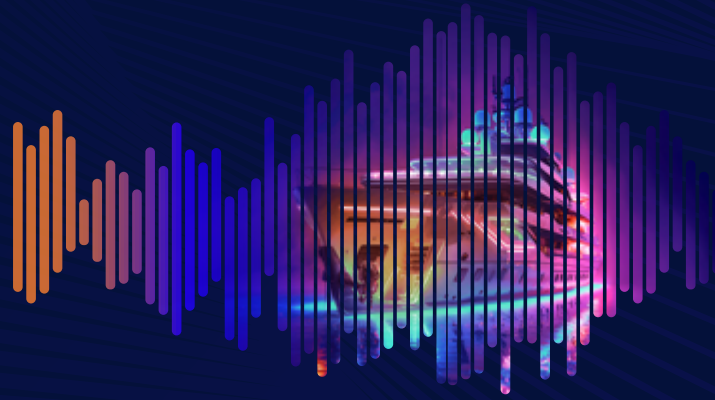**The Price of Choice**

Mental Overload is Costing the Travel + Hospitality Industry

In the bustling heart of a luxury hotel's contact center, Jane, a seasoned customer service agent, juggles multiple systems, different types of phone calls, while also calming a frustrated guest calling from the front desk of the hotel looking for help. Just a few steps away, her colleague Marcus rapidly types responses to a flood of social media inquiries, his eyes darting between screens.

This scene is not unique; it plays out daily in countless contact centers, hotels, and tourism hubs around the world. The relentless pace and high demands are pushing these frontline warriors to their limits.

Amid this whirlwind, the human cost is staggering. Agents like Jane and Marcus face mounting burnout, leading to high attrition rates that bleed the industry of its most valuable resource— experienced personnel. Each new agent hire is estimated to cost contact centers between $10,000 to $20,000 in training, direct recruiting costs, and lost productivity during ramp up.[1] The repercussions are significant: Operational efficiency is compromised, service quality suffers, customer satisfaction plummets, and sales fall.

In this critical state, effective Customer Experience Management (CXM) is no longer a luxury—it's a necessity for survival.

Each agent hire costs $10,000 to $20,000 in training, recruiting, and lost productivity during ramp-up.

Research found that at one company with 5,000 customer service agents, using Generative AI (GenAI):

Increased issue resolution by

14%

an hour

Reduced the time spent handling an issue by

9%

Reduced agent attrition and requests to speak to a manager by

25%

Increased productivity of current function costs by

30-45%

Source: McKinsey & Company[2]

Simplifying Decisions with GenAI

Despite technology and operational investments, the travel and hospitality industry still struggles with **siloed channels, inefficient processes, and data quality issues**, leading to cognitive fatigue for customer service agents.

Equipping agents with Generative AI-enabled (GenAI) tools such as Next Best Offer (NBO) and Next Best Action (NBA) can provide crucial support and assistance in serving customers. These tools leverage data and predictive analytics to **anticipate and personalize offers and solutions for customers based on behavior, preferences, and past interactions**.

What it does
Recommends relevant products or services to customers based on their behavior or preferences.

What it does
Recommends actions aimed at improving customer experience based on historical data and how similar situations were handled.

Next Best Offer (NBO)
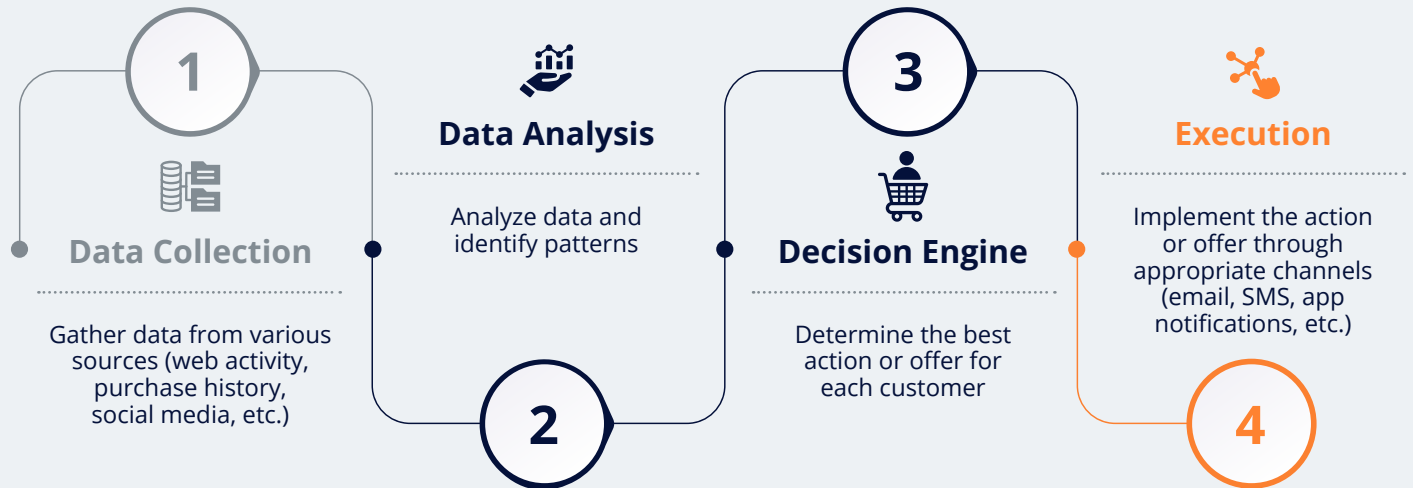
Next Best Action (NBA)

Scenario
A customer browsing online receives personalized product recommendations based on their purchase history and browsing patterns to increase purchase likelihood.

Scenario
A customer contacts customer service with a complaint about their theme park experience. NBA suggests specific compensation options, ensuring swift resolution and enhancing customer loyalty.

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How NBA and NBO Works :

1

Data Collection

Gather data from various sources (web activity, purchase history, social media, etc.)

Data Analysis

Analyze data and identify patterns

2

3

Decision Engine

Determine the best action or offer for each customer

Execution

Implement the action or offer through appropriate channels (email, SMS, app notifications, etc.)

4

Enhancing Value by Enabling a Modern CXM

Using GenAI-enabled CXM tools to simplify decision making not only reduces the strain on your customer service team, but also leads to lower operating costs and increased revenue. In fact, at one company with 5,000 customer service agents, **adopting GenAI-enabled tools increased issue resolution rate by 14% per hour** and reduced the time spent handling an issue by 9%.[3]

Implementing effective CXM transforms not just the operational landscape but also the daily lives of employees like Jane and Marcus. Freed from the constant pressure of manual processes, they could focus more on what they do best—delivering exceptional, personalized service to every customer and guest.

This shift not only enhances their job satisfaction and reduces burnout but also elevates the overall guest experience, turning routine interactions into memorable moments that distinguish your brand in a competitive market. With CXM, we're not just saving hours; we're improving the price of choice.

RCG has extensive experience in guiding clients to leverage GenAI-powered interventions to drive CXM process transformation. With a focus on prioritizing strategic use cases for maximum impact, we offer end-to-end support from roadmap to execution. Partner with us to unleash the full potential of GenAI and harness our industry expertise in enhancing your customer experience.

Benefits of Simplifying Decision Making with GenAI :

Operational efficiency
38% global cost reduction[4]

Data-driven resolutions
10% to 20% ROI uplift[5]

**Revenue uplift**
3% to 15% increase[6]

Cost reduction
$10k to $20k saved per agent onboarding[7]

Employee empowerment
40% improvement in performance[8]

1. McKinsey & Company, **"Boosting Contact Center Performance Through Employee Engagement"**, 2022

2. McKinsey & Company, **"The Economic Potential of Generative AI: The Next Productivity Frontier"**, 2023

3. McKinsey & Company, **"The Economic Potential of Generative AI: The Next Productivity Frontier"**, 2023

4. McKinsey & Company, **"The Economic Potential of Generative AI: The Next Productivity Frontier"**, 2023

5. McKinsey & Company, **"AI-powered Marketing and Sales Reach New Heights with Generative AI"**, 2023.

6. McKinsey & Company, **"AI-powered Marketing and Sales Reach New Heights with Generative AI"**, 2023.

7. McKinsey & Company, **"Boosting Contact Center Performance Through Employee Engagement"**, 2022

8. MIT Sloan School of Management, **"How Generative AI Can Boost Highly Skilled Workers' Productivity"**, 2023

9. Forbes, **"58% of Customers Will Pay More For Better Customer Service"**, 2022
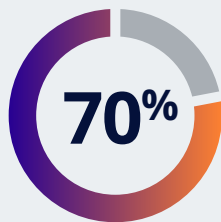
70% **of customers are ready to pay more if they receive better experiences.**[9]

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Drive CXM Process Transformation with GenAI

Book a meeting ➤

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