

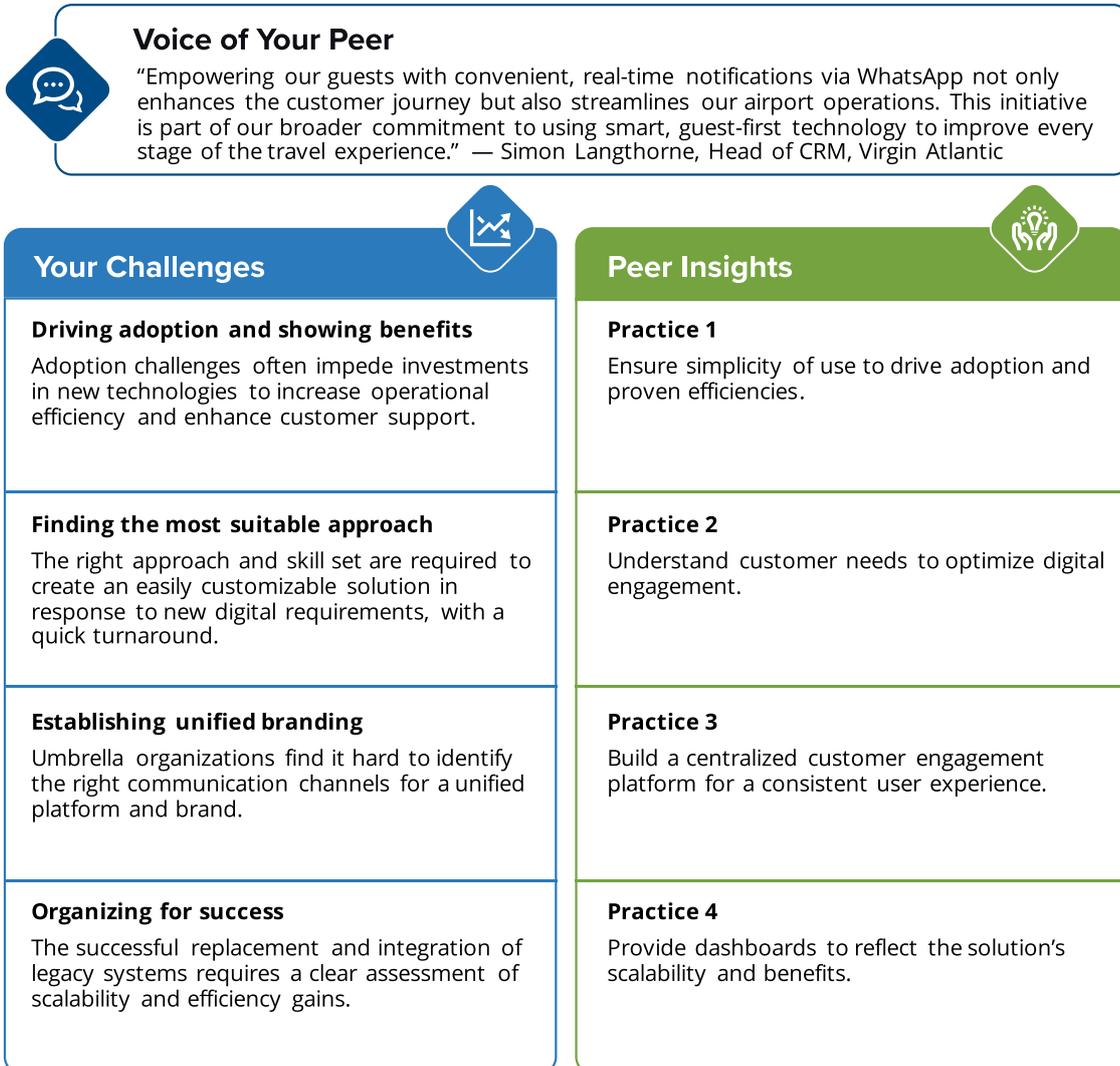
IDC PeerScape: Successful CPaaS Use Cases in Hospitality and Travel

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**THIS IDC PEERSCAPE EXCERPT FEATURES INFOBIP
IDC PEERSCAPE FIGURE**

FIGURE 1

IDC PeerScape: Successful CPaaS Use Cases in Hospitality and Travel



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ABOUT THIS EXCERPT

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EXECUTIVE SUMMARY

Succeeding in the hospitality and travel industry has never been easy, and the past few years have made it even more challenging. Following the volatility in supply and demand during the COVID-19 pandemic, organizations have become increasingly aware of their vulnerability to disruptions and how crucial it is to adapt to constantly changing conditions, whether related to staffing, increased expenses, fluctuating demand, or heightened competition. Even so, significant opportunities exist for hospitality businesses that adopt the right technologies and streamline processes.

Organizations in this sector are rethinking how to respond to market drivers and future-proofing their businesses by implementing digital infrastructure, skills, capabilities, governance, security, and automation tools that enable flexible, data-driven responses. By doing so, they can better manage hurdles, attract guests, deliver exceptional customer experiences, and build lasting loyalty.

When zooming in on customer experience (CX), we see that in every sector, particularly the hospitality and travel industry, improving customer experience and engagement has been and will remain a top investment priority. Over the past decade, many businesses in the hospitality and travel sector have adopted communications-platform-as-a-service (CPaaS) solutions to enhance CX.

CPaaS is a cloud-based solution that enables organizations to integrate multiple channels (including voice, messaging, and video) into their existing applications or business solutions. Such cloud-based, plug-and-play platforms eliminate the need for organizations to build their own hierarchy of communication software layers, including operating systems, architectural layers, protocols, runtime environments, databases, and interfaces. CPaaS also enables developers to add communication features directly into business applications through APIs.

The hospitality and travel sector has largely adopted CPaaS to embed SMS, chat, voice, and video directly into applications, creating seamless guest interactions. It supports contactless services, sends real-time alerts (e.g., for delays or check-ins), delivers personalized promotions, and streamlines internal staff communication. By automating routine tasks with chatbots and enabling rapid multichannel support, CPaaS boosts operational efficiency and enhances overall guest satisfaction.

This IDC PeerScape provides insights into how CPaaS is used in the hospitality and travel sector. It identifies the challenges that emerged and how they were addressed. IDC interviewed leading CPaaS vendors with successful use cases for European

hospitality and tourism organizations, with CPaaS being deployed to enhance customer engagement and experience, as well as operational and cost efficiency, while meeting infrastructure and data management requirements.

"Hospitality and travel businesses and technology providers are finding ways to meet new requirements that are closely intertwined, including those related to evolving customer needs, scalability, efficiency, and security. Critical factors for successful deployments include customizability, trust, and expertise from CPaaS providers to guide them on their journeys," says Senior Research Manager Melissa Holtz-Fremeijer, European Infrastructure and Communications, IDC.

PEER INSIGHTS

Practice 1: Ensure simplicity of use to drive adoption and proven efficiencies

Challenge

The airline industry is facing major challenges, including supply chain disruptions, labor shortages, volatile fuel prices, sustainability pressures, rapid technological change, and strong competition, while also dealing with rising costs, aging systems, cyber-risks, and customer demand for low fares.

While managing external challenges is difficult, it is crucial for airlines to invest proactively in technology to become digital-proof and resilient. Outdated systems and infrastructure pose significant risks in various areas (e.g., heightened security vulnerabilities, reduced productivity, and increased operational costs). Additionally, airlines might be unable to optimize customer experience, which is vital in retaining existing customers, ensuring customer loyalty, and/or winning new customers.

Customer experience in the airline industry shares many similarities with that of other sectors, especially regarding support and service before, during, and after a transaction (or a flight, in this case). However, what sets the airline experience apart is the need for timely, accurate information to help travelers navigate the pre-flight journey seamlessly. This includes proactive updates on flight times and gate changes, as well as making the check-in process smooth and efficient rather than a frustrating, time-consuming wait.

Example

Virgin Atlantic is a British airline headquartered in Crawley, England. It was established in 1984 and provides flight services from its London Heathrow (LHR) hub to many destinations worldwide. As one of Europe's busiest airports, LHR experiences significant check-in congestion, especially at peak times.

One way to help reduce congestion and waiting times at check-in desks is to enable online check-in. Many airlines provide this service via their mobile applications, but customers often choose to wait and check in at the airport check-in desks or self-service

kiosks. Therefore, Virgin Atlantic aimed to find the right partner and technology to encourage people to check in before arriving at the airport.

To execute on this goal, Virgin Atlantic turned to Infobip. Powered by Moments, Infobip's customer engagement platform, passengers receive a WhatsApp message containing a direct link to the airline's app or website. If a passenger cannot be reached via WhatsApp, the system automatically reverts to SMS, ensuring maximum coverage. This automated process encourages passengers to complete check-in before arriving at the airport, helping to reduce congestion and waiting times at airport desks. After check-in, passengers receive additional useful details (e.g., terminal number and zone) via WhatsApp.

The project team started the implementation process with a limited rollout to a small segment of Heathrow customers, conducting a one-month proof of concept (POC). During this period, Virgin Atlantic recorded an increase in customers completing check-in prior to arriving at the airport and received positive feedback on the new online check-in capability. Following the successful POC, the solution was extended to all customers departing from Heathrow, supported by new messages that included an airport guide and links to real-time flight status information.

To drive adoption, the solution must be simple and accessible on a channel with a high penetration rate globally (e.g., WhatsApp). The selection of WhatsApp was also driven by considerations such as pricing, delivery times/rates, and rich features. These advantages were combined with the ease of managing templates via the Infobip portal and creating messages using Infobip's Moments customer engagement platform.

The introduction of the WhatsApp check-in also encouraged customers to download the Virgin Atlantic application, leading to an uptick in app downloads. Additionally, Virgin gathered valuable customer feedback on the check-in experience and the information passengers want access to before flying (e.g., airport guides, flight status links, baggage tracking, and upgrade options). Infobip is leveraging its AI toolsets to analyze and summarize the most common customer queries and to evaluate how these needs can be addressed through solutions such as AI-driven chatbots.

The new check-in service has delivered impressive results so far. Virgin Atlantic reports an 11% increase in online check-in rates since introducing the Infobip-powered messaging solution. Virgin Atlantic and Infobip have expanded this check-in notification solution, which will soon go live at Manchester and Edinburgh (the other UK airports Virgin Atlantic regularly flies from).

Guidance

Choosing a channel with high global penetration that users already know and trust is essential to drive adoption. Familiarity and ease of use are critical factors in ensuring successful implementation. From an operational expenditure perspective, cloud-based communications solutions are best suited to support scalability, enabling organizations to scale resources up or down as needed.

Equally important is partnering with a cloud communications provider that not only offers robust technology and comprehensive solution capabilities but also delivers the appropriate level of support to ensure long-term success. Beyond basic service support, this includes expert guidance to help organizations in the hospitality and travel industry design and optimize the end-to-end customer journey. In addition to improving individual touchpoints, AI-driven capabilities enable organizations to introduce innovative services that enhance customer experience and foster long-term loyalty — an essential priority in today's highly competitive market.

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