

The Importance of Building Brand Loyalty in the Travel and Hospitality Industry

Words by Ramsha Akhtar

Today, travellers have a seemingly endless variety of choices. No matter what type of business you run in the sector, there are always other companies offering a better – or at least cheaper – version of what you are already selling. So, to survive in this new economy, businesses must be able to build brand loyalty and retain their loyal customer base. To help us, we have a few industry experts weigh in on what they are doing to cut through the clutter of options and increase brand loyalty.



The development of the Travel and Hospitality industry is so dynamic that it inadvertently calls for tight competition amongst business competitors. With the number of choices in every spectrum of travel and the technological advances and innovations happening every step of the way, the consumer or in this case, the traveller, can choose the product they want. Naturally, this means that even the companies that are at the top cannot relax. So, each company is required to have the right brand strategy to be able to maintain its product or service in the market.

Nowadays, travellers are opting to choose products based on its practicality rather than the brand. Thus, to retain these consumers, companies need to build brand awareness. Accordingly, the study of consumer's attitude towards brands is one that has increased exponentially in the past few years amongst both, practitioners and academia. But before we delve further, let's try and understand the meaning of a brand. The American Marketing Association defines brands as, "Names, terms, signs, symbols, or design, or combinations thereof, intended to identify goods or services from one seller or seller group and differentiate products or services from competitors." Thus, often more than differences between the product itself, brands have dimensions that make them distinguishable from one another. These differences are more symbolic and emotional representations of the brand.

How Community Influences a Sense of Loyalty

Brand loyalty is a measure of the consumer's relationship with the brand, which results in a repeated purchase(s) of a product or a service based on their satisfaction. One of the major factors that contributes to an increased sense of brand loyalty is community. Studies show that a community accounts for 80% of a brand's business and is a result of merely the 20% of brand community members. Currently, online branded communities are gaining momentum and emerging as the new driving force for sales. Apart from repurchases, communities provide brands and other consumers with an additional communication channel. This communication/interaction helps the brand to establish more connections and secure more members. The brand community also emphasizes the benefits of the products and services from their chosen brand and simultaneously highlights any negative information about other brands, directing the attention away from the positive traits of other brands. Thus, it is vital for brands to engage with the loyal 20% members/consumers of their brand. After all, compared to non-members of the brand, community members tend to spend more time on the brand, return more often, buy/avail products and services at a higher rate, generate activity and also refer the products or services to others.

Even if the brand is strong in the market, it is necessary for the brand to continue to innovate and engage, to maintain its loyalty amongst repeat consumers. Therefore in spite of being the head of a leading GDS provider in India, Sandeep Dwivedi, Chief Operating Officer at InterGlobe Technology Quotient, reveals that, "To connect with our existing and prospective customers, we have adopted 360-degree marketing approach including communicating through external channels such as press, social media and website. Our major emphasis, however, remains on internal sources including our Relationship Managers to bring that personal touch in our communications about not only the latest offers but also shortfalls, especially in pressing times like the current pandemic. As a service focused organization, we ensure the products we sell come with right trainings, best practices, 24X7 support and subscription to latest in-house technologies including those driven by artificial intelligence and robotics, such as chatbots."

Customer Lifetime Values

Customer lifetime value is the average amount of money your customer will spend on your business over the whole period of your relationship. It has long been acknowledged that this metric both provides evidence of the effectiveness of a company's brand awareness and relates to its net worth. By comparing the revenue value per traveller to his/her life span, a brand can strategize how best to cater to different consumers with different values.

To improve the CLV, a brand must engage with its consumers and build trust that will be the foundation of their business relationship. Not only does this make the brand seem invested but also improves the onboarding process by eliminating those members who most likely will drop out of the sales funnel. Meeting set expectations, delivering on promises, creating a personalized feed catering to their interests, responding to help requests in a timely manner and a money-back guarantee in case of any inconvenience, are some of the ways that brands can establish trust and improve their CLV.

Hospitality veteran, Sunil Ghadiok, Head - Development, Shanti Hospitality Management Services, reiterates this fact. He explains, "When it comes to building brand loyalty, the most important thing is to build trust with customers. It is also important to be responsive to the needs of customers. That is why we take every feedback of our customer very seriously. The other important factor for building brand loyalty is consistently exceeding customer expectations by delivering stellar level of services and always meeting brand standards."

So, essentially, a brand's focus should entirely be on customer experience. In fact, in one of the studies conducted



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