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New research shows that making all travelers feel welcome and included can help hospitality companies win a greater share of today's fast-growing market.

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The Welcome Transformation: Why Inclusion is Key to Success in Today's Hospitality Industry

By John Spencer and Sarah Dillon, Accenture - 12/09/2019

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Three in four travelers will change brands if their preferred company doesn't offer them a welcoming environment or treat them fairly.

For good reason, issues around inclusion and diversity (I&D) have been getting plenty of airtime recently. Yet changing social norms mean that I&D is no longer a lofty ideal. Equality-conscious consumers expect companies to demonstrate their commitment to I&D, and many will turn against brands that don't share their values.

An important point to make is that inclusivity doesn't have to be incompatible with business success. Indeed, for some companies – including those in travel and hospitality – putting I&D at the heart of the customer experience could deliver serious benefits.

In Accenture's survey of more than 2,700 consumers, almost half of travelers said they would pay a premium of 5% to 20% to travel with a company that values I&D. This represents a valuable opportunity for firms that make all guests feel welcome – regardless of gender, age, abilities, ethnicity or sexual orientation.

But what about those that fail to act quickly enough? According to the study, companies that don't have a strong I&D culture don't just miss out on new customers, they also risk losing current ones.

Two out of five travelers – rising to more than half of ethnic minorities and those in the LGBT+ community – are prepared to switch providers if a company does not demonstrate its inclusive practices. Moreover, three in four will change brands if their preferred company doesn't offer them a welcoming environment or treat them fairly. In total, these switching customers could cost travel companies \$212 billion in lost revenues.

So, how can companies become more inclusive? Our research revealed three imperatives:

1. Put I&D at the heart of customer experience.

It's no longer sufficient for companies to view I&D as a branding exercise. What matters most to customers is personal experience.

Eighty-two percent of travelers value feeling welcomed and being treated fairly, while 74% care about whether the company offers products and services tailored to those in diverse segments.

Firms such as R Family Vacations, which was a pioneer in creating customized trips for LGBT families and their friends, have tapped into this demand for inclusivity – and are now offering a group cruise on the Royal Caribbean's Harmony of the Seas.

Across the industry, organizations should explore whether there is an opportunity to tailor their current offering to meet the needs of specific groups. They could, for example, cater for diverse dietary needs or organize autism-friendly kids clubs.

2. Respond to incidents quickly.

In a world where scandal is just one Tweet away, travel companies need to take immediate action following an I&D-related incident.

After all, travelers may well choose to switch providers if these situations are not handled well. The study revealed that 39% of travelers can be persuaded to stop booking with a company if a friend or family member takes to social media to draw attention to a negative incident.

Travel and hospitality firms should have a quick-response team in place that is able to immediately tackle I&D-related incidents, resolve them to the customers' satisfaction, and use the learnings to improve I&D across the business – fostering a culture of continuous improvement.

3. Embed a culture of equality.

How a company interacts with travelers and expresses its values in relation to I&D reflects how those values are demonstrated and managed within the

business. To build a culture of I&D, we believe companies should focus on three areas:

- **Bold leadership**: Leaders must make it clear to employees, and to the public, that I&D is a priority. They should establish diversity, equal pay and advancement goals; communicate progress against these goals internally and externally; and hold leaders accountable for progress.
- **Comprehensive action**: An organization's HR policies should reflect its I&D priorities. This could mean establishing objective processes to create gender-neutral job descriptions, de-bias talent management, and establish programs or incentives to encourage hiring and retaining underrepresented groups. It's vital that firms track how successful such actions are, using metrics and leveraging workforce analytics and insights to identify priority areas.
- **An empowering environment**: An empowering workplace culture is one that encourages people to be themselves, be creative and take responsibility. Firms can use technology to make sure employees with disabilities are properly accommodated and implement policies that combine zero-tolerance communications with ongoing diversity training for all people.

CONCLUSION: LOYALTY AND RESPECT

As people across society start to feel increasingly passionate about I&D challenges, travel and hospitality firms need to demonstrate their commitment to the cause. In turn, this study shows that an authentic, well-thought-through commitment to inclusion and diversity will drive loyalty and growth. By ensuring all travelers feel welcome, firms will win new customers while building enduring relationships with their existing clientele. In a rapidly changing, highly competitive sector, diversity is fast becoming travel companies' most-sought-after amenity.

ABOUT THE AUTHORS



John Spencer is a senior management consulting executive and the global lead for hospitality at Accenture focused on business services and strategic cost reduction for hotels, cruise, and casino clients. He has consulted on a broad range of issues facing the industry, including revenue and channel optimization, customer experience, back-office optimization, and large-scale technology implementations.



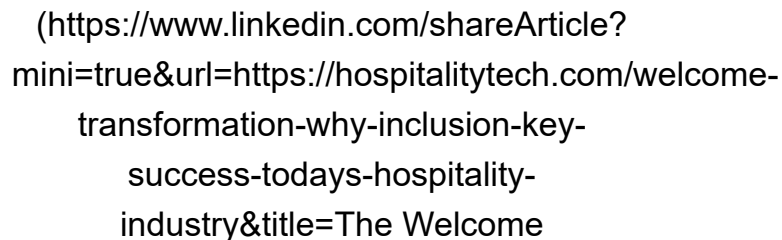
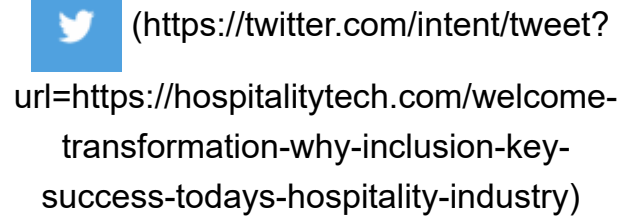
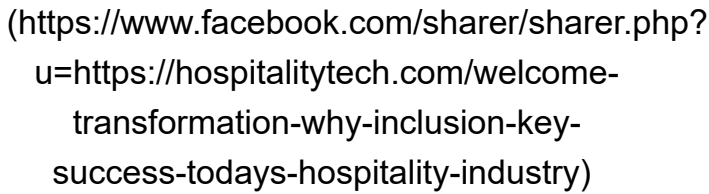
Sarah Dillon is a management consultant for the Travel practice at Accenture focused on project management and change management. Her passion is working with clients on inclusion and diversity engagements to establish roadmaps and execute large-scale culture transformations with strategic vision.

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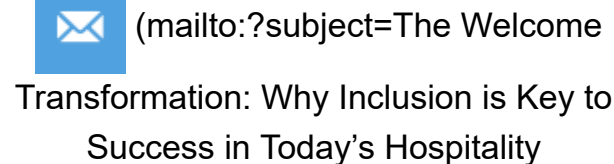
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