



# COMPLAINTS OUTLOOK

## — TRAVEL SECTOR



HUNTSWOOD



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## EXECUTIVE SUMMARY

In travel, consumers are often 'captive' - that is, they can't really 'vote with their feet' in the same way that current account holders or utilities customers might. Commuters who rely on a certain train operator to get to work every day, for example, often don't have the option of avoiding them for future services.

However, travel is also one of the sectors where recommendation and advocacy is driving real change in customer behaviours. Customers are increasingly using sites such as TripAdvisor to make their buying decisions, meaning real-life reviews can have a tangible impact on the bottom line for travel service providers. It is more important than ever to make sure that, even when things go wrong, customers still have positive stories to share.

In early 2019 our team of experts and advisors teamed up with YouGov, Henley Business School and Resolver to research and understand the current shape of the complaints landscape. The 2019 edition of the *Complaints Outlook* arms firms with the evidence and guidance they need to enact real change in their complaints journey.

### IT PROVED THAT PROVIDING A BETTER COMPLAINTS EXPERIENCE LEADS TO:

- **DEEPER, MORE VALUABLE RELATIONSHIPS WITH EXISTING CUSTOMERS**
- **AN INCREASE IN NEW RELATIONSHIPS RESULTING FROM CUSTOMER ADVOCACY**
- **EFFICIENCY GAINS AND COST SAVINGS**

The *Complaints Outlook 2019* highlights the value that can be derived from the complaints journey, and this supplementary report aims to show the incredible value of investing in and focusing on complaints within the travel sector. Such a focus will be needed to meet the changing expectations of consumers and the challenges of increasingly volatile markets.

### METHODOLOGY

In 2019 Huntswood worked with research partners, YouGov, to survey a nationally representative sample of over 5,500 customers across the travel, financial services and utilities sectors.



Detailed profiling data constructed by YouGov allowed us to segment customer groups by sector and enabled a deep understanding of the specific issues faced by travel customers.

This also enabled us to compare and contrast the experiences of travel customers with those of financial services and utilities customers.

### FURTHER INSIGHT AND SUPPORT WAS PROVIDED BY:

**PROFESSOR MOIRA CLARK  
OF THE HENLEY CENTRE FOR  
CUSTOMER MANAGEMENT**



**RESOLVER, AN INDEPENDENT ISSUE RESOLUTION SERVICE**



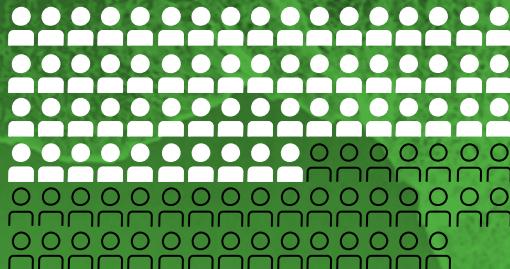
## COMPLAINTS OUTLOOK 2019 - SUMMARY FINDINGS

1 IN 12  
CUSTOMERS  
SHARE A POSITIVE  
COMPLAINTS  
EXPERIENCE



ONLY 44%  
OF CUSTOMERS ARE SATISFIED  
WITH THE EASE OF MAKING  
CONTACT WITH THEIR PROVIDER

42%  
EXPECT  
MORE  
UPDATES



63% OF CUSTOMERS  
ARE DISSATISFIED WITH HOW THEY ARE  
KEPT UP TO DATE THROUGHOUT THE  
PROCESS

61% OF CUSTOMERS  
ARE DISSATISFIED WITH THE  
EMPATHY DISPLAYED  
BY THE COMPLAINT HANDLING  
STAFF THEY INTERACTED WITH

# NOW

75% OF  
CUSTOMERS EXPECT  
THEIR COMPLAINT TO BE  
RESOLVED IMMEDIATELY



ONLY 26%  
OF CUSTOMERS  
ARE SATISFIED WITH THEIR  
COMPLAINTS EXPERIENCE



There are three key areas in which the findings for the travel sector differ noticeably from the other sectors we surveyed.

Firstly, well over half of travel complaints are related to delays or cancellations. This drives a change in the outcome customers are looking for from a “fix for the issue experienced” to “financial compensation”.

As the issue usually can’t be fixed (you can’t make a cancelled train arrive, for example), and because there are often clear guidelines on what will and won’t be repaid, customers in this sector tend to choose channels to complain that are less ‘immediate’. There is a notable preference for email here, whereas, in other sectors, phone is the most commonly used channel.

Finally, the lack of or inadequate financial compensation is the key driver of dissatisfaction in this sector.

## KEY FINDINGS FOR THE TRAVEL SECTOR

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### 1. ISSUES CAN'T BE RESOLVED

Unlike other sectors where the majority of complaints are driven by ongoing issues which need fixing, over half of travel complaints are driven by delays or cancellations. As there is no option available for firms to go back and make the service run on time, customers are primarily looking for financial compensation to make up for the inconvenience they've been caused. This means complaints can prove an expensive business for travel companies.

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### 2. DIGITAL CORRESPONDENCE IS CRUCIAL IN THIS SECTOR

Travel customers are much more reliant on digital communication channels to make complaints and contact their provider, with a clear shift from letters to email. Unlike other sectors where phone, webchat and other channels of 'immediate response' are increasing in prevalence, travel customers aren't choosing immediacy. This makes sense when you consider that issues aren't ongoing or needing to be fixed immediately in the majority of cases. Slower but more convenient channels such as email or online forms make sense for travel customers. And the great thing is that the vast majority of customers are happy that they can use their channel of choice.

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### 3. MORE THAN ANY OTHER SECTOR STUDIED, TRAVEL CUSTOMERS EXPECT COMPENSATION

Financial compensation for issues experienced is expected within the travel sector. With schemes such as "Delay Repay" widely used across the country, and a high risk of material damage occurring if customers' travel plans are disrupted, it is perhaps no surprise that customers expect their providers to pay up if things go wrong.

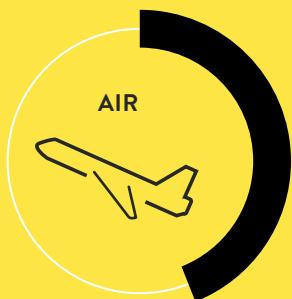
- Though a third of customers reported receiving financial compensation for the issue they experienced, less than half were satisfied with how much they received
- 25% say they did not get any / enough compensation from their provider
- 44% of complainants claimed that they raised a formal complaint with the goal of requesting financial compensation

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# WHAT IS DRIVING COMPLAINTS IN TRAVEL?

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The majority of complaints in the travel sector are due to delays and cancellations, meaning firms have very few opportunities to rectify the problem. Customers are also more likely to complain if they face an issue than in other sectors, with 4 out of 5 people who experience an issue going on to complain about it.



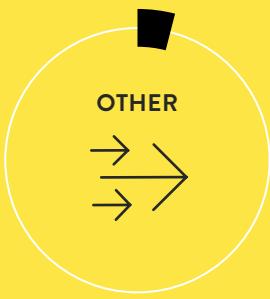
44% OF  
REPORTED  
ISSUES RELATED  
TO AIR TRAVEL



21% OF  
REPORTED  
ISSUES RELATED  
TO PACKAGE  
HOLIDAYS



31% OF  
REPORTED  
ISSUES RELATED  
TO RAIL TRAVEL



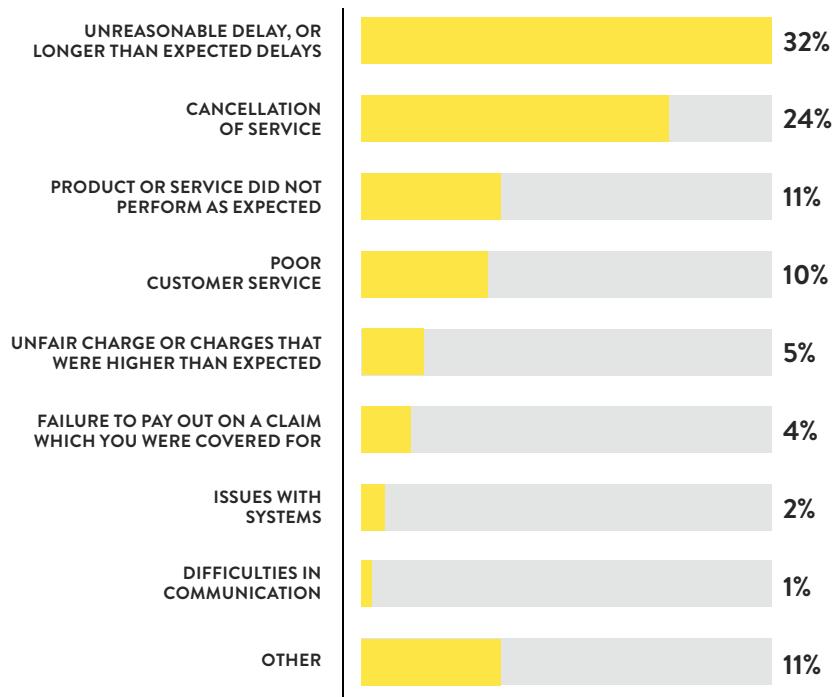
4% OF  
REPORTED  
ISSUES RELATED  
TO OTHER TYPES  
OF TRAVEL



## CLARITY AROUND COMPENSATION MAKES IT OBVIOUS WHEN A COMPLAINT IS NEEDED

For both rail and air travel, which see the majority of travel complaints, the parameters which apply to refunds and compensation are clearly explained and widely available. This means that customers can be fairly sure, before they even raise a complaint, whether or not they will be successful in securing a refund. Therefore, it is unsurprising that the following issues are driving the majority of complaints:

### NATURE OF THE ISSUE



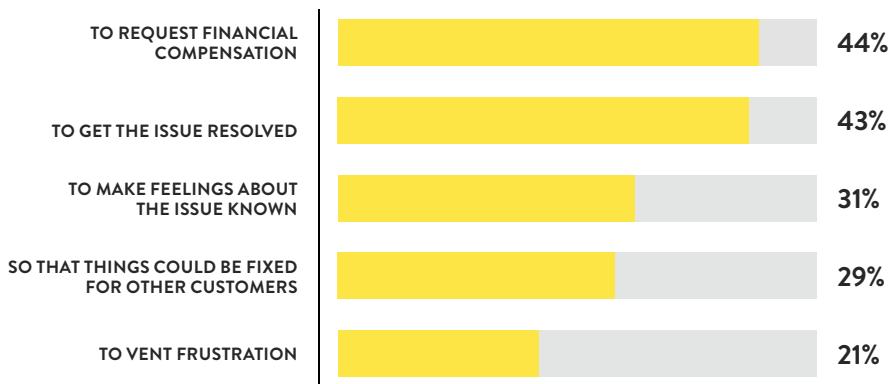
While this does provide businesses with a challenge in terms of the volumes of complaints being raised, it also offers opportunities to deliver a cost-effective, automated experience. Where clear business rules can be applied to the decision-making process and data is available to evidence the specific delays or cancellations from existing systems, there is no need for human intervention in the process unless it falls out of the system as an exception. Decisions could effectively be delivered almost instantly, with electronic payments triggered to complete the process.

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Our research revealed that, when complaining, financial compensation is the key outcome customers are looking for in the travel sector.

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#### TOP 5 REASONS FOR RAISING A FORMAL COMPLAINT



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By removing the bulk of delay and cancellation queries through automation, human complaint handling resource can be focused on dealing with more complex or emotionally-driven complaints that require a human touch.



# COMMUNICATE QUICKLY AND DIGITALLY

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With most complaints being retrospective in travel, customers are less likely to use channels that allow for immediate resolution, such as phone or webchat. Customers also have a higher propensity to complain in the public domain through social media than for other regulated industries. Acknowledging receipt quickly, setting expectations around timescales and providing regular updates are key to providing a positive customer experience.



**1/2**

WHEN FACED WITH ISSUES, HALF OF CUSTOMERS SURVEYED HAD TO CHASE FOR UPDATES AND A THIRD DIDN'T RECEIVE UPDATES AT ALL



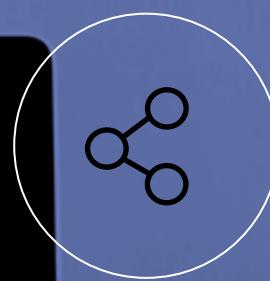
**18%**

ONLY 18% WERE SATISFIED WITH THE WAY THEY WERE BEING KEPT INFORMED THROUGHOUT THE COMPLAINTS JOURNEY



**@**

TRAVEL CUSTOMERS MOSTLY USE EMAIL FOR COMPLAINING AND THEIR PROVIDERS NORMALLY PROVIDE UPDATES THROUGH THE SAME CHANNEL



**Share icon**

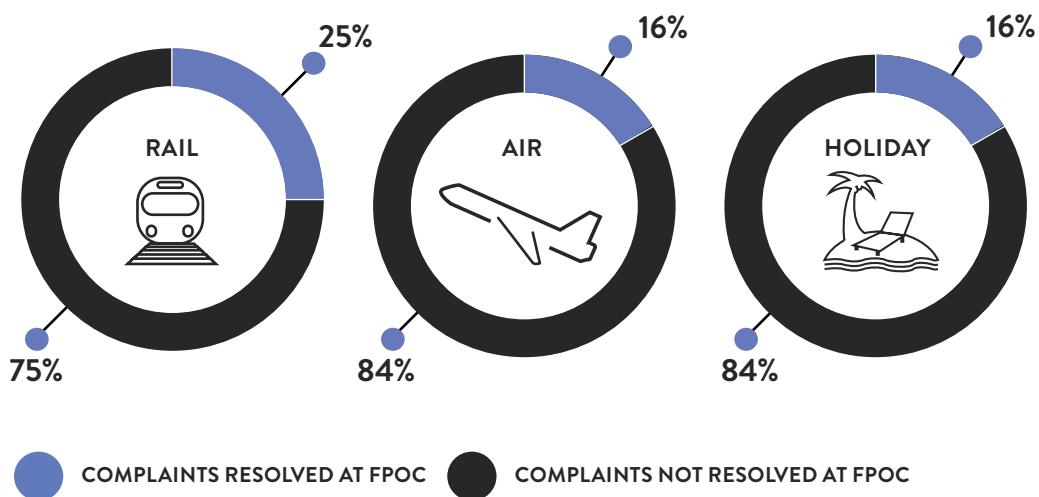
TRAVEL CUSTOMERS ARE MORE LIKELY (7%) TO USE SOCIAL MEDIA TO RAISE A COMPLAINT THAN CUSTOMERS IN FINANCIAL SERVICES AND UTILITIES (1%)

## THE SPEED OF COMPLAINTS RESOLUTION IS CRITICAL

**THREE IN EVERY FOUR COMPLAINANTS EXPECT THEIR ISSUE TO BE RESOLVED STRAIGHT AWAY, BUT LESS THAN A FIFTH ACTUALLY REPORT RECEIVING A 'FIRST POINT OF CONTACT' (FPOC) RESOLUTION.**

FPOC resolution was identified in the *Complaints Outlook* as the factor most likely to leave customers satisfied with a complaints process – however, firms just aren't meeting these expectations.

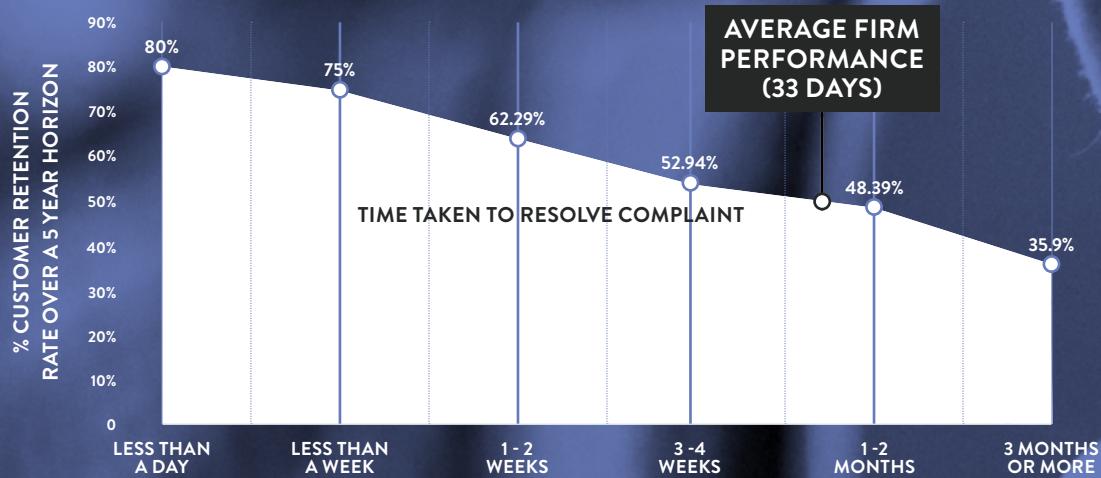
### VOLUME OF COMPLAINTS RESOLVED AT FPOC



As discussed previously, emerging technologies offer travel companies the opportunity to provide a fully automated and near real-time complaints resolution in a significant number of cases. This frees up resources to focus on resolving more difficult complaints quicker.

While resolving issues at FPOC is challenging, being able to do so has huge rewards for businesses. Where customers feel their issue was resolved at FPOC, 75% will remain customers in the long term and 1 in 12 will deepen their relationship with the organisation. However, our research showed a significant drop in long-term retention rates the longer a complaint took to resolve. Once it took over two weeks, less than half of complainants remain customers over a 5 year horizon.

THE CUSTOMER RETENTION RATE IS TIED CLOSELY TO THE AVERAGE TIME IT TAKES FOR COMPLAINTS TO BE RESOLVED, WITH CUSTOMERS MORE LIKELY TO STAY IF THEY RECEIVE IMMEDIATE RESOLUTION THAN IF THEY HAVE TO WAIT



If firms want to retain their existing customers, they need to start resolving complaints quicker. The longer a complaint goes unresolved, the lower the long-term retention rate. The 'retention cliff-edge' occurs where a complaint remains open for over a week and continues to decline from there.

## TRAVEL CUSTOMERS ARE 'DIGITAL NOMADS'

Almost a quarter of travel complainants reach out to their provider by email, almost entirely replacing letters as a complaints channel. We can attribute this propensity for using non-immediate forms of contact to the nature of travel complaints and the main reason for raising them in the first place.

Rail customers, in particular, will take to email and online forms as a means of complaining rather than seeking a fix - you can't make a delayed train arrive earlier, after all. The best that can be done in this case is offer compensation for the delay.

The use of social media as a complaints channel in travel is a particularly interesting point. Across financial services and utilities, the use of this channel still only stands at 1%. In travel, however, 7% of customers report using social media to complain. Perhaps the fact that social media is also used as a powerful advertising tool within the travel sector has drawn travel service providers to the channel.

While negative word of mouth may not be viewed as an "official" form of complaining, any mention of a company should be seen by the firm in question as an opportunity to reach out, remedy the situation and gain customer advocates.

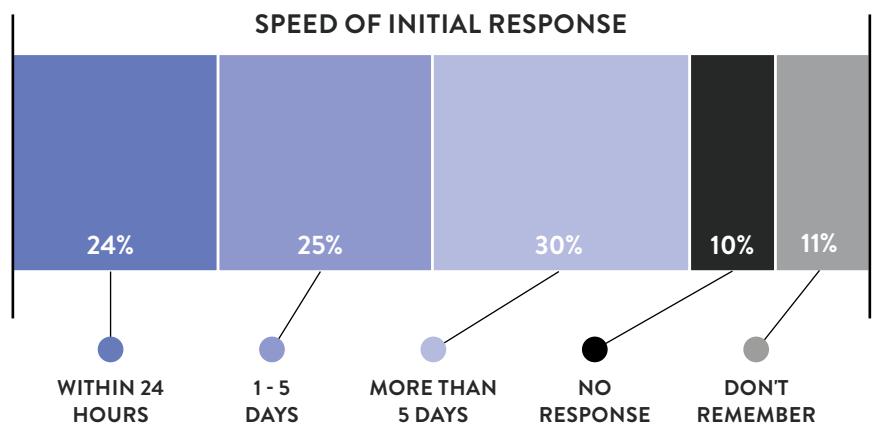
**"BY 2025, THE AVERAGE ORGANISATION'S SERVICE CHANNEL MIX WILL BE VERY DIFFERENT TO WHAT IT IS TODAY. USAGE OF NEW MEDIA CHANNELS WILL SIGNIFICANTLY INCREASE AS MORE CONSUMERS OWN DEVICES THAT SUPPORT THESE CAPABILITIES AND FEATURE SOFTWARE APPS WITH BUILT-IN SERVICE OPTIONS. MANAGING THESE CHANNELS WILL ALSO BE MORE COMPLEX WITH CUSTOMERS FREQUENTLY CHANGING THEIR CHANNEL PREFERENCES, MAKING IT EVEN MORE DIFFICULT FOR COMPANIES TO DELIVER."**

**'THE STATE OF OMNICHANNEL IN UK CONTACT CENTRES: A DREAM OR A REALITY?', UK CONTACT CENTRE FORUM, SEPTEMBER 2018**

## TRAVEL CUSTOMERS EXPECT QUICK ACKNOWLEDGEMENT AND REGULAR UPDATES

Despite greater adoption of digital channels, customers in this sector are generally not satisfied with how long it takes for their providers to acknowledge the issue at hand. In fact, a third of consumers said that it took over five days to hear back, and a tenth didn't receive any acknowledgement at all. Many customers feel that this is unacceptable in a world in which digital channels and automation have set high expectations regarding speed of resolution.

**ONLY 23% WERE SATISFIED WITH THE TIME IT TOOK THE PROVIDER TO CONTACT THEM OR ACKNOWLEDGE THE ISSUE.**



Likewise, customers aren't being kept updated with the progress of their complaint, with a third telling us they didn't receive an update at all. Half had to chase their provider for an update, and this increased to almost two-thirds for those with an issue in the holidays sector. Obviously, this isn't ideal. It could certainly impact heavily on already low net promoter scores.

Customers may be accepting of a less-than-immediate response due to the nature of the complaints, but they do expect to have their complaint acknowledged and to be kept up to date with progress on a regular basis.

While immediacy of resolution may not be essential, it does offer the opportunity to exceed customer expectations and create a truly story-worthy experience for customers to share.

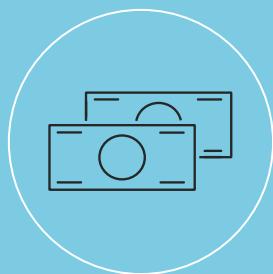
In short: deliver immediate and accurate resolutions wherever and whenever possible, and be prepared to offer appropriate levels of compensation.



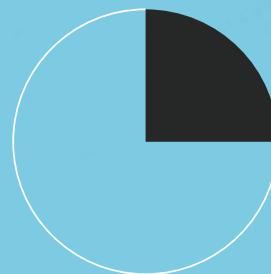
# “SHOW ME THE MONEY”

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Financial compensation is, more-or-less, an expected result of making a complaint within the travel sector. Even more so than in financial services or utilities, customers in this sector raise complaints with the primary aim of receiving refunds or payment for damages, delays and frustration.



THE MAIN REASON FOR RAISING A COMPLAINT IN THE TRAVEL SECTOR WAS TO “REQUEST FINANCIAL COMPENSATION FOR THE ISSUE EXPERIENCED”



CUSTOMERS ARE FRUSTRATED WITH THE COMPENSATION RECEIVED – 25% FELT THEY DID NOT GET ANY / ENOUGH COMPENSATION FROM THEIR PROVIDER

When we asked travel customers what the best and most frustrating things were about how their complaint was handled, the issue of compensation was mentioned a lot.

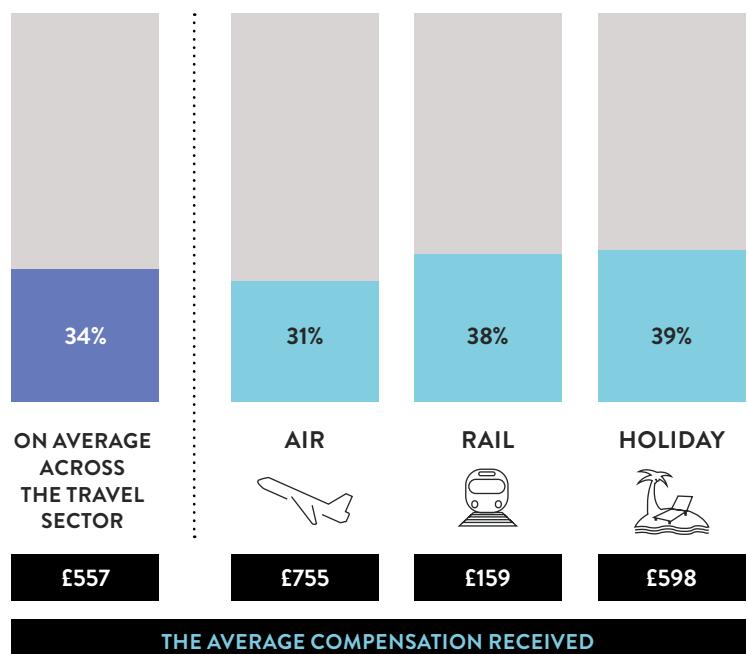
12% of customers said that receiving fair compensation was the best thing about the complaints experience.

However, the most frustrating thing about the complaints experience was “a lack of compensation” and “inadequate compensation”.

A third of respondents received financial compensation from their travel service provider, but more than half (56%) reported being unhappy with the level of compensation received.

It would seem, then, that complainants in this space care more about financial compensation than speed of resolution. And the fact that we have already proven how important speed of resolution is should highlight how customers view the matter of money.

% OF COMPLAINANTS THAT WERE OFFERED FINANCIAL COMPENSATION



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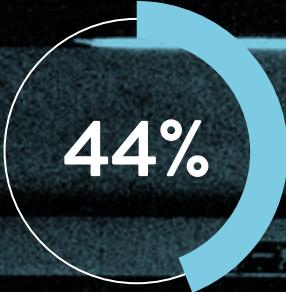
With mechanisms in place such as “Delay Repay” and ATOL Protection ensuring that financial compensation is a common feature of the travel complaints landscape, it makes sense that customers expect to receive money after complaining.

**WHILE FINANCIAL COMPENSATION DOES EVIDENTLY GO A LONG WAY TO ‘SMOOTHING THINGS OVER’ WITH CUSTOMERS IN THIS SECTOR, PAYING OUT IS NOT ALWAYS ENOUGH.**

Our *Complaints Outlook 2019* revealed that 59% of customers reported being dissatisfied with the knowledge displayed, and 61% with the apparent empathy of the complaint handler. Complainants want to feel valued and that the person on the other end of the line is taking their issue seriously.

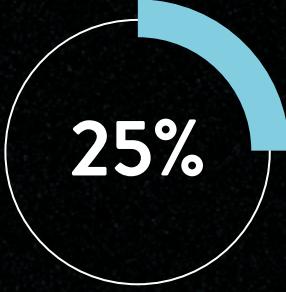
Particularly for holiday complaints, there can be a significant emotional impact on customers when things go wrong. These are often planned and saved-for experiences which people look forward to for months - when things don't go to plan, there's not only a financial impact, but also a significant emotional impact as well.

Ensuring complaints handling staff have the specialist knowledge and empathy they need, whether this be through training or wholesale cultural change, could improve the satisfaction of customers. It could also have the added benefit of reducing the spend on compensation.



44%

OF TRAVEL CUSTOMERS  
RAISED A FORMAL  
COMPLAINT WITH THE AIM  
OF RECEIVING FINANCIAL  
COMPENSATION

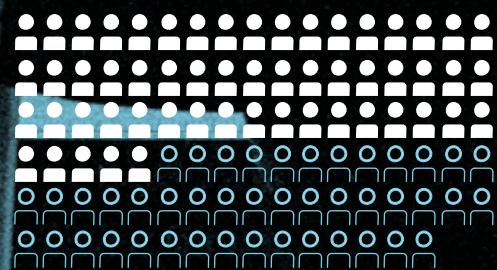


25%

OF TRAVEL CUSTOMERS WERE  
FRUSTRATED THAT THEY DID  
NOT GET ANY / ENOUGH  
COMPENSATION



THE AVERAGE AMOUNT  
OF COMPENSATION  
RECEIVED WAS £557



56% OF TRAVELLERS WERE  
UNHAPPY WITH THE  
COMPENSATION RECEIVED

# SATISFACTION, RETENTION AND ADVOCACY

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Travel complaints experiences are failing to meet expectations. With customers likely to spread negative word of mouth, it is vital that firms do all they can to improve complainant satisfaction.



**TRAVEL HAS A SATISFACTION AND ADVOCACY PROBLEM  
– CUSTOMERS RATE THEIR SATISFACTION WITH ISSUE  
RESOLUTION AT ONLY 3.5 OUT OF 10 ACROSS THE SECTOR**

## IT'S ALL ABOUT SATISFACTION

The travel sector is particularly vulnerable to significant issues that impact customers.

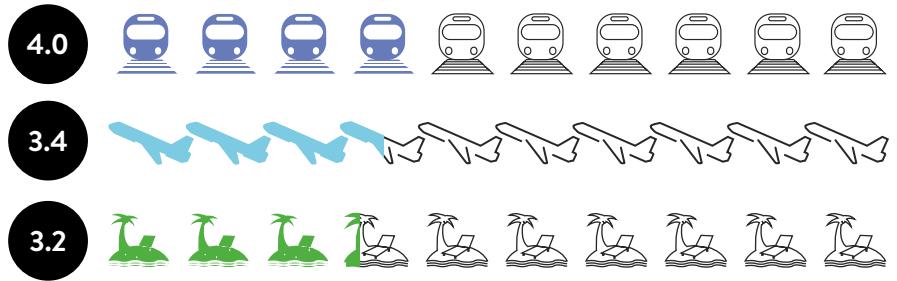
As we have discussed throughout this paper, travel customers expect their issue to be resolved with almost automatic resolution in their favour, and if their experience doesn't meet their expectations, they tend to feel cheated.

Travel businesses are under a tremendous amount of pressure because of this.

With the staggering number of flights leaving British airports every hour, the trains pulling out of stations and holidays kicking off, it becomes incredibly likely that something will go wrong at some point of the customer journey. And with customers encouraged to seek compensation after even relatively short train delays, it's no surprise that customers are often left unsatisfied.

According to our research, satisfaction with how issues are handled in the travel sector is low.

### AVERAGE SATISFACTION SCORE OUT OF 10



### TOTAL MARKET SCORE OF 3.5

The impact of this is huge - almost half of customers had their impression of the travel service provider changed for the worse by a complaints experience.

Where customers are dissatisfied it not only reduces the chance of that customer using the firm again in the future, it means the chances of them recommending your firm to other potential customers is incredibly low.

## THE IMPORTANCE OF ADVOCACY

Recommendations are crucial in the travel sector, more so even than in other sectors, as customer behaviours have changed significantly in terms of buying activity over recent years. Increasingly, people are using and relying on services such as TripAdvisor or the reviews on sites such as Airbnb to make their buying decisions. Customer advocacy is definitely a challenge within the travel sector.

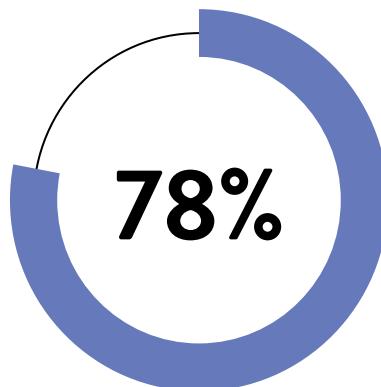
Over half of all customers who have a less-than-satisfactory complaints experience will share negative word of mouth or leave negative feedback. However, it's not all bad. 1 in 3 people who have a positive experience will share it with a friend or family member, or online.

There's a positive snowball effect to this, as well, with over 50% of those hearing a positive story going on to use that company for a service or buy a product from them.

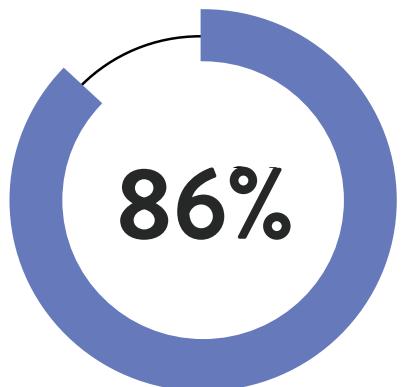
We can therefore see that word of mouth has tremendous potential - both positive and negative.

Even though customers may be more 'captive' in this market (especially in rail), negative word of mouth is still hugely impactful on provider's share of wallet.

Excellent complaint handling is one of the most effective ways to turn frustrated customers into brand advocates. This not only has a positive knock-on effect on your firm's net promoter score, but also a direct boost to profits and customer acquisition.



**78% OF TRAVEL CUSTOMERS WHO HAVE A BAD COMPLAINTS EXPERIENCE SAID THEY WILL AVOID USING THE BRAND AGAIN FOR FUTURE PRODUCTS AND SERVICES.**



**86% SAY THEY WOULD STAY WITH ONE THAT HANDLED THEIR COMPLAINTS EFFECTIVELY.**



# THE VALUE UNLOCKED THROUGH COMPLAINTS EXCELLENCE

THROUGHOUT THE *COMPLAINTS OUTLOOK* WE EXPLAINED WHAT GOOD LOOKS LIKE IN THE EYES OF CUSTOMERS. BUT IS IT REALLY WORTH INVESTING IN THE CHANGES NEEDED TO DELIVER COMPLAINTS EXCELLENCE?

OUR RESEARCH HAS A DEFINITIVE ANSWER TO THIS:

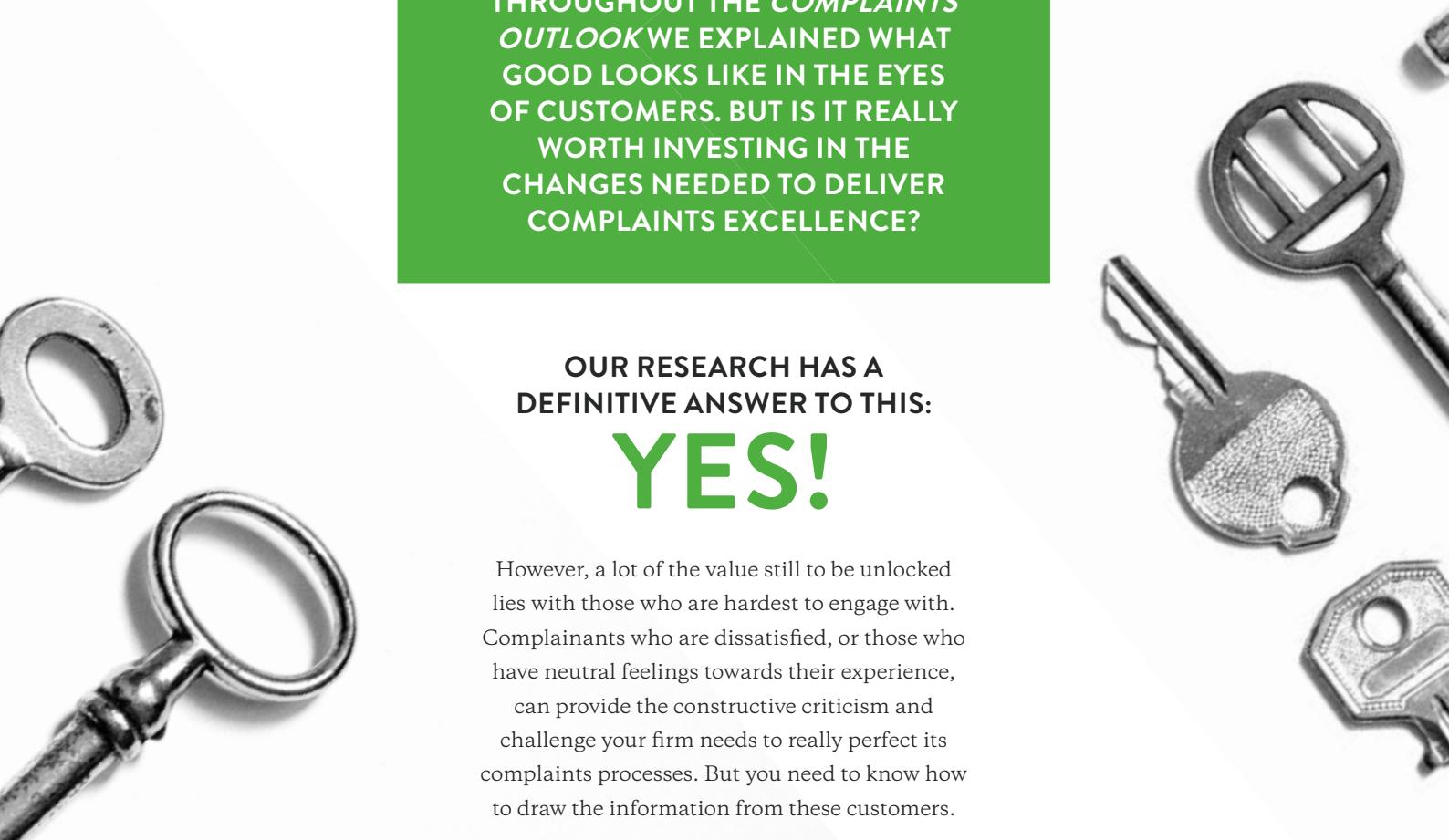
# YES!

However, a lot of the value still to be unlocked lies with those who are hardest to engage with. Complainants who are dissatisfied, or those who have neutral feelings towards their experience, can provide the constructive criticism and challenge your firm needs to really perfect its complaints processes. But you need to know how to draw the information from these customers.

By investing in complaints processes and developing the skills of your frontline teams, your firm can retain customers who may have a higher propensity to leave and, thus, create more potential advocates.

Non-complainants hold the same potential value, but do not give firms the opportunity to satisfy them, so pose a different challenge. Only proactive activity can influence their behaviours.

Over the page, you can find an example of the potential value that could be unlocked by investing in complaints.





## WHAT IS THE POTENTIAL VALUE OF IMPROVING YOUR COMPLAINTS PROCESS?

Our calculation model enables firms to quantify the potential financial impact of providing a poor complaints experience. This can provide the business case needed for investment in the complaints process and changing the internal view of complaints from a 'cost centre' to a 'profit centre'.

**TO SEE THE VALUE THAT COULD BE UNLOCKED IN YOUR ORGANISATION, USE OUR FREE ONLINE CALCULATOR AT: [CO.HUNTSWOOD.COM](http://CO.HUNTSWOOD.COM)**

Here is an example of what you could discover through our calculator. In this case, our fictional firm has **1,000,000** customers, manages **30,000** complaints and each customer is worth **£300** annually to the company.

	NON COMPLAINANTS	SATISFIED COMPLAINANTS
<b>WHAT VALUE WOULD YOU RETAIN IN YOUR BUSINESS IF THESE CUSTOMERS WERE SATISFIED?</b>	<b>16,154</b> (Assumes 65% of those affected by a material issue complain, this figure represents the 35% who don't do so)	<b>7,800</b> (26% of complainants are likely to be satisfied according to our research)
<b>WHAT VALUE WOULD YOU GAIN THROUGH ADVOCACY IF THESE CUSTOMERS WERE SATISFIED?</b>	<b>£1,599,246</b> (Difference between 75% retention for satisfied customers and 42% retention for non-complainants)	<b>N/A</b>
	<b>£2,900,451</b> (Assumes, according to our research, 35% of satisfied customers tell three people, and 57% become customers)	<b>N/A</b>
	<b>TOTAL VALUE BEING LOST BY CHURN</b>	<b>TOTAL POTENTIAL VALUE FROM ADVOCACY</b>
	<b>£3,834,846</b>	<b>£6,886,461</b>



## NEUTRAL COMPLAINANTS

**3,000**

(10% of complainants are likely to be neutral according to our research)

**£162,000**

(Difference between 75% retention for satisfied customers and 57% retention for neutral complainants)

**£538,650**

(Assumes, according to our research, 35% of satisfied customers tell three people, and 57% become customers)

## DISSATISFIED COMPLAINANTS

**19,200**

(64% of complainants are likely to be dissatisfied, according to our research)

**£2,073,600**

(Difference between 75% retention for satisfied customers and 39% retention for dissatisfied complainants)

**£3,447,360**

(Assumes, according to our research, 35% of satisfied customers tell three people, and 57% become customers)

## OVERALL POTENTIAL VALUE

**£10,721,307**

According to our research, satisfied complainants have higher retention rates and 1 in 3 will become brand advocates. Firms need to be moving customers from 'neutral' or 'dissatisfied' to 'satisfied' if they are to access this value. Non-complainants also have the potential to be 'satisfied', but need a different, proactive approach.

In the example we've given, it's clear to see that the neutral, dissatisfied and non-complainant population is significantly larger than the satisfied group. This means that there is a huge potential to change the current outflow of customers being seen. The size of the potential value is driven by the annual revenue per customer, which in this case is £300. The larger the individual customer value, the more important it is to retain that value in the long term and the more benefit each new customer would bring to the organisation.

# CONCLUSION

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TRAVEL SERVICE PROVIDERS FACE A CRISIS OF ADVOCACY  
AND CUSTOMER SATISFACTION.

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**WE'VE SEEN THROUGH THIS RESEARCH THAT THERE IS HUGE POTENTIAL FOR FIRMS TO IMPROVE THEIR COMPLAINTS HANDLING FUNCTION TO ENSURE CUSTOMER SATISFACTION.**

With such a reliance on positive word of mouth and repeat business, many organisations in this space cannot afford to let customer complaints or negative word of mouth dictate the narrative. As expectations rise and the volume of business increases, pressure points start to emerge that could potentially cause damage if not handled properly.

Travel service providers need to put their efforts behind delivering quick and consistent communication via digital channels if they want to meet the changing expectations and habits of their customers. Bringing on third-party contingency resource to manage spikes in customer communication would be a sensible solution in many cases.

Compensation is, of course, a big part of the complaints puzzle for travel sector firms. Though they need to meet customers' expectations of refunds and repayments for lost time, ticketing issues or disruption, they must also balance 'pay-outs' with commercial considerations. Using technology to deliver better, faster, more satisfying complaints experiences will surely serve to keep this cost of business low while, at the same time, boosting customer satisfaction levels and net promoter scores.

Businesses in this space should recognise better than most how important excellent customer service is to ensuring competitiveness within a crowded and volatile market.

Achieving complaints excellence is still one of the best ways of setting your business apart from the competition. As we concluded in the *Complaints Outlook 2019*, complaining should not be seen as negative. We all do it. And we should do it more. Only by making our voices heard, if we are genuinely unsatisfied with the service provided and by listening to the complaints being made, can firms improve the products and services we use daily, and build a better, more stable, more universally beneficial marketplace.

Addressing dissatisfaction in the complaints journey needs to be an essential focus and is long overdue in the travel sector.

# ABOUT HUNTSWOOD

We help firms govern, transform and operate their businesses to drive better outcomes.

When our clients need support, it almost always involves customer considerations, it is often multi-channel and always requires an approach that is compliant with regulation and suitable to high levels of risk.

We are, above all else, collaborative and always at the forefront in the development of innovative, tailored and transformative solutions. These typically combine people, processes and technology to drive better customer, commercial, and regulatory outcomes.

Our services include resourcing and outsourcing solutions, backed up by an expert advisory capability.

We have a solid reputation for being easy to work with, earned through our culture of continuous improvement and consistency in exceeding our clients' expectations throughout all stages of delivery.





## ABOUT THE AUTHORS

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**MATT DRAGE****DIRECTOR OF EXTERNAL ENGAGEMENT**

Matt is the Head of External Engagement for Huntswood, leading the development of Huntswood's external engagement strategy, to help position and support our brand and services within the marketplace.

Matthew has a background in conduct regulation and professional services having worked as a supervisor at the Financial Conduct Authority (FCA) and for two of the "Big 4" advisory firms, where he led and contributed to work in relation to Conduct Risk.

Matthew is a Fellow of the International Compliance Association (ICA) and is a member of the Chartered Institute for Securities & Investment (CISI).

**KATE WOPELLARD****ENGAGEMENT & BRAND MANAGER**

Kate is a passionate advocate for improving customer experience. She strongly believes that business outcomes can be improved by delivering better, more efficient and more satisfying experiences for customers. She currently works at Huntswood, leading research into 'complaints excellence' across a range of regulated industries, from both business and consumer perspectives.

Prior to her time at Huntswood, Kate gained a high level of product and customer management knowledge in financial services, specialising in mortgages and general insurance. She has previously led teams of subject matter experts in the delivery of strategic complaint root cause analysis, complex complaint escalations, customer outcomes frameworks, vulnerable customer policy and digital customer journeys. Before this, she worked as a market researcher in the technology industry.

**SOPHIE MOWCZAN****MARKET RESEARCH & INSIGHT MANAGER**

Sophie joined the External Engagement team as Market Research and Insight Manager in July 2019. Prior to this, Sophie worked with the senior leadership and executive team as Research Analyst at Huntswood, providing insight into market developments.

Sophie focuses on the research of key market topics to understand the potential problems our clients may be facing across the sectors and industries Huntswood operates in.

Analysis is a crucial part of Sophie's role and she is regularly analysing large data sets, both public and internal, to understand trends in the industry relating to complaints volumes and wider topics that inform Huntswood's services.

## GET IN TOUCH

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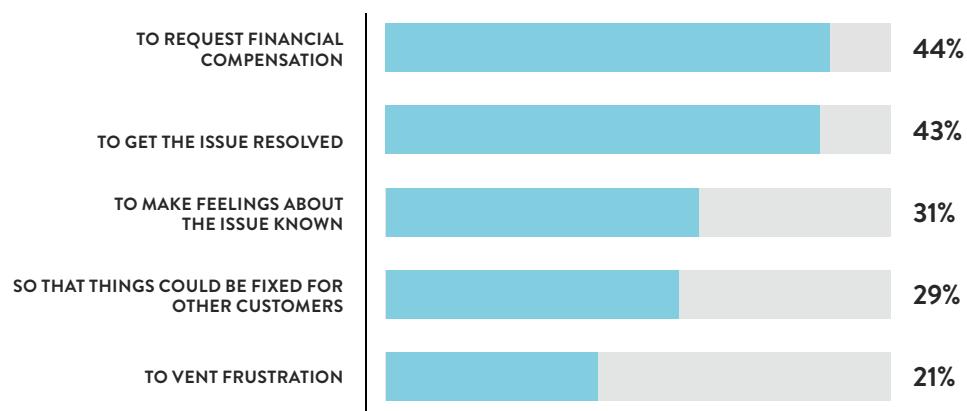
# APPENDIX

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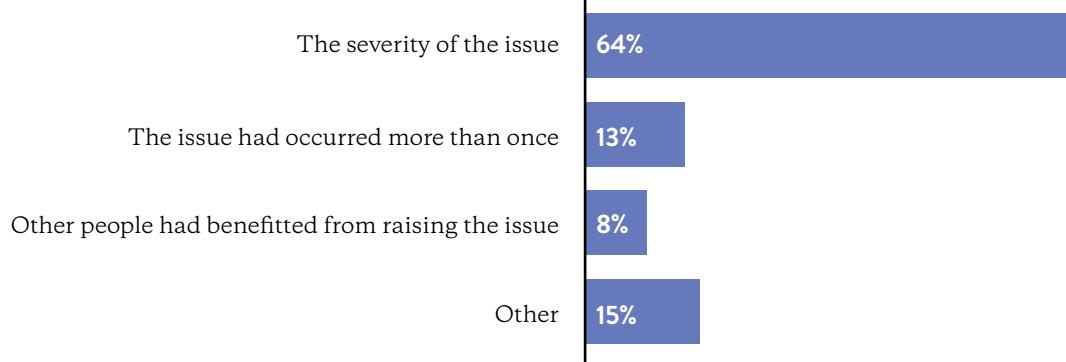
OUR RESEARCH FOR THE *COMPLAINTS OUTLOOK 2019* REVEALED THAT THE TRAVEL INDUSTRY FACES DIFFERENT CHALLENGES THE FINANCIAL SERVICES AND UTILITIES INDUSTRIES. AND WHILE THIS INDUSTRY MAY BEAT OUT ITS COUNTERPARTS IN CERTAIN AREAS, IT IS LAGGING BEHIND IN OTHERS.



## THE TOP FIVE REASONS FOR RAISING COMPLAINTS BASED ON ISSUES REPORTED



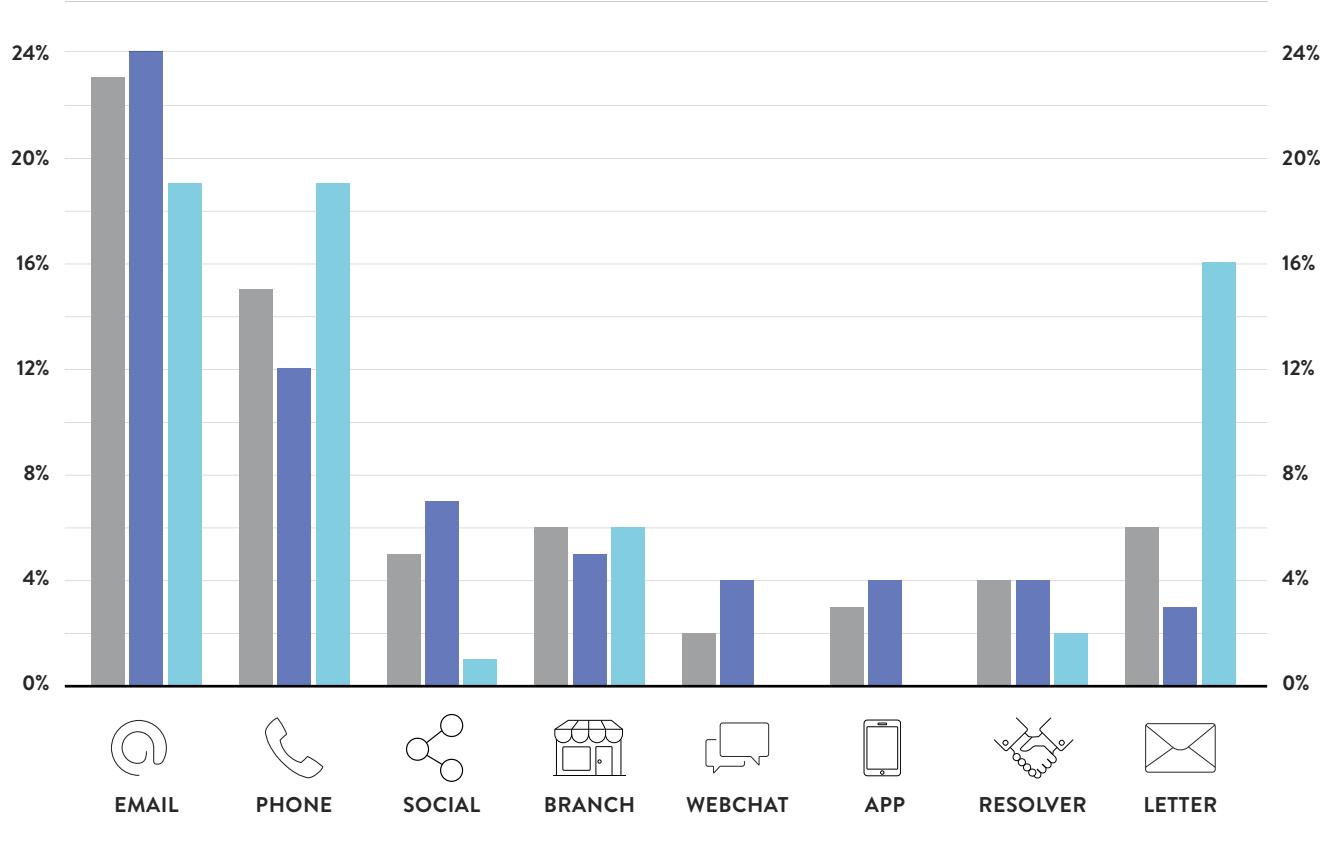
## CUSTOMERS' MAIN REASON FOR CONTACTING THEIR PROVIDER



## THE MOST COMMON CHANNELS FOR MAKING A COMPLAINT

Travel sees the majority of its complaints and communications made through digital channels. Because immediacy is not always the main consideration for travel customers (especially within rail), they are more likely to use email as a channel to raise their complaint.

- CUSTOMERS' PREFERRED METHOD OF CONTACT
- PREFERRED METHOD OF CONTACT IN THE LAST YEAR
- PREFERRED METHOD OF CONTACT FIVE OR MORE YEARS AGO



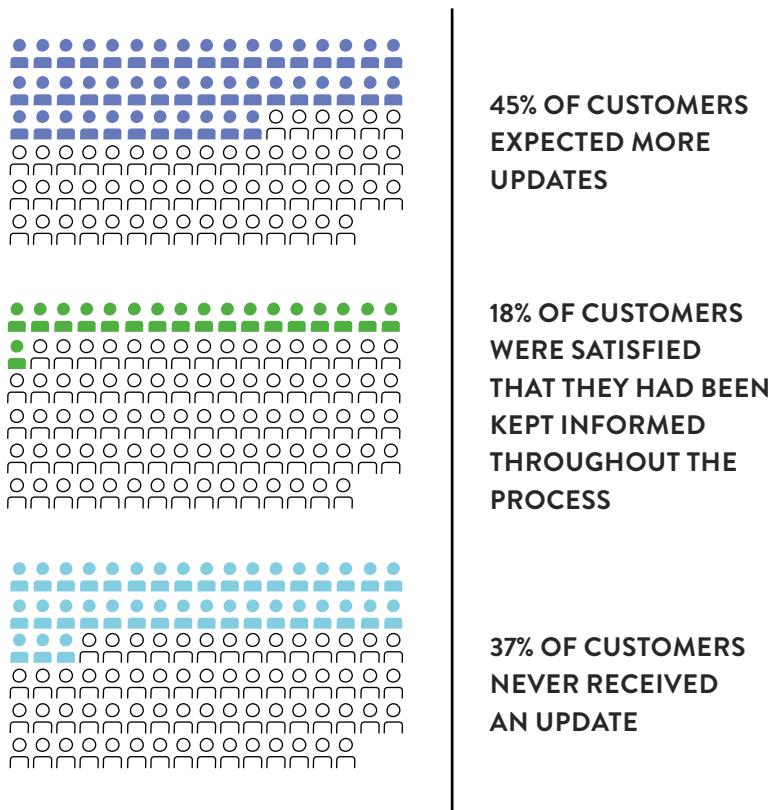
80% said the way they contacted their provider was their preferred contact channel

33% of 55 to 64 year olds use email to raise travel complaints

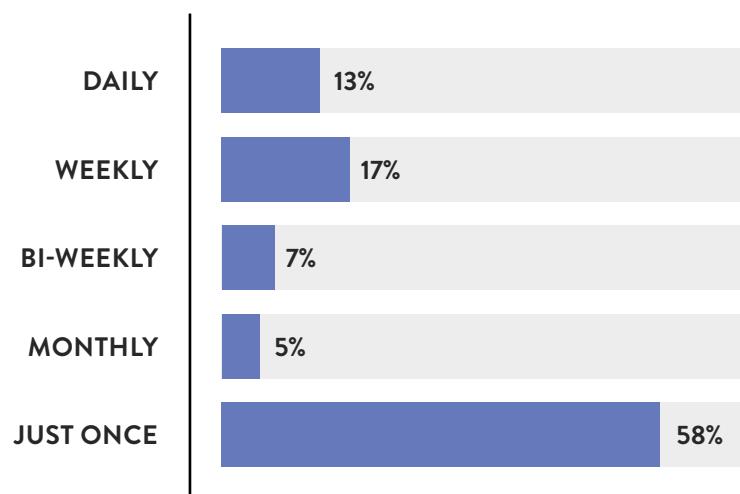
18 to 54 year olds are now significantly more likely to use social media

## CUSTOMERS EXPECT TO BE KEPT INFORMED

## FIRMS SHOULD BE COMMUNICATING REGULARLY WITH CUSTOMERS ON THE STATUS OF THEIR COMPLAINT

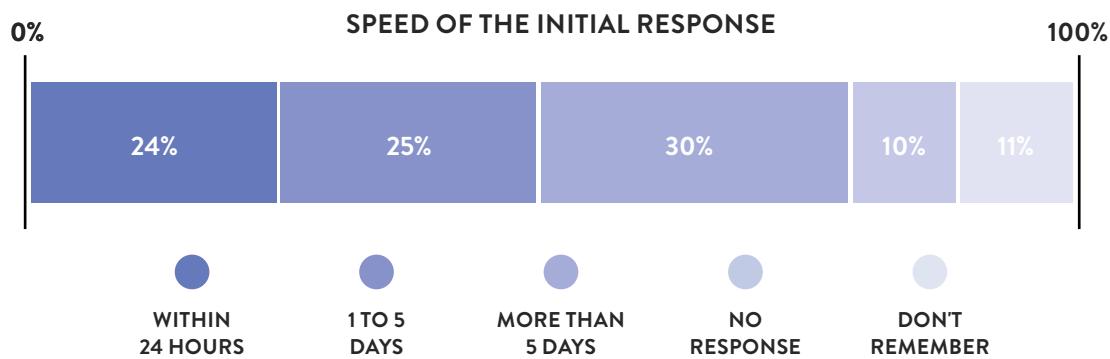


## THE REGULARITY OF UPDATES FROM PROVIDERS



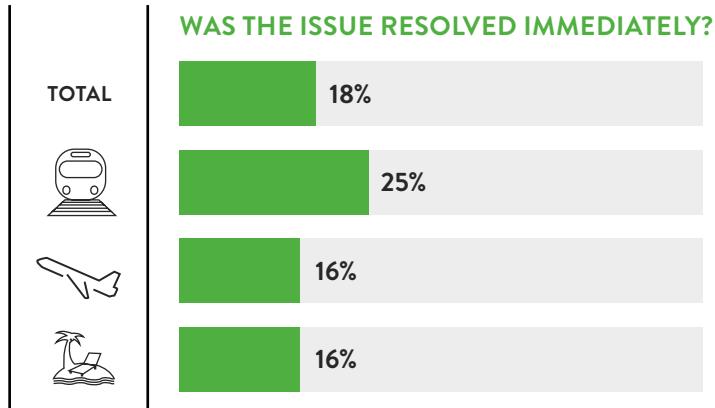
## SPEED OF RESPONSE IS CRUCIAL TO SATISFACTION WHEN NOT RESOLVED AT FIRST POINT OF CONTACT (FPOC)

There is a low level of satisfaction regarding the length of time taken to acknowledge the issue, with three in ten saying it took over five days to hear from their provider, while a tenth did not get a response at all.

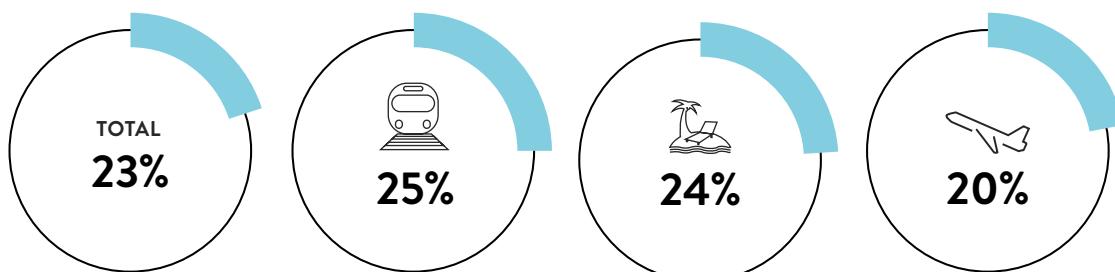


### EXPECTATIONS FOR FPOC RESOLUTIONS ARE HIGH

**74% OF CUSTOMERS EXPECT THEIR COMPLAINT TO BE RESOLVED IMMEDIATELY, BUT ONLY 18% REPORT FPOC RESOLUTION**

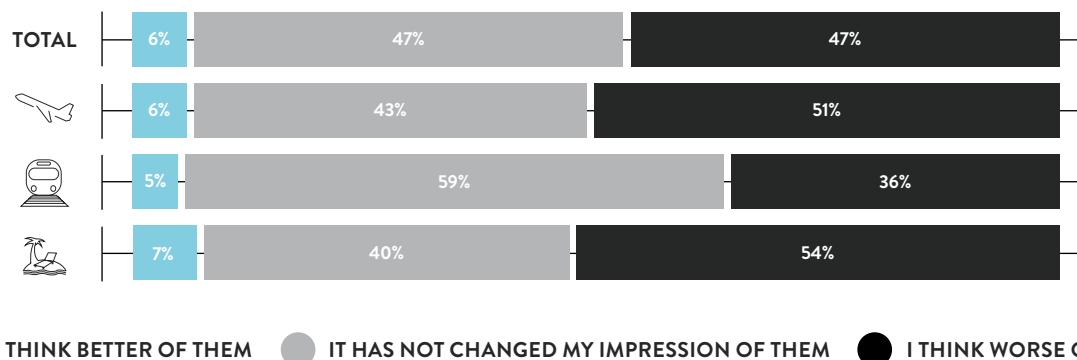


### % SATISFIED WITH THE TIME IT TOOK THE PROVIDER TO CONTACT / ACKNOWLEDGE THE ISSUE



## HOW THE OVERALL COMPLAINTS EXPERIENCE HAS CHANGED THE IMPRESSION OF THE BRAND

Almost half of travel customers reported that the complaints experience changed their impression of their travel provider for the worse. Only 6% of customers surveyed stated the complaints experience had a positive impact on their view of their travel provider.



## THE BEST AND THE WORST ASPECTS OF THE COMPLAINT EXPERIENCE

### BEST THINGS ABOUT HOW THE ISSUE WAS HANDLED

- 1 12% OF COMPLAINANTS SAID THEY RECEIVED FAIR COMPENSATION
- 2 11% OF COMPLAINANTS SAID IT WAS BECAUSE OF THE ISSUE BEING RESOLVED
- 3 6% OF COMPLAINANTS SAID IT WAS BECAUSE THE FIRST PERSON THEY DEALT WITH TOOK THEIR COMPLAINT SERIOUSLY

### MOST FRUSTRATING THINGS ABOUT HOW THE ISSUE WAS HANDLED

- 1 14% OF COMPLAINANTS SAID IT WAS BECAUSE OF THE LACK OF COMPENSATION
- 2 9% SAID IT WAS BECAUSE OF INADEQUATE COMPENSATION
- 3 9% OF COMPLAINANTS SAID THE COMPLAINTS PROCESS TOOK TOO LONG

### SATISFACTION WITH COMPENSATION RECEIVED

A THIRD OF RESPONDENTS RECEIVED FINANCIAL COMPENSATION FROM THEIR TRAVEL PROVIDER, BUT LESS THAN HALF WERE SATISFIED WITH THE AMOUNT THEY WERE GIVEN



38%



£755

39%



£159

AVERAGE COMPENSATION RECEIVED

£557

£598



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