



9 ways to increase customer retention

A guide for travel businesses looking to work strategically with customer retention initiatives

Including 9 specific ideas you can implement today!





What to expect from this guide

This guide focuses solely on ways travel agencies (both TMC, OTA, and leisure agencies) can work strategically with customer retention initiatives.

We aim to **provide 9 specific ideas** that you can implement in your travel business today. But we also wish to help you understand **what it takes to succeed with customer retention** – today and in the future.

Before we dive into the initiatives, let's take a brief look at why customer retention is worth investing in.



What is customer retention?

And why should it be a priority?

Customer retention refers to the strategies and tactics used to keep existing customers returning. It's essentially about finding tactics to build strong relationships with your customers (travelers and corporations) to ensure they choose your travel agency over your competitors.

Customer retention is crucial because retaining customers is more cost-effective than acquiring new ones. On top, loyal customers are more likely to spend more, refer friends, and provide valuable feedback, leading to increased revenue, positive word-of-mouth, and opportunities for improvement.

It's a fact that travel businesses can foster long-term success and stand out in a competitive market by prioritizing customer retention.

A person with long hair, wearing a patterned sweater and a backpack, is walking away from the camera on a grassy hill. They are looking out over a coastal town with white buildings and a blue ocean under a clear sky. A large, dark, rounded shape is partially visible in the background.

Did you know?

A study by Harvard Business Review found that increasing customer retention rates by just 5% can increase profits by 25% to 95%.



9 customer retention ideas to get you started

The following nine pages present nine specific ideas that can help you build a stronger connection with each customer and consequently help you increase your customer retention rate.

The ideas include:

1. **Share your values**
2. **Ask for feedback**
3. **Build lasting trust**
4. **Structure your communications**
5. **Engage with gamification**
6. **Form a community around your offering**
7. **Leverage subscriptions**
8. **Use personalization**
9. **Build a retention program**



1. Share your values

And do it loud and clear

What does it mean?

Is your travel agency supporting the cleaning of the ocean, donating to a charity that has special meaning to you, or supporting a specific sports team? If yes, you have a great opportunity to bond with customers who share those values.

Customer retention is essentially about “stickiness” and sharing values is a means to that end. So let your customers in, share your values, and make your travel agency one that your customer can relate to.

Top benefits

- **Build emotional connections:** Travelers are more likely to stay loyal to brands that align with their beliefs. Emotional connections foster repeat bookings and advocacy.
- **Enhance brand trust:** A transparent commitment to your values establishes credibility and trust, key factors in retaining customers.
- **Drive differentiation:** Sharing values differentiates your brand from competitors offering similar products or services. It gives customers a reason to choose you.
- **Encourage word-of-mouth marketing:** Satisfied customers who share your values are more likely to recommend your business to like-minded individuals.
- **Strengthen community engagement:** When you align with community causes or global movements (e.g., sustainable tourism), you create a network of supporters who feel invested in your mission.

Harvard Business Review
research shows...

64% of consumers
say shared values
are the primary reason they
have a trusted relationship
with a brand.

2. Ask for feedback

It's simple advice: Listen and learn

A little trick

The no. one way to enforce your connection and establish yourself as a trusted partner is to ask for feedback – **and learn from it!** To get the most out of customer feedback, you need a process or a feedback loop. It will eliminate questions such as “when should we do it, how should we collect feedback, who should do it, how do we act on it, and how do we respond”. With a fixed process, you can run your feedback loop on a monthly basis or follow a pattern that is initiated by your customers’ actions.

According to
Microsoft

77% of consumers view brands more favorably when they proactively invite and act on customer feedback.

Top benefits

- **Transparency:** Asking customers for feedback shows that their opinions are valued and important to your business. This transparency and willingness to listen builds trust, which is a critical factor in customer retention.
- **Improve the customer experience:** Feedback helps identify pain points and areas for improvement, allowing you to deliver a better experience designed to your customers’ needs.
- **Encourage loyalty:** Customers are more likely to stay loyal to a brand that listens and acts on their input, as it demonstrates care and responsiveness.
- **Drive engagement:** Asking for feedback creates two-way communication, making customers feel more involved and connected to your business.
- **Identify advocates:** Feedback processes often reveal satisfied customers who can become advocates, promoting your brand through reviews or word-of-mouth referrals.

3. Build lasting trust

Be consistent, honest, and transparent

How to succeed?

Do not assume a customer trusts you just because they have signed a contract or booked a journey with you. Trust takes time. But if your service level is consistent and the customers feel they can rely on you, that initial belief that you would deliver will turn into trust and help you increase your retention rate.

The trick to build trust is having data and insights on every single customer enabling the entire agency to deliver that high-level service required.

Top benefits

- **Reduce risk perception:** Building trust helps customers feel more confident in their decision to stick with your brand, especially in competitive markets. This assurance makes them less likely to explore alternatives.
- **Identify opportunities for personalization:** A trusted relationship encourages customers to share insights about their preferences. This information allows you to tailor your offerings, further solidifying retention through a personalized experience.
- **Encourage repeat business:** When customers trust your business, they are more likely to choose you again and even recommend you to others. Trust serves as the foundation for a lasting relationship and repeat transactions.



4. Structure your communications

Stay in touch

There is a large number of things any travel agency can help their customers with during a year. If you're a TMC, you could:

- Send emails on how to utilize your services best
- Send reminders that it's time for e.g. ESG reporting and that you have the data needed

Leisure agencies could send inspiration for the next vacation, inspiring stories from other travelers who loves South America etc.

Regardless of your agency type, you need a communications calendar to help you structure your communications and ensure you deliver value every single time you reach out to your clients.

Top benefits

- **Increased customer loyalty:** A structured approach to communication, whether through emails, newsletters, or social media, reinforces brand loyalty and is often perceived more professional.
- **Higher lifetime value:** By structuring communications around the customer journey and providing consistent value, businesses can increase the overall lifetime value of each customer. The longer a customer stays engaged, the more profitable they become for the agency over time.
- **Improved customer satisfaction and retention:** When customers feel informed and connected with a company through thoughtful, clear communication, their satisfaction levels increase, which directly impacts retention.

5. Engage with gamification

Points, rewards, and surprises

Not only for leisure agencies

Gamification turns routine task such as booking trips or using loyalty programs into engaging activities. Adding rewards, points, or interactive features to your customer experience encourages ongoing engagement and makes the customer experience enjoyable.

Even TMCs can use gamification to engage corporate travelers. They can enhance the user experience by guiding the user through processes, or use gamification to add a cost-saving incentive with points, badges, and rewards for employees choosing the more affordable or environmentally friendly travel option.

According to AmplifyAI

Organizations with gamified loyalty programs see a 22% increase in customer retention

Top benefits

- **Gain insights:** Gamification can help you collect valuable data and insights that you can use for future campaigns.
- **Incentivize desired actions:** With gamified elements like badges, leaderboards, or prizes, businesses can encourage specific behaviors, such as booking more trips, choosing the environmentally friendly option, or referring friends and colleagues.
- **Enhance brand loyalty:** Gamification creates a sense of achievement and progress for customers, which strengthens their emotional connection to the brand. Loyal customers are more likely to return!



6. Form a community around your offering

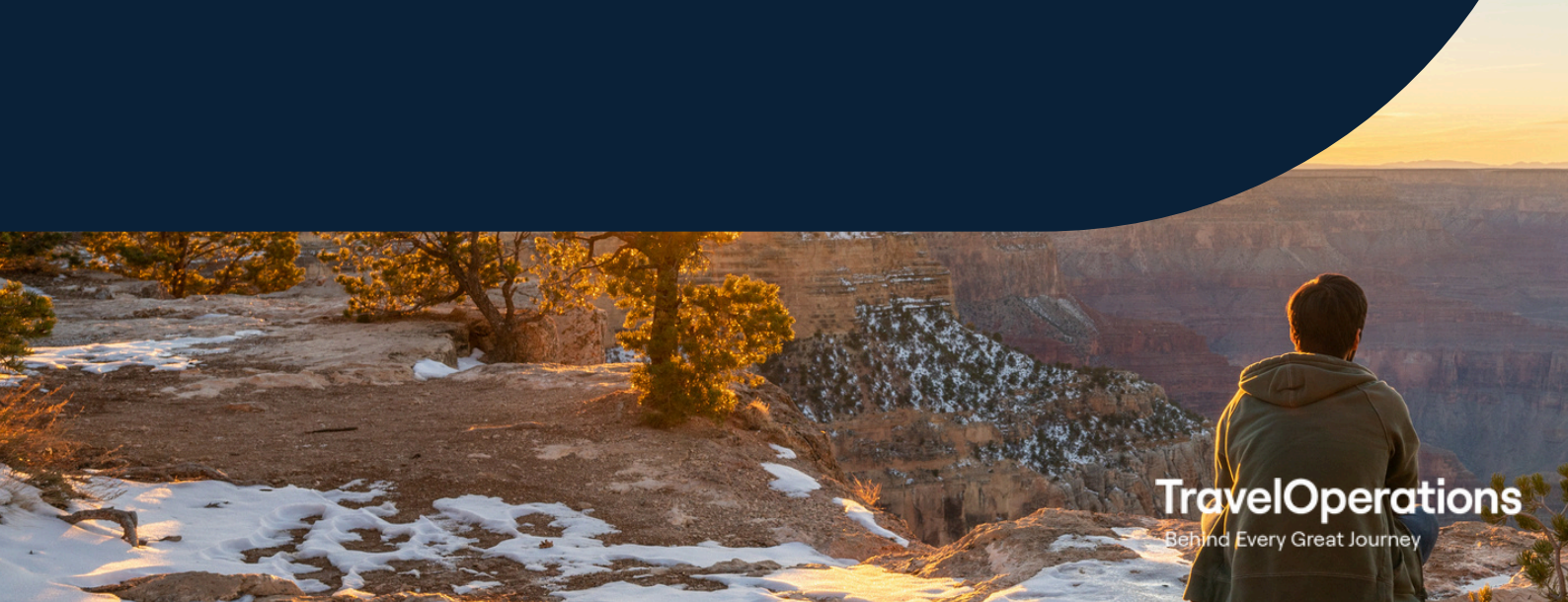
For TMC and leisure

While communities are always great, there is a difference between how you might utilize a community as a TMC and as a leisure oriented agency. While leisure agencies can benefit from bringing together globetrotters and explorers to share travel tips etc. TMCs might have even more to gain from facilitation a community.

TMCs can enable customers to educate themselves, share best practices, tips & tricks etc. in a secure forum amongst other corporations utilizing your service. Let your customers benefit from an active community of likeminded, where they can discuss ESG concerns, how to keep travel costs down, how to utilize your gamification services and so on. You can be with them every step of the way as the expert helping the community and use the community as way to keep your customer close.

Top benefits

- **Gain valuable insights:** Communities provide direct access to customer feedback, helping you refine your offerings and meet their evolving needs.
- **Increase lifetime value:** Customers who actively participate in communities tend to purchase more frequently and for longer periods, improving your bottom line.
- **Reduce the churn rate:** Active community engagement helps address customer concerns quickly through peer support or direct communication, reducing the likelihood of churn.
- **Increase your bottom line:** Communities provide a platform to educate members about complementary services or products, increasing cross-sell and up-sell opportunities.



7. Leverage subscriptions

As a business model or free of charge

How to get started

Subscription models are convenient and predictable for both customers and businesses. It is also a great way to keep your customers engaged.

If your business model is subscription-based, you are one step ahead... But the good news is that you don't necessarily have to change your business model to utilize subscriptions. In fact, you don't need to charge a fee for your subscription model in order to gain customer loyalty. Instead, consider offering subscriptions for exclusive travel deals, exclusive content, contests, events, or experiences.

Top benefits

- **Predictable revenue stream:** As a business model, subscriptions ensure consistent income, making financial planning and investment in the customer experience easier.
- **Better customer insights:** Subscriptions enable data collection on customer preferences, helping you tailor offerings and improve satisfaction.
- **Reduced price sensitivity:** Subscribers are less likely to compare prices with competitors as they perceive added value in their ongoing subscription benefits.
- **Stronger brand affinity:** A well-structured subscription model creates an emotional connection with customers as they feel like valued members of an exclusive club.



8. Use personalization

No more one-size-fits-all

Make me feel unique

Personalization matters to the overall customer experience and to the success of your long term collaboration. But personalization is much more than adding a first name to a standard email!

By using data collected from purchase history, browsing behavior, and personal interests, you can create super-targeted offerings that feel relevant and valuable to each customer. You can design promotions, discounts, and recommendations that you know will suit individual customer preferences.

Top benefits

- **Improve conversion rates:** Personalized offers are more likely to result in bookings, as customers are presented with options that meet their individual needs, leading to higher conversion rates compared to generic promotions.
- **Maximize marketing efficiency:** Personalization allows for more targeted marketing efforts, reducing wasted resources on broad campaigns. Brands can focus on high-potential customers with personalized promotions, leading to better ROI on marketing spend.
- **Enhance perceived value:** When a travel agency personalizes offers, customers perceive more value in the service being offered because it feels tailored to their exact needs. This leads to a greater willingness to pay for higher-tier services, such as luxury accommodation or exclusive packages.

According to a study by

Epsilon

80% of companies
experience an
increase in customer loyalty
after implementing
personalization

9. Build a retention program

And make it fit your travel business

What to include

The previous eight ideas could potentially be part of a structured customer retention program. What you choose to add to your retention program should depend on your customers but also on your business and the time you are able to dedicate to the program

In addition to the already mentioned initiatives, a retention program could include:

- **Customer onboarding program**
- **Customer loyalty program**
- **Customer advisory board**
- **Customer retention journeys**

Top benefits

- **Increase efficiency:** A structured program will save you time. You can utilize automations, AI, templates, system reminders, and more to get tasks checked off your to-do list.
- **Refine customer insights:** With a structured insights program, you can collect the data needed to analyze customer needs and preferences. This insights can be used to develop new offerings that fit your customers' needs, tailor your service to meet actual demands, find the right partners to strengthen your business, design communications flows that resonates, and more.



How to succeed with customer retention?

With nine different ideas, you are almost ready to start your customer retention program...

Here's the thing: Knowing what to do is a great first step, but you need the right tools to get started and enable your entire organization to deliver the experience you and your customers deserve.

The no. 1 means to succeed with customer retention is a travel specific CRM system.

The next pages will explain why you need a CRM system to work structured with your customer retention program and how you can utilize a Travel CRM to work smarter to obtain your retention goals faster.



What is a Travel CRM?

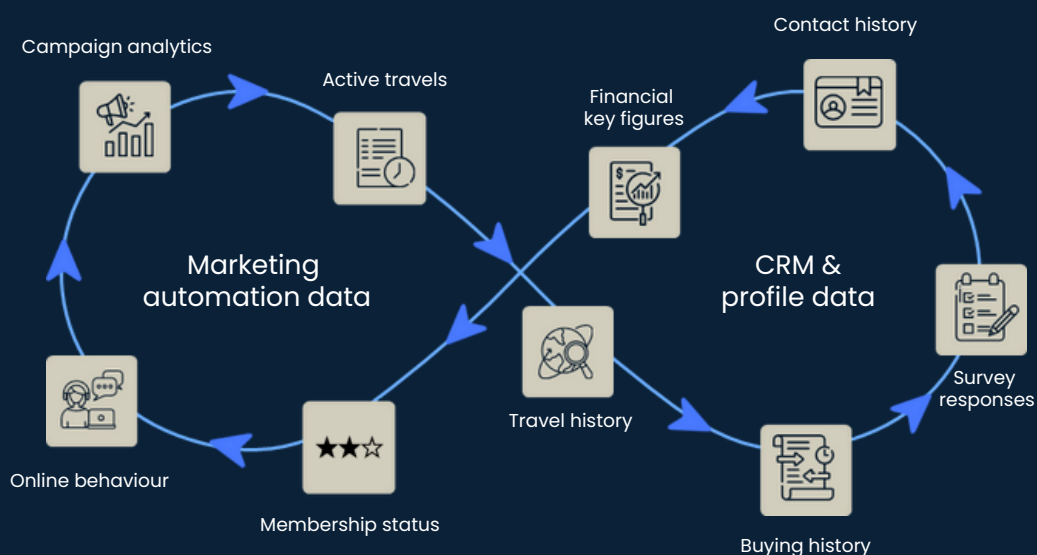
And who benefits from the system?

A Travel CRM is a central platform for all customer data. It's a platform that bridges marketing, sales, and customer service, providing insights that everyone in these departments needs. Marketing can create tailored communications flows that matches each traveler's needs, sales can manage the pipeline with ease, and customer service and travel agents can answer all requests with confidence, knowing that they have access to the full customer history in one place.

A Travel CRM essentially ensures a consistent, reliable customer experience and minimizes time spend searching for data in various systems. It's a one-stop-shop for data and insights that you can build your customer retention program on and with.

The data platform you need to enable your entire organization

With a Travel CRM you have account, contact, and profile data gathered in one place. The system includes standard CRM data, GDS and booking data, and marketing automation data.



What makes a Travel CRM an invaluable tool for customer retention?

The essence of customer retention

While there are many ingredients to choose from when making a customer retention program, there is one essential tool that enables them all: A CRM system.

The reason is quite simple. The majority of the ideas we have mentioned in this e-book and most other ideas you can think of, rely on structured data and insights – or require a system that can collect the data you gather with your retention initiatives.

Let's try to be a little more specific.

- **Asking for feedback** makes no sense if you do not have a system that:
 - a. Can collect your data
 - b. Helps you analyze the feedback
 - c. Helps you easily act on the feedback
 - d. Enables you to respond easily
- **Structuring your communications** requires insights. You need data that tells you when to send what email or text to whom, and you need insights to craft the right message to Tom, Jane, and Lilly. One-size does not fit all, and only insights will enable you to tailor your communications.
- **If you use gamification**, you will once again need a central data platform for the data you gather – just as you'll need insights to design gamification campaigns that resonates with your customers.

Work smarter *and faster* ✓ with CRM automations and AI

A CRM system is not only a great way to ensure alignment across your entire organization. It's also the best way to increase efficiency and minimize the risk of costly human mistakes. This, of course, is not only relevant when it comes to customer retention.

Modern CRM solutions are packed with automation features to help you work smarter. Examples of features designed to help you get stuff done faster are:

- Sales playbook
- Intelligent pipeline management
- Automated communication flows

With a leading Travel CRM like TravelOperations, you also get access to Microsoft Copilot and Copilot Agents developed to simplify your work in the CRM system. Utilizing automation and AI features are the optimal way to get a helping hand with your structure, repetitive tasks, and get an easy overview of your insights.

Insights is king

Without insights, you might as well be sailing without a compass.

You have heard it before. You need data and insights to succeed with customer initiatives – that includes customer retention!

Insights is the foundation for all your activities, ensuring that you can make it all about the customer and tailor offerings to his/her needs.

Primary benefits of TravelOperations CRM

That can help you succeed with customer retention

1

360-degree overview

All customer data from personal information to booking history, travel preferences, loyalty programs, company plans, communications history and more are available in one place.

2

Integrated marketing automation

Using data and insights in your communications is as easy as can be with a marketing automation tool available on the platform.

3

Automated processes

Get more done with automations for both sales and marketing. Set up reminders to ensure consistency and rely on flows to get emails and texts sent to the right people at the right time.

4

AI and Microsoft Copilot

Get a helping hand creating segments, drafting emails, setting up flows and more. With integrated AI features to help get you started, you can create all the flows you need.

5

Easy integration with 3. party tools

Add gamification through your preferred provider – or use any third party tool you know and love. Integrations are done with just a few clicks.

6

A platform powered by Microsoft

With a market leading platform at the core of your Travel CRM, you can trust you have system that will last and help you succeed with your retention initiatives long into the future.

Are you ready to get started?

It's never too late to build a customer retention program. Your agency can have 20+ years on its back and you'll still benefit from a structured approach to keep your customers close and excited by your offerings.

Time might be the biggest obstacle to get started. We know technology doesn't have to be!



Discover the leading Travel CRM

We are only a click away!

Reach out if you are ready to get started with your customer retention initiatives and would like to learn how TravelOperations CRM can help you succeed.

I'm ready to learn more

