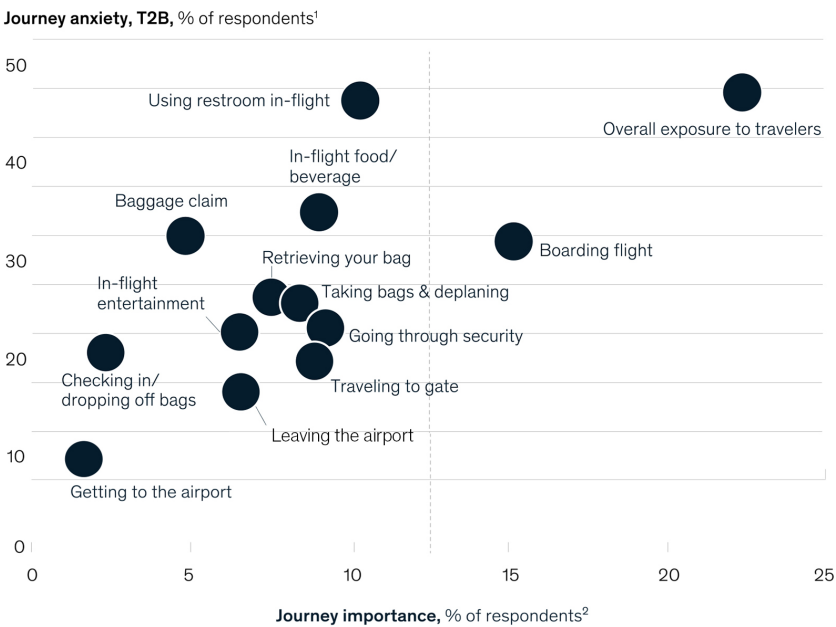
⁵ Recent traveler interviews conducted May 4 to May 15, 2020, with travelers aged 25-55 from China, Germany, Sweden, and the United States.

Staying in the room is driving most of this anxiety.



Note: N=645; Questions: (1) Given what you know today about COVID-19, what is your level of anxiety over your health and safety as it relates to coronavirus (COVID-19) and staying in a hotel? (2) What is your level of anxiety with different elements of the hotel experience once you resume traveling?

Overall exposure to travelers and boarding the flight are driving most of travelers' anxiety.



Note: N=455; Questions: (1) Given what you know today about COVID-19, what is your level of anxiety over your health and safety as it relates to coronavirus (COVID-19) and taking flights? (2) What is your level of anxiety with different elements of the flight experience once you resume traveling?

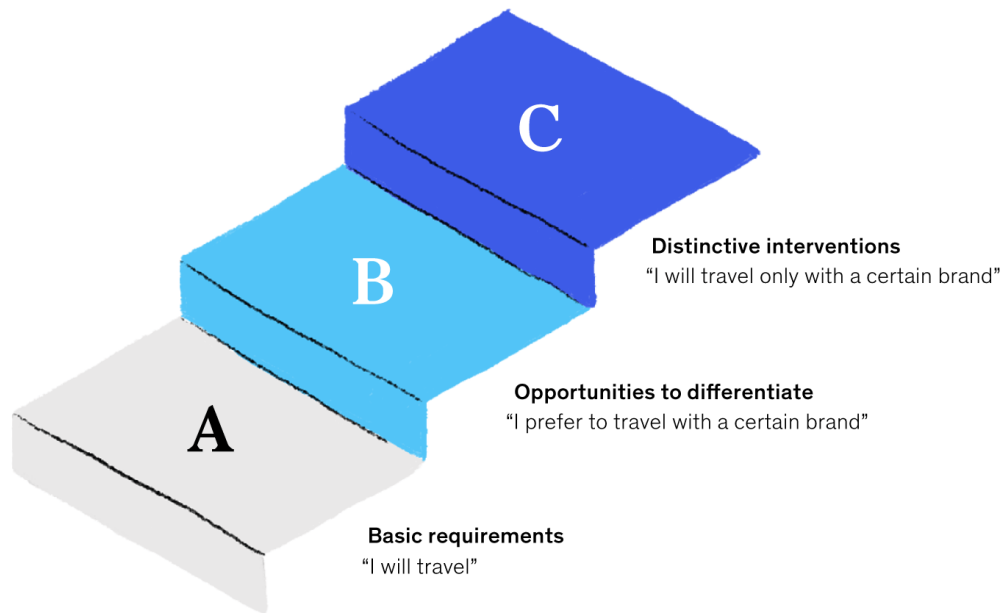
¹Top 2 Box calculated as % of respondents answering 6 or 7.
²Derived importance calculated through Johnson's Relative Weights methodology.
Source: Hotel anxiety Pulse survey—May 2020

In fact, a focus on health and hygiene only scratches the surface of the changes that are necessary in the aftermath of the current crisis. Companies can

consider three types of interventions to reinvent and reinvigorate travel over the coming years (Exhibit 2).

Exhibit 2

Travel companies are off to a good start . . . but are only scratching the surface.



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In addition to table-stakes safety initiatives, a second category of actions can reassure and comfort the public. Brands might differentiate themselves and re-engage their travelers with visible, communications-based cues—such as notifications about the health status of the destination city and personalized notes about the importance of testing and other safety measures. Finally, companies need to move beyond reassuring customers to exciting them, perhaps by looking for opportunities to create exceptional travel experiences.

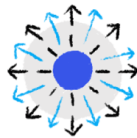
Making travel better, not just safer

As travel companies redesign their traveler experiences to address risks and anxieties related to COVID-19, they should remember that the pain points and trends that existed before the crisis—such as the shift toward a more digital and personalized journey, and an increased emphasis on wellness and sustainability—have not gone away (Exhibit 3). Airports, for example, are going to have to rethink customer experience in the coming years, but many already understood the importance of improved service and contactless operations.⁶

⁶ For more, read Melissa Dalrymple and Kevin Dolan, "Beyond contactless operations: Human-centered customer experience," May 2020; "How customer experience takes flight at the Orlando airport," February 2017.

The evolution of traveler needs is accelerating major pre-COVID-19 industry trends . . .

Industry trend



Proliferation of analytics and disruptive tech



Shift to digital and mobile



Environmental impact considerations

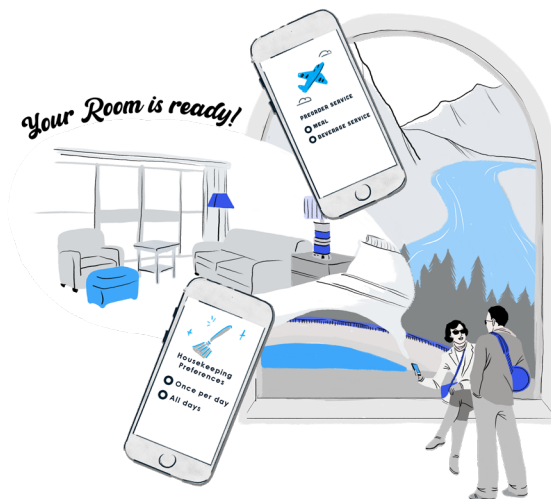


Expanded well-being service offerings



Fundamental shifts in food and beverage

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Another example is the high-anxiety purchase journey for flights and lodging, meaningful purchases that often cannot be returned. Simplifying these experiences represents a significant opportunity: before the crisis, we estimated (in partnership with the International Air Transport Association) that the value at stake in making airline ticket retail easier might be \$40 billion⁷—equivalent to 4 percent of 2019 revenues—by 2030.

Many initiatives can make the travel experience simultaneously better and safer. Housekeeping services, for instance, will need to adjust for safety concerns, but revised protocols can also reduce environmental impact (such as through less-frequent laundering of sheets during each stay), decrease cost, and give guests more flexibility (by letting them choose their own housekeeping schedule).

Companies will also need to look outside the industry to understand changing consumer expectations. Travelers develop preferences and needs based on their interactions with all companies, not only when they're on airplanes or in hotels. Companies should consider, for example, how travelers interact with grocery-store clerks, food-delivery persons, or virtual-shopping experts.



⁷ Riccardo Boin, Alex Cosmas, and Nina Wittkamp, "Airline retailing: The value at stake," November 2019.

Admittedly, the current economic context makes it difficult to expect companies to do more. Indeed, not every good idea will be economically feasible, and there's little slack in the system for big launches that fail. The good news is that some of the necessary changes will require no significant capital outlay but instead a change in mindset toward customer experience-centric behaviors. Where investment is needed, developing a clear perspective on which actions to prioritize will require balancing of the travelers' needs with consistent delivery (perhaps with a smaller organization) and the business case's viability.

Travel companies should bear three principles in mind when designing new protocols and experiences.

Give customers more choice and control

Companies should empower customers to build their own itinerary using smarter, connected digital tools and make it easier for them to modify or cancel their plans. In addition, companies must recognize that the factors that promote customer loyalty may now have shifted; near-term uncertainty may mean, for example, that the ability to cancel a reservation matters more than brand choice or price. The moments that matter might mean more digital than ever and in new places within the customer journey. Solutions and policies that provide choice and control will help to build the trust and confidence necessary to get travelers back on the road and in the air.

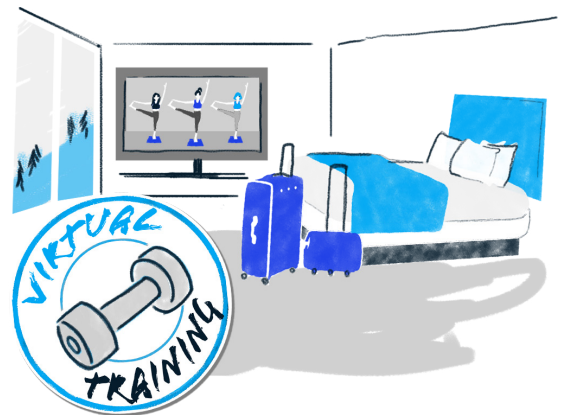
Be human and genuine, and personalize the experience

Before the crisis, personalized and unique experiences constituted a dominant trend. Boutique hotels, for instance, were the fastest-growing hotel segment in the United States, with supply increasing 10.6 percent between 2018 and 2019, compared with an overall hotel supply growth of 2.0 percent.⁸ Travelers are drawn to those hotels that put a human face on the institution, that can combine the high standards and consistency of a

hotel chain with the personality and privacy of a vacation rental. Major hotel chains have recognized these changing preferences and launched new “soft brands” that serve as a collection of boutique hotels.

Travel companies now have an opportunity to take this personalization a step further, but—in a world where formerly welcoming smiles are behind masks—they will need to find new ways to connect. We have heard hotel staff calling first responders who were quarantining in their hotels to check on them and including notes of encouragement in their bagged lunches, and of airline pilots addressing passengers pre-flight to reassure them and answer any questions about safety.

Getting this right is a balance: mass emails from the CEO can only go so far, and consumers are already reporting fatigue around “we’re all in this together” messaging that is beginning to ring hollow. According to a recent Adobe study, brand marketers are 20 percent more likely than consumers to believe that consumers want to see ads on companies’ COVID 19 responses.⁹ The bar for authenticity in brand communication and behavior across channels (including in person) must remain high. As such, communication should be focused on what a company is doing for the traveler, rather than delivering superficial platitudes.



⁸ Kim Bardoul, “Boutiques can give hoteliers rebound opportunities,” Hotel News Now, April 22, 2020, [hotelnewsnow.com](https://www.hotelnewsnow.com).

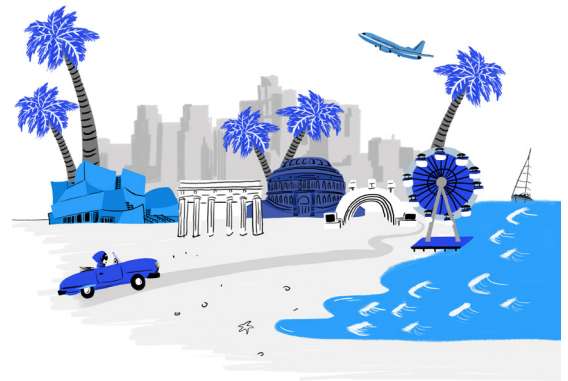
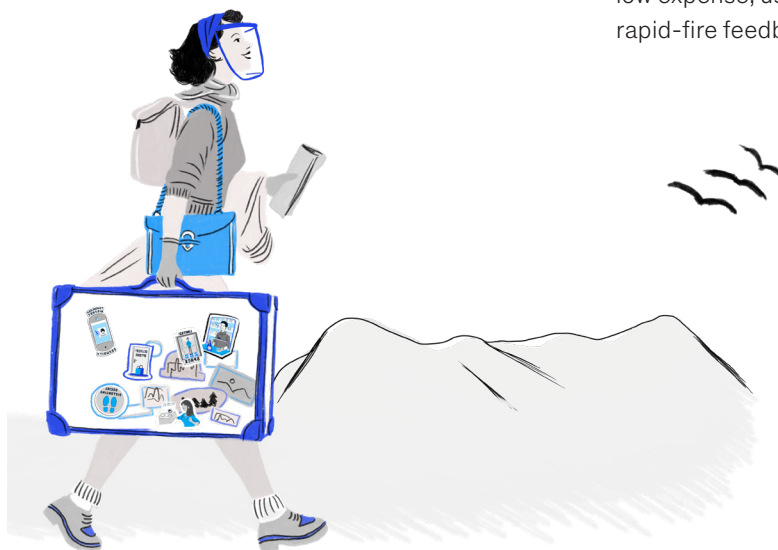
⁹ Adobe Blog, “Navigating advertising strategy during the COVID storm,” blog entry by Keith Eadie, May 21, 2020, theblog.adobe.com.

Frontline staff can also be powerful messengers and are a great source of insight for improvements or opportunities that a home office will not spot as quickly. Travel workers have been through a lot since the start of the crisis, both professionally and personally, and maintaining an open dialogue around their experiences—and acting upon their feedback—will be vital to ensuring that they feel safe and confident.

To move forward, the industry can actually look backward and take inspiration from a time when airline travel was exciting and new, and travel companies went out of their way to solve for traveler needs rather than just optimizing against the competition.

Listen to customers, and take an agile approach

We have found that companies that surpass their peers in customer-experience design tend to share a set of features¹⁰: they have agile, cross-functional teams that develop and iterate with end users and deliver seamlessly across touchpoints. Companies that deliver at the highest level across those themes recognize real returns, outperforming their peers by nearly 3:1 in revenue and 1.5:1 in return to shareholders. In this time of great uncertainty and fluid demand, it will be more important than ever to listen to travelers and understand their rapidly evolving needs.



While many travel companies have begun to embrace agile principles in IT and digital, these principles are becoming a useful tool across the entire enterprise as we go into the “next normal.” As travel companies manage their new reality, they will need to be nimble. Cross-functional agile squads that break down traditional silos and collaborate more efficiently can help their companies move quickly to address changing traveler needs across the journey. When launching a new initiative, for example, these teams can conduct quick, one-on-one customer interviews—even in the hotel lobby or boarding area—that can be used to cocreate and pilot solutions at a relatively low expense, using metrics like adoption rate and rapid-fire feedback to course correct in real time.¹¹

¹⁰ Benedict Sheppard, Hugo Sarrazin, Garen Kouyoumjian, and Fabricio Dore, “The business value of design,” *McKinsey Quarterly*, October 2018.

¹¹ For more on agile principles, see Hugo Sarrazin and Belkis Vasquez-McCall, “Agile with a capital ‘A’: A guide to the principles and pitfalls of agile development,” February 2018.

Picture yourself in your favorite vacation spot. Perhaps you're lying on a beach towel, hiking up a mountain, or skiing down one. Your journey there was different, but the new measures gave you more control and flexibility while ensuring your safety. The companies that thrive after this crisis will likely be those that work with travelers and employees to cocreate distinctive solutions in a rapid and agile manner, that find new ways to enable choice across

the customer experience, and that communicate progress in an authentic and transparent way. No crystal ball can tell us what the future of travel will be, and we will not find the right solutions to today's fluid situation overnight. This will take time, patience, and probably many attempts as we learn together. But travel companies need to embrace the challenge to come back better.

Travel companies need to embrace the challenge to come back better.

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