



Marketers Need Full Access to Customer Data to Deliver the Personalized Experiences Travelers Demand

Loyalty is up for grabs in the travel industry. Travelers are emerging from their pandemic isolation and rethinking their preferences and priorities.

Business is brisk. One third of travelers plan to increase their travel spending in the next twelve months, according to the **Skift U.S. Travel Tracker** for February 2022. That's close to pre-pandemic levels.

As travel brands strategize to capture resurgent demand, they'll have to throw out their historical playbooks. A major new study by Skift and Amperity explores the tactics and technologies that travel brands will need to thrive in this era of fierce competition. The study drew on a panel of industry experts and a survey of 286 travel and hospitality decision makers in the U.S. and Canada.

For travel marketers, the conclusion is clear: Success depends on how well operators can understand and interact with their customers on an individual level. This requires powerful new tools to collect, analyze, and deploy customer data to deliver the targeted offers and personalized service that travelers demand.

Indeed, an eye-popping 92% of survey respondents said they were investing in customer data initiatives in 2022. Yet the study found many gaps. More than one third of the companies surveyed haven't even started to build a unified database of customer profiles. And four out of ten haven't moved the bulk of their customer data to the cloud, where it can be available for every application in the company.

"Guests expect companies to use the data they give them, but those pieces are often in different systems and not spread like butter across the journey," said Jeanne Jones, vice president of community and customer marketing at Amperity. "Travel brands need a connected system that serves up customer data in the context of how they're doing business."

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Guests expect companies to use the data they give them, but those pieces are often in different systems and not spread like butter across the journey. There's an opportunity for travel brands to build upon what they already have and infuse it with something better, a connected system that serves up customer data in the context of how they're doing business.

Jeanne Jones, vice president of community and customer marketing, Amperity





The State of Data Technology at Travel Brands

The study looked closely at how travel executives evaluate their ability to use the customer data they have today. Roughly one third said their customer data initiatives are ahead of the curve. Nearly all, though, have at least some gaps to fill.

Doubts about data

The vast majority of travel executives expressed doubts about the information they have about customers. Seven out of ten said they didn't have enough data. The same proportion said their data was less than high quality. Three quarters had some doubts about their ability to use member data to understand what influences loyalty

Money is not the problem

The travel companies' data efforts generally aren't held back by a lack of resources. When asked to name the biggest challenges to their ability to use customer data more effectively, only one in ten said "Lack of budget or willingness to invest."

Systems cannot keep up

Travel executives said that the hindrance to their ability to capitalize on customer data is the technology that handles it. Among their top gripes: "Slow data processing," "Data is poorly organized," and "Data privacy and security."

Top of the to-do list: Get more data

Over the next two years, most of the travel executives surveyed intend to build up their abilities to gather and process customer data. Their top two goals: "Collect more targeted customer data" and "Analyze our customer data better." Also high on their action plans were improving the accuracy, speed, and management of data.

Four Data-Driven Strategies for Travel Brands

The study highlighted four strategies travel brands can use to capture the opportunities presented by today's market.

React fast to intent signals

Travelers are taking less time between starting to plan a trip and making bookings. As soon as a brand picks up an indication that someone is shopping, targeted marketing should begin immediately. "Understanding the customer at the speed of a business is really hard right now," said Matthew Biboud-Lubeck, Amperity's head of product marketing. "It's taking brands weeks at a time to ask a very narrow set of questions of their data because of the way that it's either organized — or not — or the way that it's integrated — or not."

Reach beyond loyalty members

With many travelers rethinking their preferences after the pandemic, brands need to earn loyalty again. Many travelers today, the study found, don't want to be locked into a single provider. Travel brands then must combine data from loyalty programs with other sources to better understand each customer, effectively repositioning "loyalty" around the person instead of the program.

By targeting customers that have the greatest potential value — in the moment and over a lifetime, regardless of "status" — brands can start to formulate a clearer foundation for their customer data and personalization strategies.



Drive personalization to every customer touchpoint

Initial uses of customer data were largely for marketing. There is a huge opportunity to use the same information to customize experiences for travelers throughout their journeys. "Travelers now need more, not less, assistance," wrote McKinsey in a recent report. "The next frontier of measurement is knowing what your customers want and need without asking."

Build out first-party data collection

Expanding privacy restrictions are making it harder to use data provided by third parties. Yet travel executives say a majority of their customer data is coming from online travel agencies, social networks, and other intermediaries. In the survey, more than 55% of respondents reported that at least half of their customer data comes from third-party sources, and nearly one-quarter obtained at least 75% of their data from third parties.

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The Technology Journey

For marketers to execute these strategies, they will need upgraded data technology, including:

- A single, continuously updated database with firmwide data—e.g., marketing, operations, and customer service channels—on all prospects and travelers.
- Powerful identity resolution to target individual travelers who do not provide loyalty numbers.
- Analytical tools to spot trends and define segments based on customer behavior and profitability.
- Activation tools to deliver targeted marketing and personalized experiences at every touchpoint.
- Integration of customer profile data into traveler-facing systems to personalize experiences based on segment and individual preference data.

The best way for most travel companies to deploy these technologies is through a customer data platform (CDP). This class of software is the key that unlocks information stored in siloed systems across an organization, creating a unified profile of each customer.

The study found that by using a CDP, or the tools and capabilities that CDPs offer,travel brands can put their data to use far faster than if they tried to extend existing data warehouse systems. And it makes this information available to deliver customized experiences throughout a traveler's journey.

"To create more relevant and personalized marketing campaigns, the CDPs of today need to be tailored to an industry and ingest data that is to a large extent held captive in legacy systems," said Florian Tinnus, global lead, travel & hospitality partners at Amazon Web Services.



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The full study, "Reimagining the Traveler Journey: How Brands Are Using Customer Data to Drive Growth," is filled with additional data insights and detailed case studies.

ABOUT SKIFT

Skift is the largest intelligence platform in travel, providing media, insights, and marketing to key sectors of the industry. Through daily news, research, podcasts, and Skift Global Forum conferences, Skift deciphers and defines the trends that matter to the marketers, strategists, and technologists shaping the industry.

SkiftX is Skift's in-house content marketing studio, working collaboratively with partners like Adobe, Airbnb, Hyatt, Lyft, Mastercard, and many more on custom projects to engage the world's largest audience of travel influencers and decision makers.

Visit <u>skiftx.com</u> to learn more or email skiftx@skift.com.

Skift

ABOUT AMPERITY

Amperity's mission is to help companies use data to serve their customers. The company has revolutionized the way brands identify, understand, and connect with their customers by leveraging AI to deliver a comprehensive and actionable Customer 360.

Headquartered in Seattle with offices in New York City, Amperity is the leading Customer Data Platform provider that helps companies use data to improve marketing performance, build long-term customer loyalty and drive growth. Amperity's flagship enterprise CDP is used by many of the world's most loved brands, such as, Alaska Airlines, Crocs, Endeavour Drinks, Kendra Scott, Kroger, Lucky Brand, Planet Fitness, Seattle Sounders FC, Under Armour, Wyndham Hotels & Resorts and many more.

Visit www.amperity.com to learn more.



Amperity & AWS

Amperity powered by AWS allows travel and hospitality organizations to store and manage all first-party customer data. Together, we keep your first-party data robust, reliable, and accessible so you can tailor and measure your marketing strategy—for a scalable, durable, real-time data streaming service.