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Mike D.

Hello everyone, and welcome to our podcast, delivering end to end memorable experiences in the travel and hospitality industry. I'm Michael DeSalles, Principal Analyst here at Frost and Sullivan, and today we're diving into one of the most dynamic and emotionally resonant industries in the world, travel. I'm fortunate to have two special guests on our podcast today. Joining me is Becky and hemal. Becky is from Hilton Hotels, and hemal from Sutherland, would you two be kind enough to introduce yourselves and your role in the company?

Becky Plager 0:47

Yes, sure. I am Becky plager, hi everyone. I am the Global Head of Hilton, reservations, customer care and sales support, leading all of our services around the globe.

Hemal Shah 1:00

Hi, I am Hemal Shah. I head our travel hospitality and logistics practice globally. Here at Sutherland, it's a pleasure to be here.

Mike D. 1:10

Great. We're happy to have you. So at its core, I'd suggest this, just to open things up, that travel has always been a human story. You know travelers today, and I travel. All of us do, we're looking for, especially when we're doing personal travel journeys that feel just that personal, intuitive, emotionally meaningful, because we're bringing our families oftentimes and then thoughtfully crafted, right? It's a world where kind of timeless CX principles are now meeting modern capabilities to create those moments that matter and so at its core, again, travel has always been that that human story, as we look at empathy, intelligent design, AI, sustainability, all of those things can come together to elevate this customer journey from the first spark of inspiration, Where am I headed, to the final memories that linger long after the trip. So let's kick it off. My first question for both Becky and haul is this, when travelers think of an amazing holiday experience, they see the front end magic, right? The seamless booking experience, pleasant surprises during their stay, even above and beyond customer care. But as we all know, behind the scenes, it's very complex. So when it comes to where you stay, the property, Becky, could you share what an effortless experience means for folks during their travel journey?

Becky Plager 2:39

For you, sure, and we've all experienced it, like you said, and it just feels different, an effortless experience in hospitality. It's When Everything Feels personal and intuitive and purposeful and simple, even though, behind the scenes, it's anything but simple, as we all know, and and for us at Hilton, it means that from a moment a guest begins dreaming about their stay to the moment they reflect on it afterwards, the journey feels anticipatory and seamless and that human experience. It's a booking experience that remembers your preferences. It's a flawless digital check in and digital key where it just works great. You know, it's a room that reflects what matters to you as a guest, whether that's extra pillows or the streaming access that you want to binge watch on the weekend or the proximity to the elevator, and then it's the most important thing. It's the team members who are empowered with the right information at the right time, with the biggest hearts that are creating that meaningful human moments. You know, effortless or simple, it's never accidental. It's by design, and it's also powered by data. And the reality is that delivering that simplicity requires really sophisticated orchestration, and I know we're talking about AI later, but part of that simplicity is that thoughtfully, that thoughtful engagement of data and AI to enhance every stage of that journey where automation handles that predictable stuff, so that those team members with the big hearts can focus on what

hospitality has always been about, which is making people feel seen and valued and heard and welcomed, or what Hilton calls filling the Earth with the light and warmth of hospitality.

Mike D. 4:41

Hemal, some thoughts for you on delivering on this kind of customer journey, what this effortless experience means for you as a solution provider?

Hemal Shah 4:51

No, absolutely. I think at Sutherland, we've always believed easy is hard. When travelers experience what is effortless or seamless, booking, smooth, check in, personalized touches, something that Becky was touching upon that Hilton does great. It actually takes enormous amount of coordination behind the scenes, the way we look at making the traveler expectations effortless. It's it comes down three things that travelers in a broader travel industry don't always articulate, but they absolutely feel the way we see it is, it's, know me, remember me and anticipate me when it comes to know me, I think Becky also alluded to it. Know my preferences when I'm a loyal customer of yours and your brand. Know the seat that I book, if it's an airline or the room type I prefer if it's a brand like Hilton, or my dietary needs, whether I'm traveling for business or I'm with my family, remembering me, which means I don't have to repeat myself at every touch point, and because I may touch the brand across different channels, whether it's the mobile app or the website or The Contact Center, I don't have to be asked to repeat what is required, whether it is my history, my interaction, my status, it should just flow seamlessly. But what's really critical in effortless experience, in our experience, is anticipate me as we know this industry is one that has more disruptions than regular operations, whether it's to do with delays, weather, over bookings, effortless does not mean nothing can go wrong, but it just means that when something goes wrong, the response is proactive, transparent and fast, sometimes even before the customer realizes that there's a problem. If brands can deliver upon it, the experience becomes effortless. There are other layers of their experience as well, rewarding the customer, protecting, delighting the customer, they create magical experiences for the customers. But from our perspective as service providers to some of the leading brands in the world, like Hilton, we believe that if we deliver upon knowing the customer, remembering the customer, and anticipating the customer, the experience is always going to be frictionless. And in this industry, frictionless is what guests remember the most.

Mike D. 7:47

Thank you so much for that. So let me see if I got it. Know Me, remember me, anticipate me, right? That's right. That's great. So as you talked about the challenges, Becky, if I could turn to you for a moment, what in your mind is the hardest part of delivering a consistently smooth experience for travelers? And how do you balance efficiency with that personal touch that we all are looking for?

Becky Plager 8:14

Easy is hard, as Hamel said, the hardest part is consistency at scale. Now, hospitality is deeply human, and every guests arrive with a different purpose, a different mood, and a different expectation, and our customer promise is friendly and reliable across the board. And so we operate across 1000s, almost 10,000 properties, almost all different cultures and team environments. So balancing the global standards with that local personalization is both our challenge and our opportunity. And I think Hamel said it too. Efficiency matters. Guests expect speed and clarity and simplicity, and with that, no guest wants to feel processed. They want to feel cared for. And so the way we balance that is using technology to amplify, not replace the human connection, most importantly in hospitality. So you have the technology that streamlines operational friction so our team members can focus on those moments that really require that empathy, the judgment, the emotional intelligence we've all been talking about.

We are really intentional about training, ensuring our teams understand not just what to do, but how to make someone feel in all of that, I've always said, like performance is personal. And so where data gives us visibility, our guest stories tell us whether we're truly, actually succeeding and hitting the mark. And so the fact is, the best metrics are found. In what guests say about how we make them feel, the efficiency gets them through the door, and our empathy and care is what brings them back.

Mike D. 10:11

Hemal same, same question. How do you ensure guests, looking at it from a contact center perspective, either an interaction online, maybe it's a voice call, how do your agents make sure that the guests feel cared for rather than going through a process?

Hemal Shah 10:26

No, absolutely. I think in our experience, having been doing this for last four decades, we know that guests or customers, they don't always expect perfection. What they expect is ownership. And when you combine operational efficiency, which is what we get paid for, with genuine empathy, which is what we try to bring in our agents, even a dispute disrupted experience can strengthen the loyalty rather than damage it. Efficiency is about resolving the issue quickly, but the personal touch is about making the guest feel heard, understood and respected while doing it. I think we've seen most brands. They have their own policies, their own processes, and they do create consistency, but if we only rely as touch points to the end customer or the end guest, they feel processed. They don't feel cared for. That comes in as we empower the frontline teams and some of the brands, again, Hilton does a fantastic job of empowering some of our agents to make sure that we apply a judgment, so long as it is within those policies that ensures that we deliver that experience to the customer. Because when disruption hits, whether it's a flight that's canceled or a room that's not ready, or in a home rental space a dispute, because that's not what you were expecting. This is what creates an impression about the brand, not the website, not the app. So our focus has always been to work with the brands, ensure that we understand and of course, we apply those policies, follow those processes, but that is that little room that our agents have, and we empower them within certain boundaries to ensure that the guest feels cared for.

Mike D. 12:37

Well, Hemal. Thanks so much for that perspective. It strikes me that the hardest part is, obviously the consistency, but also driving that, that empathy. Let's take a moment and talk a little bit about the role of data and analytics, because I believe the data can really fuel a modern travel experience. Becky, can you give us an example of how data driven insights in particular are changing the traveler and guest experience?

Becky Plager 13:04

Data. Data is one of my favorite four letter words, for sure, and it has really shifted from just being a reporting tool to becoming that insight engine, and we are using data make all aspects of the journey more seamless and personalized. We analyze guest preferences, their stay history, their behavioral patterns, and we can surface more relevant offers of room types as well as experiences during their shopping journey, and that reduces that friction and increases the confidence in that point of booking from a brand who knows them. Predictive insights allows us to anticipate needs. It could be a pricing adjustment based on occupancy patterns, or it could be proactive service recovery when something isn't tracking as expected, and as Hamel said, we expect the unexpected in hospitality, or could be anything like a personalized message that feels timely rather than transactional, which is where everybody's been. You know, the brands winning in this space, we're not just collecting data. Again, my favorite for a little word, they're using the data to reduce effort and increase relevance and creating that emotional continuity across all touch points across one journey, but again, your next journey with us too. So a

goal isn't more data, it's really the smarter use of it in service of that simplicity that we talked about before and really building trust with us as a brand.

Mike D. 14:49

Very good. So Hemal, from your perspective, you deal with customers and their challenges around data. Tell us what you're seeing.

Hemal Shah 14:58

I think, I think today, you. The amount of data that's getting collected by brands in transactions, across interactions that customers have with the brand, it is fundamentally shifting it from being a reactive to a predictive experience. If you had spoken about, let's say, a couple decades back, brands responded after a guest made a request today, whether you talk about airlines, hotels, platforms, they're all using data to anticipate needs and intervene even before friction may occur. And again, from our perspective, most brands have fantastic mobile apps websites to allow for customers to do self service, but it's when disruption or the friction occurs is where you want to ensure that you are intervening and resolving in a timely manner. Look at airlines now. Airlines are running predictive analytics to identify potential delays reboot passengers even before they land on an inbound flight, or before they even reach the gate. That turns that disruption into reassurance hospitality. I think Becky has given some fantastic examples of what Hilton does as one of the leading brand in this industry, whether it is personalizing the room assignments on property experience for the guests, so that they feel recognized and not just accommodated, whether we talk about home rental companies, the new generation platforms, they are matching algorithms and behavioral data to create curator experiences so that reduces your fatigue and increases the trust with the brand in our experience. When our agents are touching the customers as as as brand representative. It is not about just a dashboard. It's about ensuring that this data is operationalized, insights driven out in real time, so that agents know what is the next best action to be taken when this data is used in the right manner, provided to the right agent at the right time, it completely converts that experience from dissatisfaction to satisfaction, or even before anything gets escalated. So it's not about learning or knowing more when we talk about data driven hospitality, it's about acting and acting Shula.

Mike D. 17:51

Right, right. And so it strikes me, too, based on what you said, that having the history, the context and the right tools at the agent level really does make a big difference in this whole notion of, know me, remember me, anticipate me.

Hemal Shah 18:29

Correct. That is correct.

Mike D. 18:08

Okay, Okay, wonderful. So him on, continuing on. And this is the big one. No one talks to you unless you're talking about AI. So let's go ahead and talk about AI. AI is a game changer in travel. So let me ask, where is it making an impact in the business, and where is it maybe overhyped?

Hemal Shah 18:32

Yeah, absolutely. I think that is, as Becky calls data her favorite four little word, I would say AI has become everybody's favorite tool head word. But, but, and it's a game changer, not just because of chatbots. The real transformation we see happening in the industry is in the operating model as a as a business process partner to some of the leading brands across the world. Proud to be Hilton's partner for over a decade. Now, we see that AI is fundamentally changing the cost structure, service scalability,

or even decision velocity. It's already resolving a large share of guest interactions without the human even looking at it or touching it. As I said, we've been partners of Hilton for the last more than a decade now, and we've seen that evolution and the amount of innovation that Hilton is doing today. So a good share of guest interaction is already not even reaching the agent or the contact center. It's already predicting the contact driver, even before a volume may spike. It's guiding agents in real time, so that agents know what my next best action should be. And it's monitoring 100% of interaction for quality and risk something that was never. Imagine possible in a traditional model. That's not incremental improvement, that's structural change that we see all thanks to AI, but in our experience, also where it's overhyped is the idea of autonomous hospitality. We believe travel is emotional and unpredictable. I think we've spoken about that a lot when, say, a honeymoon is disrupted, or a loyalty guest feels mistreated, no algorithm is going to be ever able to repair that relationship. Brands that Chase full automation risk eroding that trust. So the winning model in AI, in our opinion, I would say, Isn't AI replacing people, it's AI compressing that complexity so humans can focus only where judgment and empathy truly matter.

Mike D. 20:56

When there's a need. Yeah, for more judgment, correct?

Hemal Shah 20:59

Absolutely, absolutely you apply that judgment. Of course, you work within the boundaries of policies and processes to keep the brand's governance intact. But in our industry, if I were to talk about, what does that uncomfortable truth look like for service providers like Sutherland, AI is not just going to enhance service operation, it will expose inefficient ones. We ourselves leverage AI to ensure that where brands do not make investment in AI, we drive our own technology and our innovation to improve the operation on behalf of brand. So that's where we see AI, whether it is impactful to our business or it's overhyped.

Mike D. 21:53

Indeed, indeed, one quick question, if I could piggyback on your notion of governance, because I think people, it kind of percolates in the background, but it's there. It's security at the end of the day. Would you like to talk a little bit about what Sutherland does to make sure that the AI governance is in place and it's working 24/7?

Hemal Shah 22:12

No, absolutely. I think any AI technology or a use case that we that we build or we deploy for any of our brands. First and foremost, we run that by the brand, get their concurrence before it's even deployed. We believe in that complete transparency with our brand owners, because end of the day, this is the technology that's aiding our agents in touching the customer of the brand. So that's first and foremost. Second is we always deploy this within the boundaries, or you could say, you know, within, within four walls, if you will, of control. We ourselves have AI governance council within Sutherland that ensures that any use case, any deployment in more than 400 clients of Sutherland is audited on a regular basis, so that we're not diluting, we're not risking, and at the same time we are delivering upon the promise that we make up rights.

Mike D. 23:25

Very good sir. Thanks so much. So Becky, AI, what's the impact on your business? Is it indeed overhyped?

Becky Plager 23:34

I think there's a little of both. I mean, I've talked about it's making a meaningful impact already in things like personalization, the operational efficiencies and team member empowerment. I'll talk now about a little how we're working with it in my contact centers, in many ways. I'll share just a few. The first is to predict why a guest may be calling. Also helps us ensure we route it to the best specialist to assist that guest, and then in popping information to that specialist to personalize that engagement. So letting the tech do the transactional and really allowing for more human connection and elevating guest satisfaction, we're using AI and driving performance through talent development and helping build our micro learnings at great speed and scale, then looking at KPIs or key performance indicators to determine when to give a celebratory badge to our specialists who are excelling, or automatically push out micro learnings or reminders To help elevate performance of the specialists on their next kind of interaction with a guest, and then it will add that to the coaching plan for the supervisor to reinforce in their next coaching session, while the data is monitored for improvement for the next conversation. Now we are new in this space, but. Leaning in and really building on the amazing foundation we have. We're also using AI to automate a lot of routine requests, streamlining some of our workflows and reducing our response times. Think to you the second part of your question where AI can become overhyped is when people assume it should replace human nuance, then support it. I've said this before, hospitality, at its core, is just an emotional business. It's that connection with the heart. And there are moments when a guest doesn't need an answer, they need to be heard, and they need our understanding, and they need us to make it right so the future isn't AI versus people. It's what I've heard called agentic authenticity, knowing when technology should lead or when it should really step aside or assist the human in that delivery should handle the predictable, the repeatable, where humans are the ones that are elevating the complex and emotional. And then it's leaders in this space. It's leadership intent is what determines that balance and where things go from here.

Mike D. 26:15

Well, thanks Becky, so much for that perspective. So then finally, let's take a look at the future. If we could right? I get asked that a lot, and I don't have a crystal ball, but Becky to you first, if you could design the perfect travel journey in, let's say, 2030 what would it look like?

Becky Plager 26:31

It's so funny that we need a crystal ball for four years from now, y'all 2030 but with the pace of innovation, yeah, 2030 is going to look and feel differently. I think the perfect travel journey. Think it is an effortless it's personal, deeply personal. I think it's predictive, but also more human than ever throughout the journey. It's got that real time intelligence to anticipate disruptions, and we'll talk about that, proactively resolving them before they even create any stress. Think communication will be present when needed, invisible when not relevant, and then when you're on property, the stay will feel hugely curated, room settings will adjust automatically. Digital Tools will handle the routine, routine requests instantly, and team members will be fully empowered with holistic journey visibility so that they can deliver that elevated, empathetic hospitality in those moments that matter, and then post that stay doesn't feel transactional at all. It will feel like a continuation of that relationship that we have, again, thoughtful and relevant and loyalty building. So I see the perfect 2030, Journey blending AI efficiency and that authenticity of that human connection. Because while technology is going to accelerate everything around us, it's the memory that people carry home that will be shaped by how we made them feel at Hilton.

Mike D. 28:18

I really like that elevating the experience piece, I'm going to start to have that as an expectation. So Hemal, same question, how would Sutherland design a perfect travel journey in 2030 for your customers?

Hemal Shah 28:36

Yeah, absolutely. I think Becky said it perfectly. It's like looking where technology is evolving. 2030 actually looks not like four years, but 40 years ahead. But if we were to look at that crystal ball and talk about a perfect journey in 2030 I think we believe it won't be a series of booking, but it'll be more like an orchestrated, seamless experience for a customer. Let's look at pre trip. Pre trip will actually start with an intent, not a transaction. Whether it's your preferences, seat preference in an airline, room preference at a hospitality brand, your loyalty, status, your identity, will more likely than not move seamlessly and securely across each of these brands, whether you talk about an Uber or a Lyft, this would not require any repetition. This may not also have any friction as it moves across brands talk about during trip or post trip disruptions, they may not require escalations at all. They'll actually trigger intelligent cross brand coordination in the background, so that you as a customer get the solution before you even ask this. This shift is not going to be technological. It's going to be emotional. The brands that do this by 2030 using AI to reduce that cognitive load, but not increase the complexity, they are the ones that will earn the trust by being transparent data and being consistent in delivery to the customer, in our experience or in our point of view, the ultimate luxury in travel won't be speed or status, it'll be peace of mind. That's what people are looking for in 2030 that's what they'd be getting in 2030 and the brands that design for that thoughtfully, responsibly and intelligently will define the next decade of hospitality. That's our part of you.

Mike D 30:52

Very, very good, sir. Well, we'll Becky and Hemal. Thank thank you so much. We've run out of time. I just wanted to again let you know how much we appreciate your insightful commentary, sharing your experience. With everyone on this call. And thank you are listening audience for tuning in. We hope you can join us on future podcasts coming up with Frost & Sullivan later this year. This is Michael DeSalles signing off.