



Customer happiness in times of disruption

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TUI Group



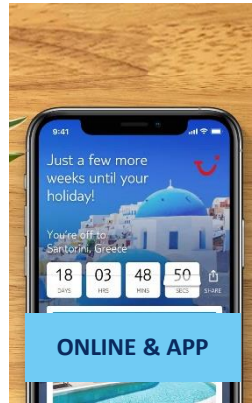
43 162
Employees



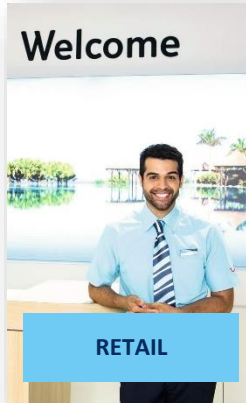
Summer '23
13.7m customers



Revenue FY22
16.5 bn €



ONLINE & APP

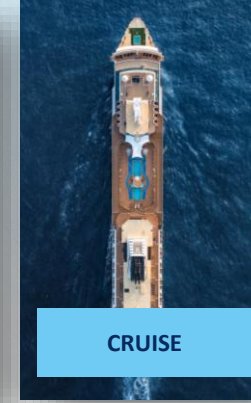


Welcome

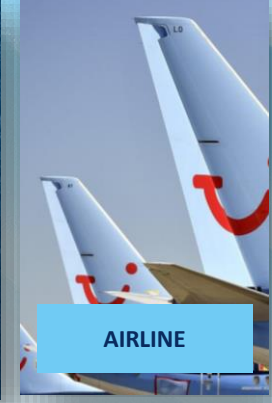
RETAIL



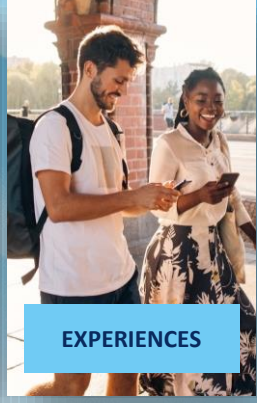
HOTEL



CRUISE



AIRLINE



EXPERIENCES

1000~

400~

16

134

168K+



Frans Leenaars



Content

GLOBAL TRAVEL & TOURISM MARKET

MEGATRENDS & IMPACT ON LEISURE

TUI CUSTOMER EXPERIENCE APPROACH



Global Travel & Tourism Market

Global Travel & Tourism Market

1

Travel & Tourism long-term market growth

2

Disruption is of all times, but tourism usually recovers

3

Demand is driven by strong fundamentals

4

Sustainability is “a must”

5

Tourism is paramount for prosperity in many destinations



1 Travel & Tourism long-term market growth



HISTORIC MARKET DEVELOPMENT (PRE-PANDEMIC)



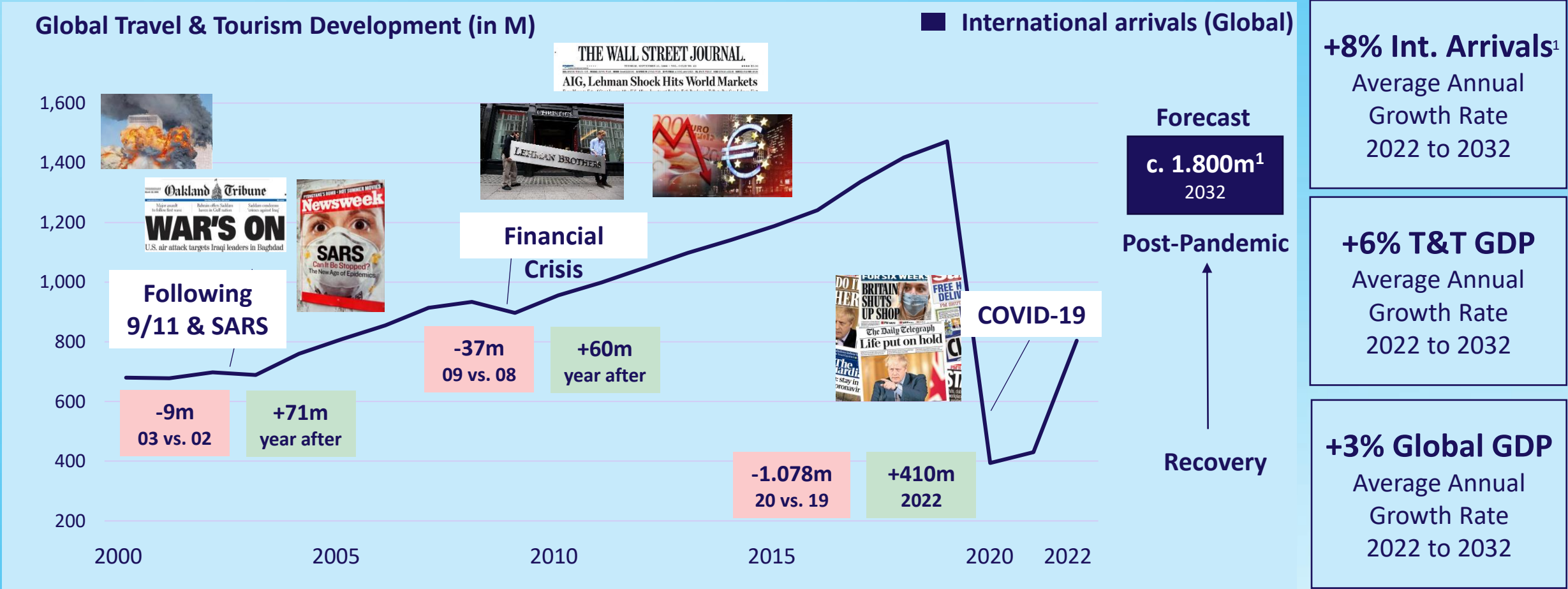
+5% Int. Arrivals
Average Annual
Growth Rate
2011 to 2018

+4% T&T GDP
Average Annual
Growth Rate
2011 to 2018

+2% Global GDP
Average Annual
Growth Rate
2011 to 2018



2 Disruption is of all times, tourism usually recovers



7 Sources: UNTWO: Global and Regional Tourism Performance; WTTC: Travel & Tourism Economic Impact 2022; Euromonitor 2023



3 Demand is driven by strong fundamentals...

**TRAVEL IS A
MEGA TREND**



Favourable demographic supported by high disposable income



Experiences, the new lifestyle & global trend in travel

4 Sustainability is “a must”



People

We will ensure that local people & communities benefit from tourism and empower a new generation



Planet

We will achieve net-zero emissions across our operations and supply chain by 2050 at the latest



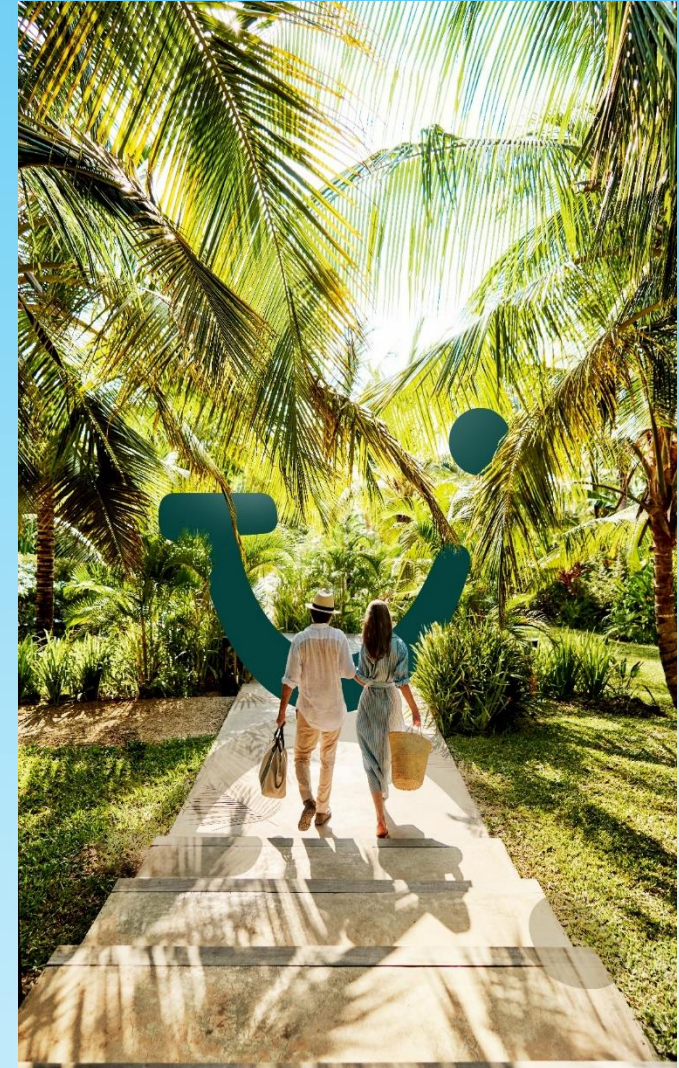
Progress

We will co-create the next generation sustainable business model for the tourism industry

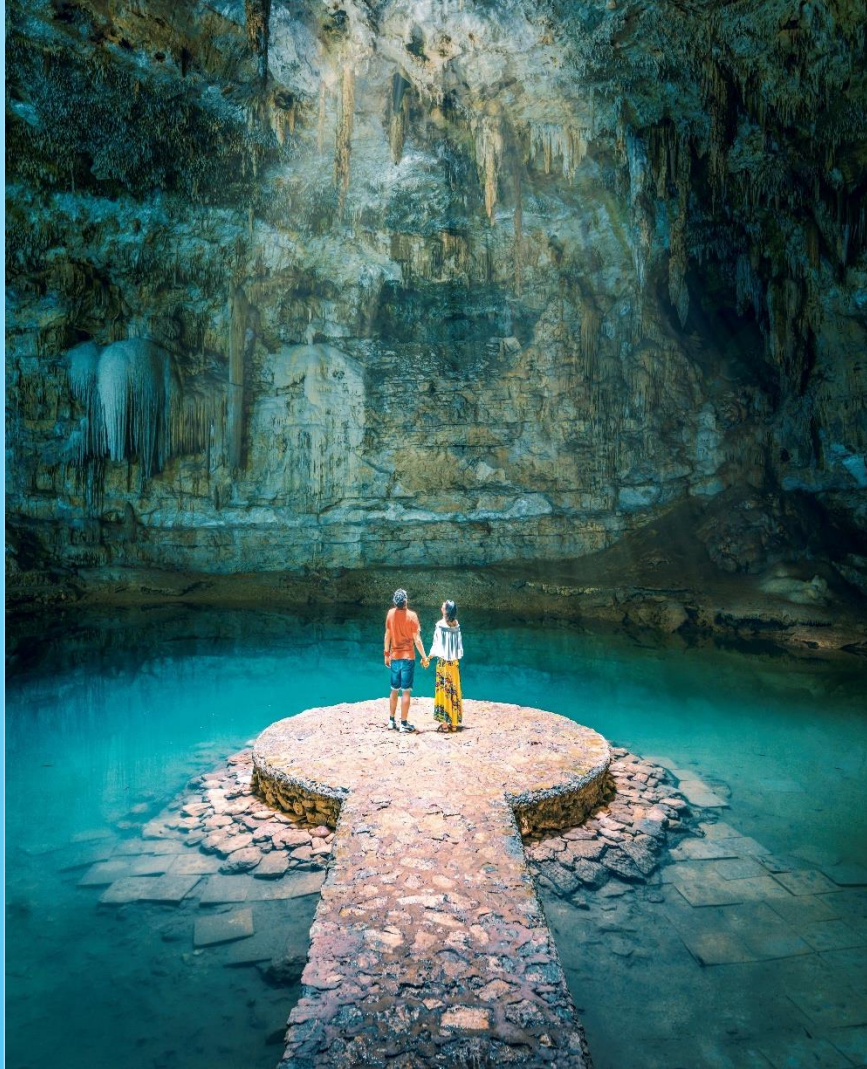
We see the sustainability transformation as a chance & opportunity, not a burden

If our industry does not change, tourism will no longer be a force for good

Sustainability is commercially sound and makes sense for all stakeholders



5 Tourism is paramount for prosperity in destinations



Tourism contributes around
10% of the world's GDP¹

Tourism sector growth outpaces
global economic growth²

Supports over 300m jobs around the world,
representing 1 in 10 of all jobs globally³

The sector is forecast to create 126m new jobs
over the next 10 years⁴



The background features several overlapping, curved bands of light blue and white, creating a sense of movement and depth. The text is centered in a dark blue, bold font.

Megatrends & Impact on Leisure

Megatrends are setting the course for the future



EXPERIENCE MOVEMENT

Millennials have the highest purchasing power right now and prefer **experiences** and **simple pleasures**



INDIVIDUALISM

People are becoming their own personal brand and seek **differentiated** products & services



SEAMLESS JOURNEY

Easy & **seamless** consumer experiences are the new standard. Customers expect **omni-channel** approach



SMART SERVICES

Self service capabilities enhance CX across the journey and are powered by smart technologies



ON DEMAND PERSONALIZATION

Organizations are reliant on **technology** to help customers find **personalized** products



CONSCIOUS SOCIETY

Societies are increasingly concerned with their impact; customers seeking **sustainable alternatives**



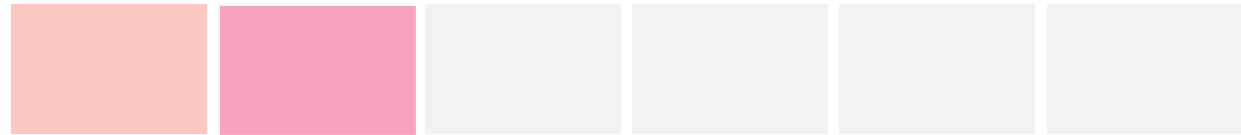
Impact on Leisure Travel

TRENDS IN THE TRAVEL INDUSTRY

MEGATRENDS

EXPERIENCE MOVEMENT	INDIVIDUALISM	SEAMLESS JOURNEY	SMART SERVICES	ON DEMAND PERSONALIZATION	CONSCIOUS SOCIETY
Experiences & simple pleasures	Tailor-made products	Omni-channel experiences	Automated self-service	Personalized offers	Sustainable alternatives

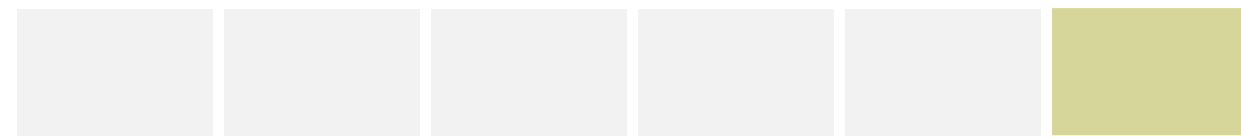
EXPERIENCES & ACTIVITIES Strong market potential for **tours, activities & attractions**



TRAVEL TECH ACCELERATION Increased expectations in **digital services & personalization**



SUSTAINABILITY Consumer expect companies to **lead the way to more sustainable travel**



Experiences & Activities

CONSUMER DEMAND

Strong interest in tours, activities & attractions on a holiday.

70%

are interested in experiences when on a sun & beach holiday



CONSUMER NEED

Mobile – booking experiences via a mobile app is on the rise accelerated by the pandemic

69%

Spontaneity – most consumers prefer to book experiences when they are on holiday

47%

Individuality – consumers are interested in many types of activities provided as package or with the ability to customize

50%

High Standards – quality, flexible booking options & authenticity are key booking decisions

> 50%

CONCLUSIONS FOR THE INDUSTRY

It is absolutely key to increase app presence in order to capture future demand.

Easy access & being bookable on-the-spot is needed to capture the spontaneous demand.

In order to be relevant a wide range of offers as well as flexibility is needed to provide choice.

Create unique products that stand out from the crowd.



Travel Tech Acceleration

CONSUMER DEMAND

Strong belief in the potential of travel technology

65%

believe innovation in travel technology will speed up as a result of the global pandemic



CONSUMER NEED

Excitement – consumers are excited about all the opportunities technology can provide

47%

All in one hand – consumers look for a digital companion which provides easy access to all information they need

>40%

Personalization – consumers seek offers & experiences which cater to their individual needs

>60%

Omni-Channel – consumers expect one seamless customer journey across all used devices

53%

CONCLUSIONS FOR THE INDUSTRY

Ongoing investment in technology is needed to meet consumers expectations.

Further develop travel apps that support consumers along the entire customer journey.

Use latest technology to individualize travel products and contact customers in a personalized way.

Invest in technology to recognize consumers at each touchpoint of the entire customer journey.

Sustainability

RELEVANCE FOR CONSUMERS

The pandemic accelerated the sustainability trend

61%

of travelers state the pandemic has made them want to travel more sustainably in the future



CONSUMER NEED

More Offers – consumers have an appetite for more sustainable travel products

72%

More Support – consumers are lacking knowledge in how to make their travel more sustainable

41%

Protect the Environment – travelers have clear intentions to reduce their footprint

84%

Improving Local Life – travelers want to contribute to the socio-economic development in destinations.

76%

CONCLUSIONS FOR THE INDUSTRY

A broader portfolio of products is needed – more sustainable accommodations, flights & experiences.

The industry needs to educate & empower consumers to make their travel more sustainable.

Immediate actions like reducing flight emissions are needed to protect the planet as well as to remain credible.

Stronger involvement of local businesses into the supply chains is needed as well as a stronger use of local resources.





TUI
Customer Experience
Approach

TUI's priorities

**Grow
market share**

New products

New customers

Strong focus on quality & differentiation

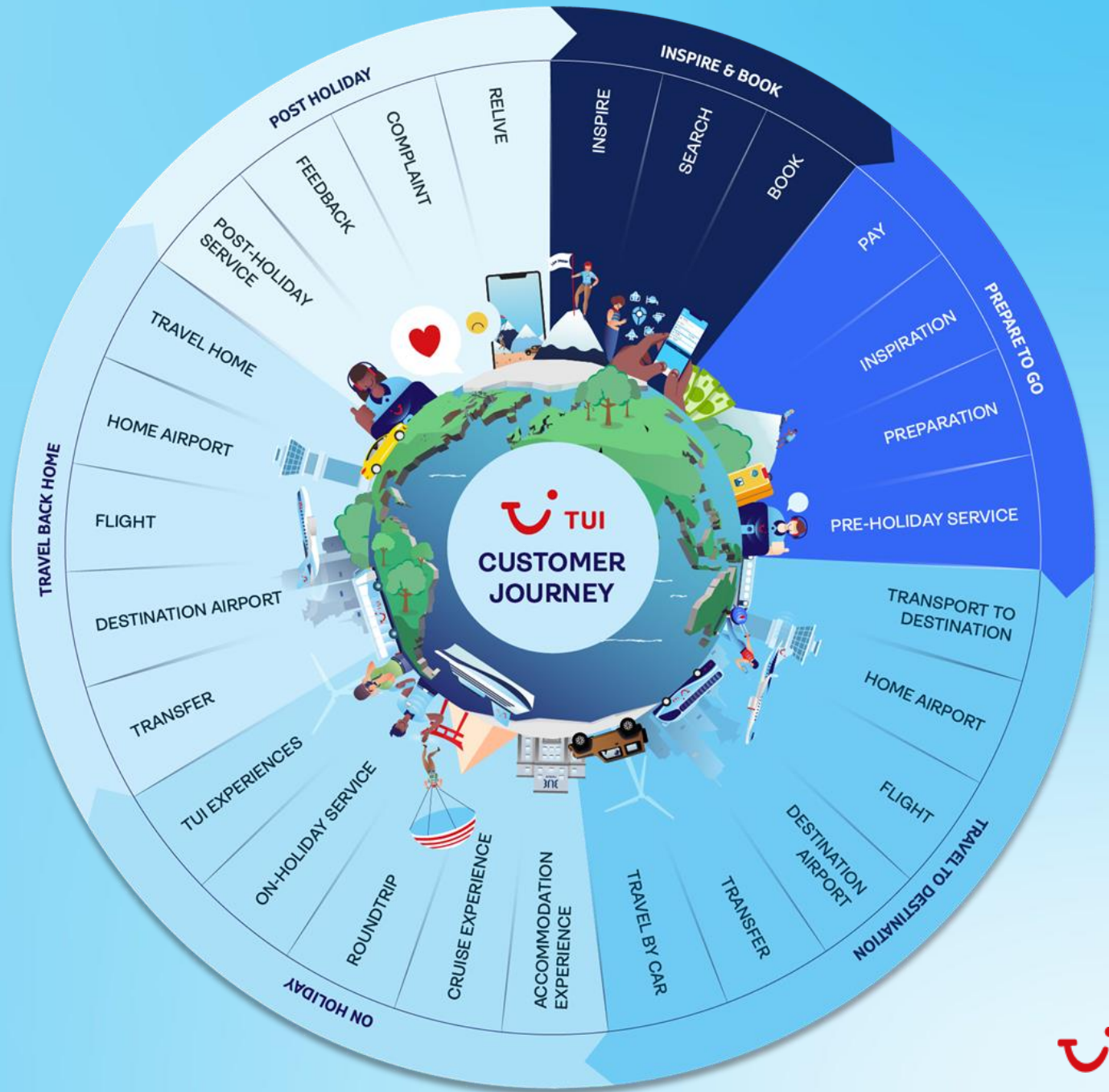
Sustainability as opportunity

Winning team



Customer Experience

All touchpoints and needs a customer has, from awareness to inspiration, discovery and conversion. All interactions and usage of our channels, products & services. Transport to and from the travel destinations. All to enjoy the destination, the chosen accommodation and experiences on holiday. Resulting in brand advocacy and retention...



TUI's CX framework is based on 5 pillars



How to create sustainable competitive advantage



Continuously improving the customer journey



Voice of the Customer in-moment feedback

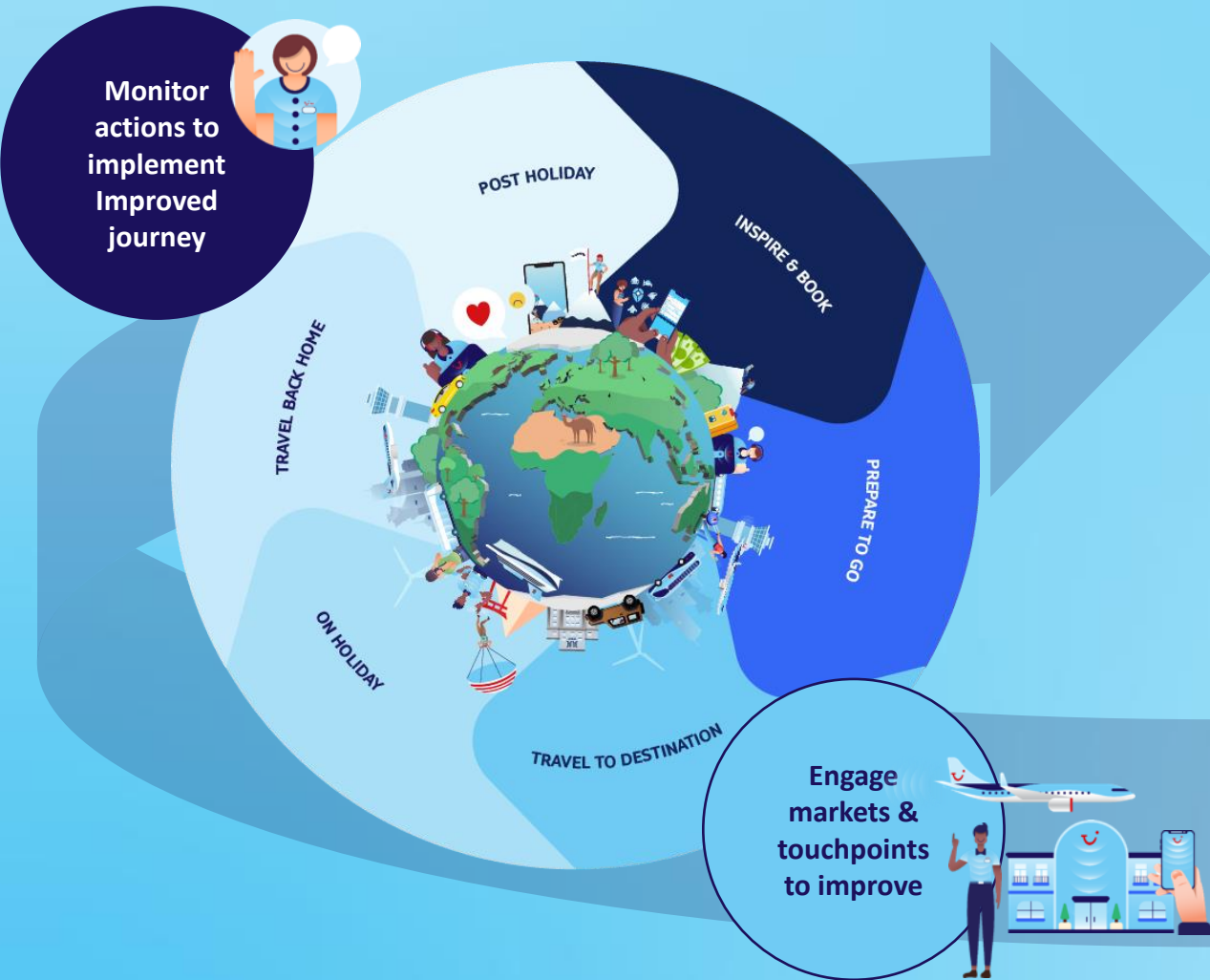


Bring to life guiding principles around the customer connecting all employees

Engage stakeholders on their CX performance with mitigating actions

Strong focus on quality

TUI's continuous improvement cycle



Live Happy - Delivering on our customer promise

Measured through NPS



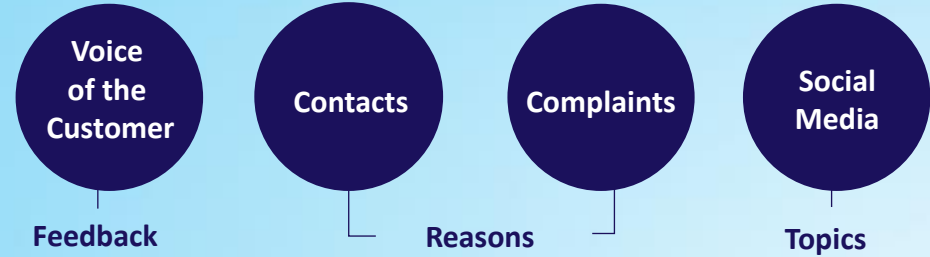
Makers of Happy – our people

Engaged & knowledgeable
Accountable and empowered
Effective Leadership

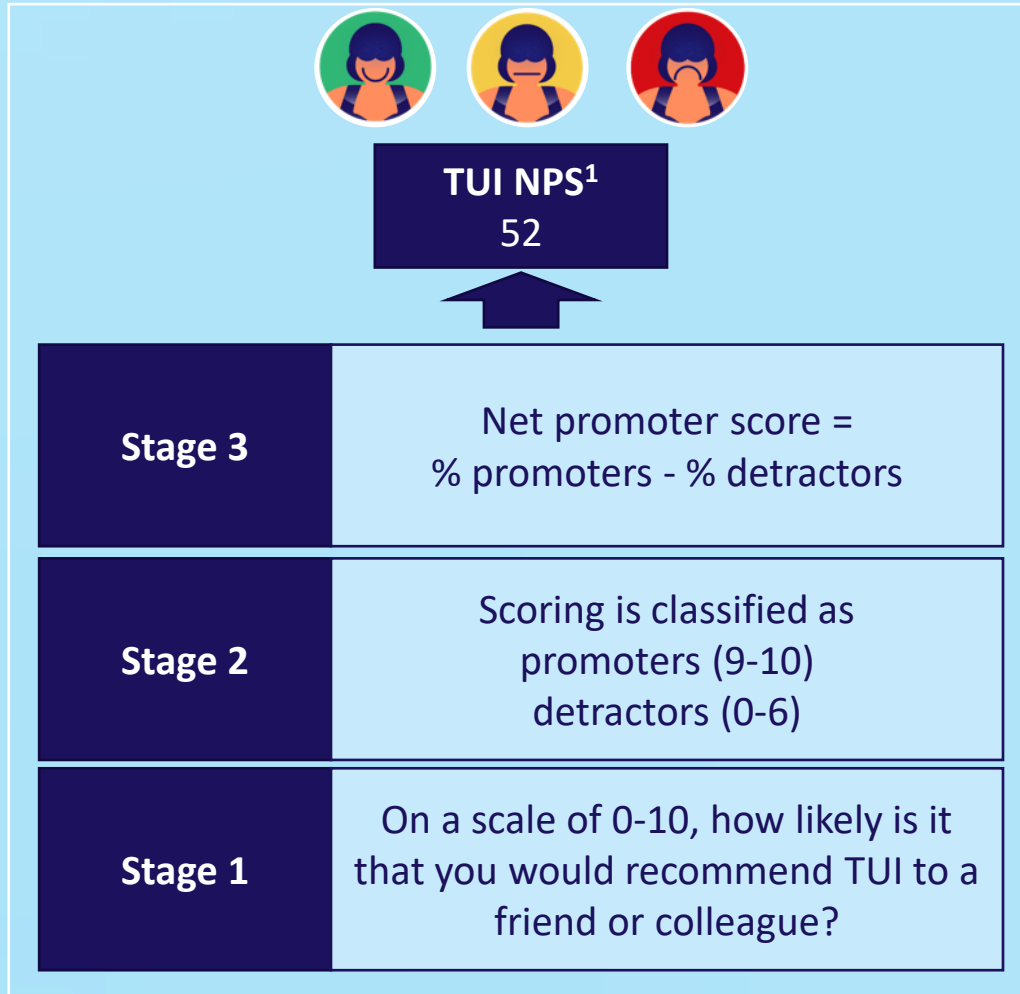


Process ownership
Effort in our delivery
Continuously improve

With continuous customer satisfaction monitoring



NPS is our key metric for customer happiness



Key indicator of service, quality & customer loyalty

Promoters drive higher lifetime value



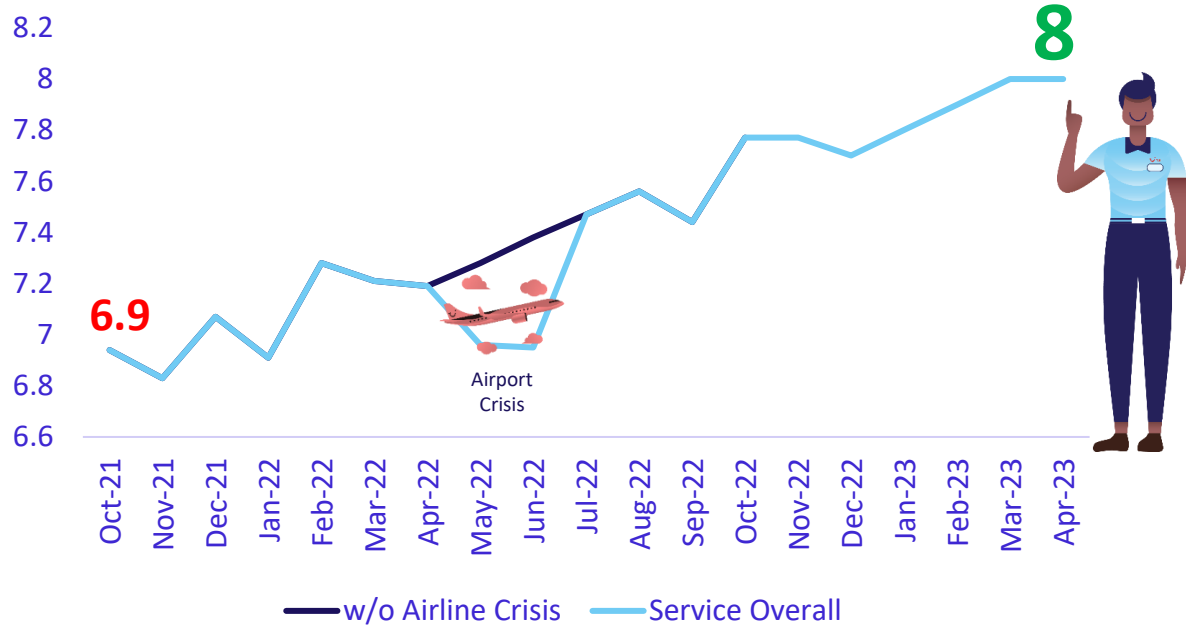
All touchpoints have their own targeted CSAT scores which builds the NPS

All business units & touchpoints have their own targets & action plans



On Holiday Service Customer Satisfaction

example



Key Takeaways

Key Takeaways

Global travel market
continues to **grow**

**Personalized, seamless and unique
experiences** as travel megatrends

Sustainability is an **opportunity** –
not a threat

Customer happiness is key to
differentiation & growth



Questions?