



Data Axle Customer Lifecycle Report 2019

Understanding the Traveler's Journey

Guiding hospitality customers through acquisition, retention and loyalty

Introduction

Global tourism rates are hitting record highs¹ – and as consumers flock to book reservations with airlines, hotels and other travel brands, the pressure for marketers in the hospitality industry is on to win that business. Therefore, it's no surprise that digital ad spending in the travel industry is expected to surpass what is spent by CPG companies, according to a recent eMarketer report.²

As the competition heats up and companies like Airbnb radically change the hospitality landscape, it's critical to understand what customers demand from travel brands across the board – whether they're booking with legacy hotel brands like Marriott, hopping on a discount airline flight or reserving their spot in a room share for the weekend.

Based on a survey of 1,000 travelers, the following report details consumers' priorities as they progress along their journey with travel and hospitality brands – from the first time they hear about a brand to the regular bookings they make as loyal customers. Read on to learn how to best communicate with your customers each step of the way.



Acquisition

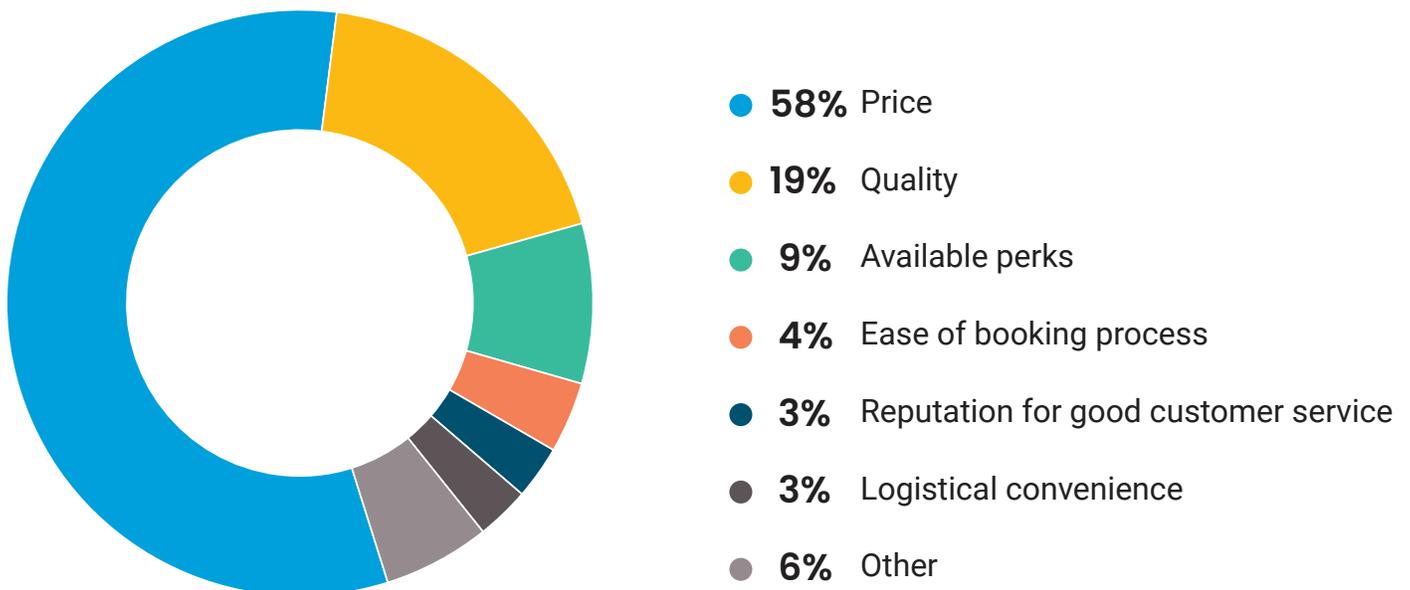
Today's travelers are value seekers

When it comes to travel, customers are all about value. Value means different things to different travelers, and some are looking for better experiences rather than the biggest discount. For most travelers, value means a combination of price, quality and the perks they get when using a brand's services – the three most popular factors customers consider.

Price is the most influential factor for selecting a new travel and hospitality brand, with 58% of respondents ranking this option as number one. Quality follows at a distant second, with 19% ranking it as the most significant factor.

Available perks (e.g., free checked bag, room upgrades, etc.) is the third most popular option, with 9% of respondents ranking it number one and 18% ranking it number two. Additionally, while price is consistently the number one reason consumers across generations select a new travel brand, younger consumers value perks more than their older counterparts – 18-21 year-olds and 22-37 year-olds are twice as likely to choose perks as 38-52 year-olds (10% compared to 5%). That's not surprising, since younger consumers are often more motivated by experiences.³

When considering making reservations with an airline, hotel or hospitality brand you've never used before, which of the following product- or service-related factors would influence you to make a purchase?

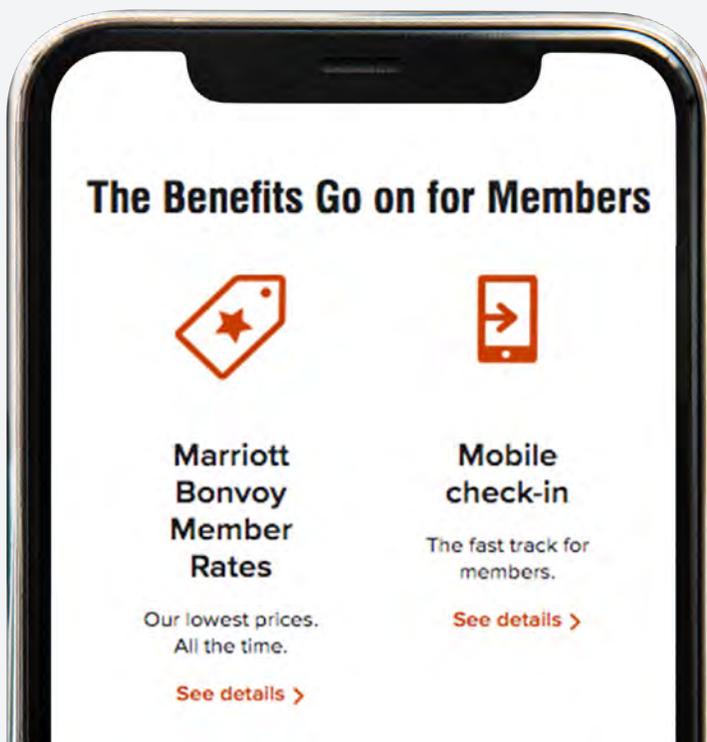
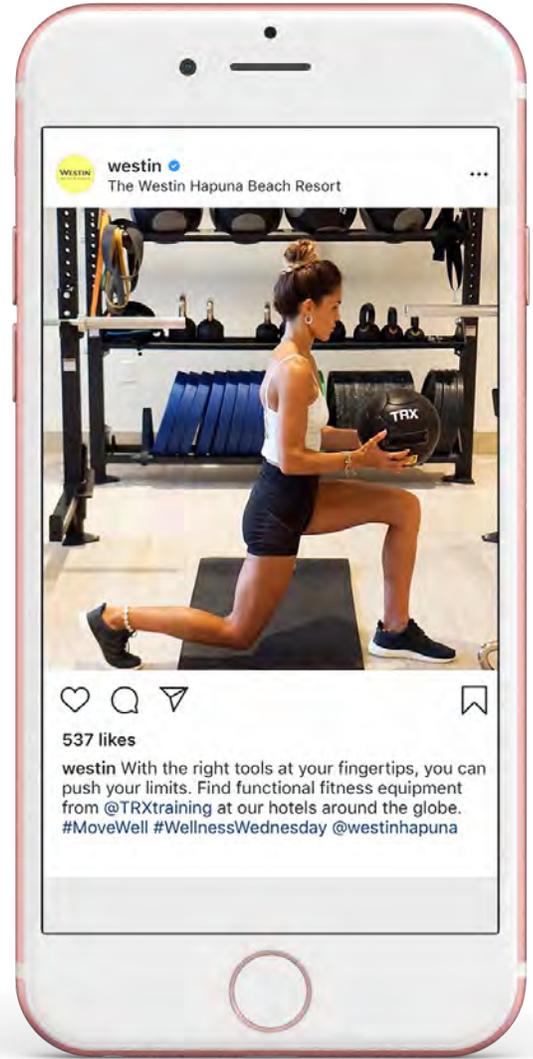




Turning findings into action

Demonstrate your value.

Highlight what makes the experience your brand delivers valuable for your customers. Value could mean lower prices compared to competitors, or additional perks such as free breakfast or waived upgrade fees that justify higher prices. Beyond basic discounts, you can demonstrate value through superior experiences. For example, Westin positions itself as the wellness hotel, advertising healthy eating options, high-quality and comfortable mattresses, workout facilities, yoga classes and more. People will pay more for a better experience at the Westin because they are able to see the value in a higher price tag.



Offer exclusive pricing to members.

Of course, no one will complain about lower pricing. Follow Marriott's example and incentivize customers to create stronger relationships with your brand by offering exclusive member pricing to those who join your loyalty program, as highlighted here in their Bonvoy program promotion.



Relevant, comprehensive messaging drives trust that translates into acquisition

Forty percent of consumers identify message relevance as the number one marketing factor when considering new travel and hospitality brands. The demand for relevance during the acquisition phase puts the pressure on travel and hospitality companies to understand what potential customers want before they've ever interacted with a brand.

Beyond relevance, consumers considering a new hospitality or travel brand also need reassurance that they would get the best value for their money. Eighteen percent of consumers ranked a competitive edge as the most important marketing factor when considering a new travel or hospitality brand. The third most significant factor is "unique or exciting brand messaging," which was number one for 17% of travelers.

When considering making reservations with a travel/hospitality brand you've never used before, which of the following would influence you to make a reservation?



- **40%** The brand's messaging is relevant to my interests/needs
- **18%** The brand's messaging demonstrates value compared to the competition
- **17%** The brand's messaging is unique or exciting
- **12%** The brand's content includes reviews or customer testimonials
- **11%** The brand's messaging makes me trust the company
- **3%** The brand's messages are delivered where I prefer to see them



Lastly, consumers are more likely to choose travel brands that are thorough and informative with their marketing messages. When asked what would make them trust a new travel or hospitality brand, 42% of consumers pointed to comprehensive information about a brand's services.

Considering the hefty costs of travel, it's important for customers to feel they can trust your brand before they book with you. Being upfront about fees, boarding and check-in processes, amenities, and more is one way to ensure this trust from the beginning.

Turning findings into action

Be crystal clear and informative.

Customers want comprehensive messaging that demonstrates value upfront. Set the expectation of what your customers will experience in terms of amenities, check-in, boarding processes and more. Be upfront about pricing. Don't advertise a low price only to tack on hidden fees as customers are finishing up their reservations.

Also, cover the basics — especially when it comes to the features that make your brand unique. For example, Southwest answers common questions about the airline's unique boarding process and checked bag policies up front on the website to clarify potential concerns for new customers.

Questions We Hear the Most

I have a child traveling on one of your flights as an Unaccompanied Minor. How does this process work?

Children ages five through 11 traveling without an accompanying Passenger age 12 or older must travel as an Unaccompanied Minor (UM), and there is a charge \$50 each way (\$100 roundtrip) in addition to the air fare per child. UMs may only travel on nonstop or direct (makes one or more stops but does not require a change of planes or flight number) flights. We will not transport UMs on flights that may be diverted or cancelled due to inclement weather or other operational abnormalities. In addition, there are certain procedures in place that UMs must follow before, during, and after their journey. [See unaccompanied minors policy](#)

How many bags can I carry on, and do you charge for checked luggage?

Carryon items are limited to one (1) bag plus one (1) smaller, personal-type item. You're allowed two (2) checked pieces of baggage per ticket, with some size and weight limitations. We only charge for overweight and excess items. [See all baggage info.](#)

This 'no assigned seat' thing is new to me. How do I check in and board?

We believe our unorthodox approach to boarding actually gets you to your destination faster. Get the whole scoop on the [Southwest airport experience](#).

I lost my itinerary for an upcoming trip. Where can I get a replacement copy?

If you have your confirmation number, [you can retrieve your itinerary](#) by searching by your reservation information (confirmation number, first and last name). If you do not have your confirmation number, call 1-800-I-FLY-SWA.



Develop look-a-like models and use data enhancement to nail messaging. Customers have high expectations for relevant, engaging content specific to their precise needs before they've ever interacted with you. And though you may not have a history of past interactions that can inform this content, you can look to other places to get it right – like acquisition models.

Acquisition models help marketers maximize budgets by focusing efforts on prospects that are likely to have higher conversion rates and be less costly to acquire. These models support all direct-to-consumer marketing channels, including direct mail, email, display and social.

Look-a-like models are one of the [three most common types of acquisition models](#) – they target prospects who look like your best customers in terms of attributes like age, gender, income, hobbies, interests and more. Develop lookalike models to better predict what prospective customers want before they've ever interacted with you.



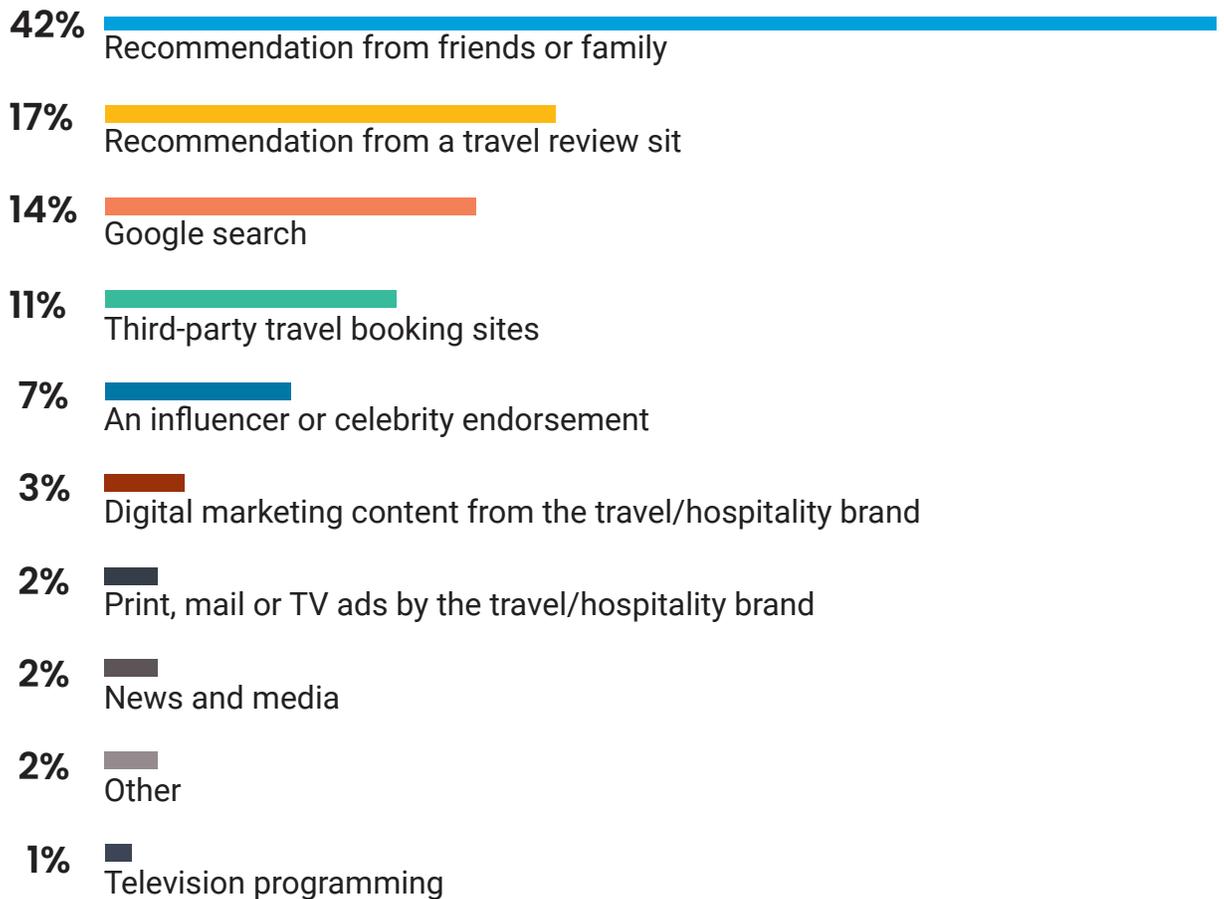


Travelers look to family, friends and review sites for guidance

Traveling is stressful, and consumers often look to family and friends for reassurance when making decisions about where they stay and how they'll get there. Forty-two percent of customers first heard about a travel or hospitality brand they booked through family and friends. Additionally, almost three-quarters (72%) say they chose NOT to use a brand because of negative feedback from family and friends.

Travel review sites (e.g., TripAdvisor or Yelp) were the next most influential source of information, with 17% of consumers reporting that's how they chose the last new travel or hospitality brand they used. Google took third place with 14% – meaning customers are not necessarily finding new travel brands from search engines.

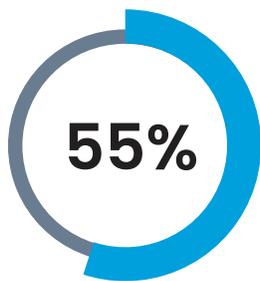
Think of the last time you made reservations with a travel or hospitality brand for the first time. How did you first hear about the brand?



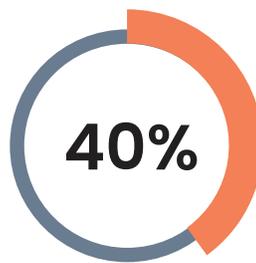


Consumers don't only turn to third parties to discover new travel and hospitality brands — they're booking through them, too. While 55% say they booked directly with the brand the last time they made travel reservations with a new company, 45% purchased through a travel agency or a third-party website like Expedia. This is significant, since you lose valuable opportunities to learn more about your customers if they don't book directly with your brand.

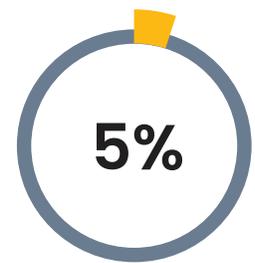
Think of the last time you made reservations with a travel or hospitality brand for the first time. Where did you end up booking your reservation?



Directly with the brand



Through a third-part website or app



Through a travel agency

Turning findings into action

Encourage and incentivize customers to share their experience with your brand with friends and family. For example, offer an exclusive referral code to current customers and encourage them to share it with their networks in order to earn rewards or get additional discounts when new customers book travel using their code. Then happy customers can pass along a discount with a positive referral and be rewarded for their brand advocacy. [Brands like Spartan](#), for example have found success incentivizing sharing with friends and family.





Encourage customers to book directly with your brand.

Almost half of consumers are booking travel and accommodations through external sources, which means you're losing out on valuable opportunities to learn more about your new customers. Consider nudging consumers to book direct by offering lower rates or additional perks. For those who won't book directly, be sure to encourage them to provide their information, travel and messaging preferences prior to their stay or flight so you can customize their experience accordingly.

Marriott shines again with its Bonvoy loyalty program by guaranteeing the best rate to members that book directly with the brand instead of a third party. Marriott also offers bonus points or a discounted rate to those who find cheaper options on other websites.





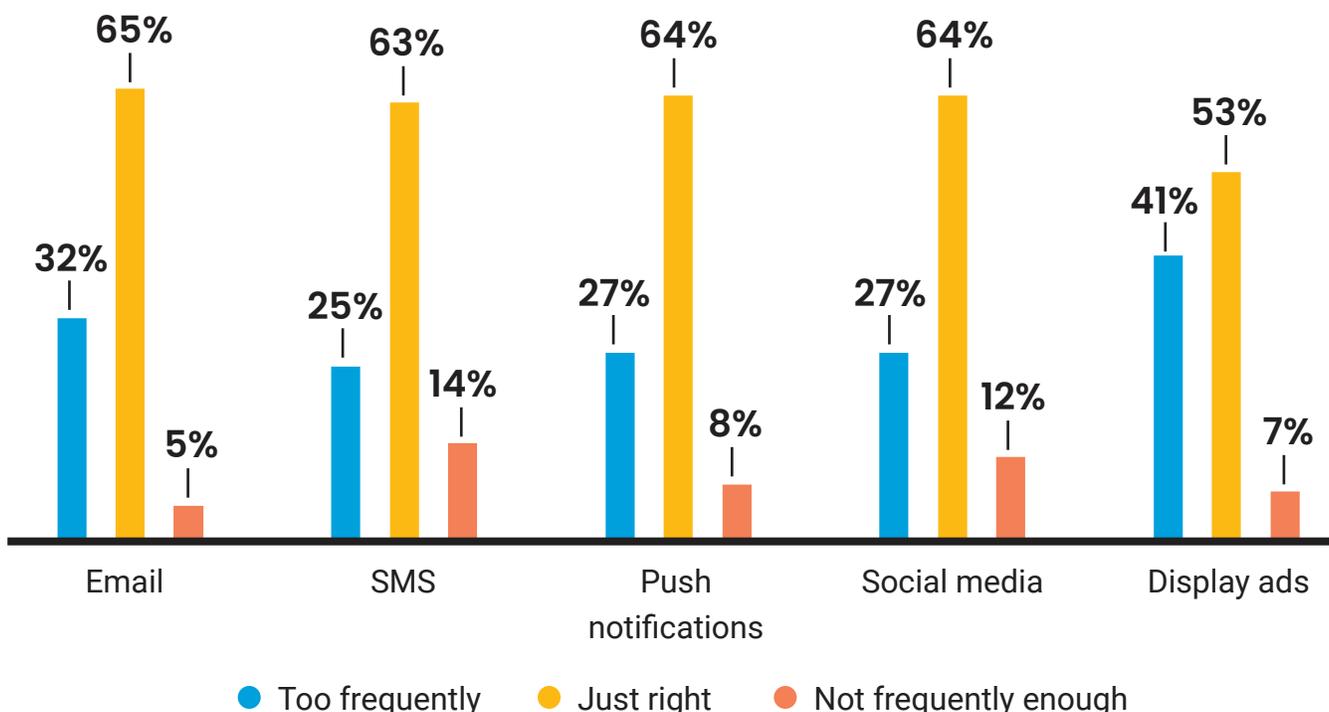
Retention

Travel companies have room to improve when it comes to understanding their customer preferences

We've already shown that spot-on relevant messaging is critical to attract customers. Brands should be able to perfect messaging for customers they have already engaged, since they have a history of past behaviors with the brand. But almost a third of customers (32%) say they rarely or never receive relevant communications from travel/hospitality brands they've used before.

Additionally, while about six out of 10 customers say companies are messaging them just enough for most channels, that leaves four out of 10 who are unsatisfied. Customers are much more likely to say brands are emailing them too frequently rather than not enough. Specifically, 32% say travel and hospitality brands are emailing them too frequently (compared to 5% who say they don't get enough emails) and another 41% say they see too many display ads (compared to 7% who don't see enough).

What do you think about the frequency with which travel/hospitality brands you've used in the past communicate with you through the following digital channels?





Turning findings into action

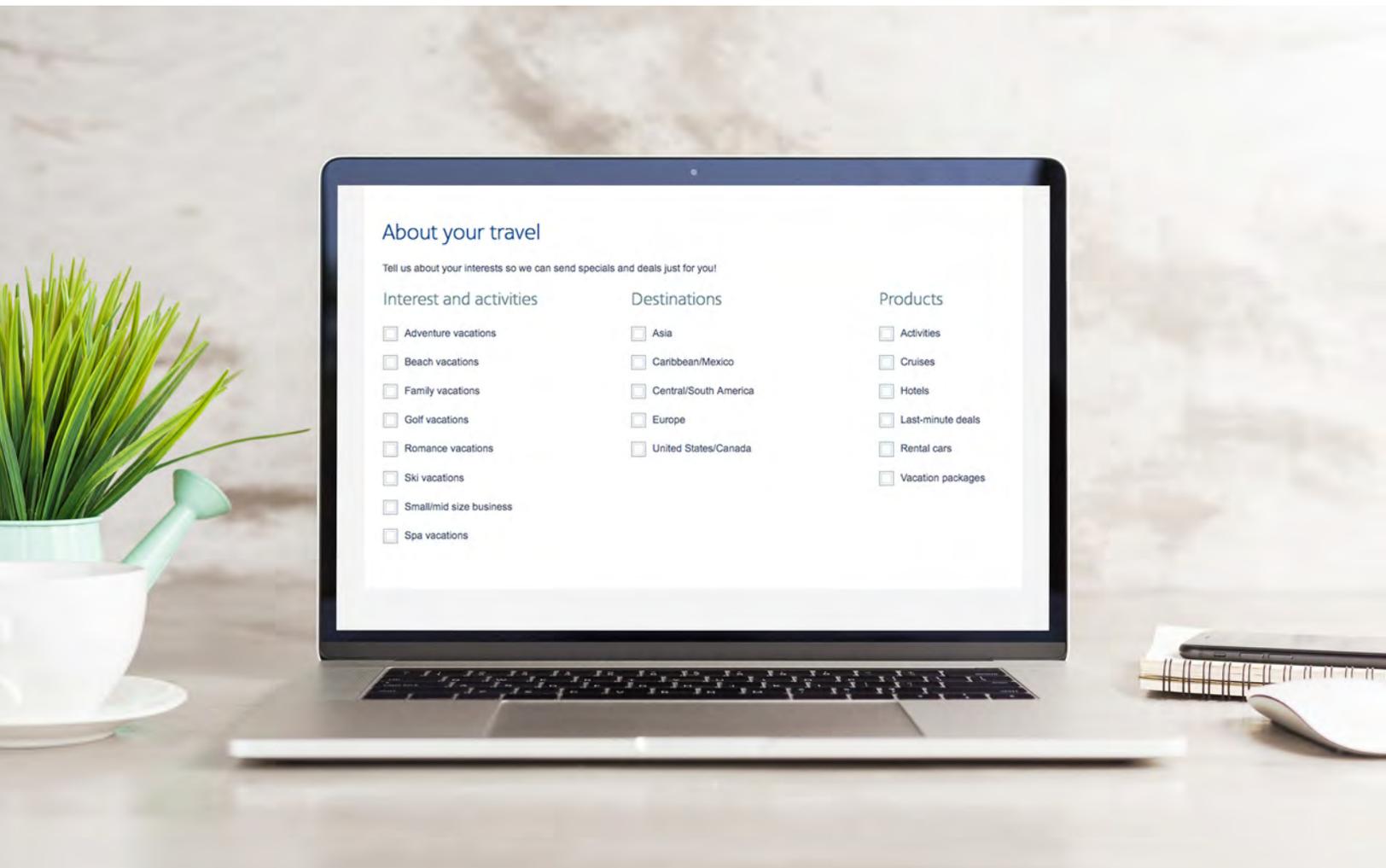
Utilize journey mapping to target customers with relevant content.

Customers are less likely to feel they are getting too much or too little content from travel brands if what they get is relevant. Understand where your customers are in their decision-making process (i.e., consideration, booking, pre-stay, during their trip, post-stay) so you can tailor your communications accordingly. Taking the stage of their journey into consideration can help you not only be relevant when talking to them but also move them along to the next stage through the right content.

Use preference centers to refine relevance and message frequency.

It's likely that customers get email fatigue not because they don't want to hear from your brand but because they receive repetitive or irrelevant messages. Ask customers directly about their interests and how often they'd like to hear from you.

For example, American Airlines uses its AAdvantage program not only to refine frequency preferences and allow users to opt into certain communications, it also asks customers about their specific travel interests related to destinations, activities and more.

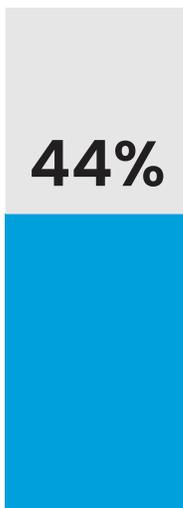




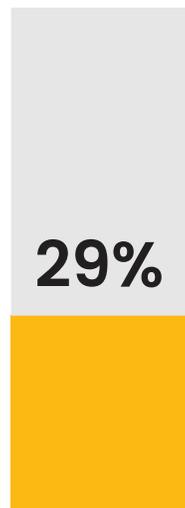
Customers expect content to be informed by past behavior

The key to understanding travelers is getting to know them. Forty-four percent of customers say they'd prefer that brands send them communications informed by their past behavior, and 29% say they'd like to see more communications based on demographic info. Finally, 27% say they'd prefer brands to act on information the consumer has given them directly (e.g., via feedback forms, experience surveys, preference centers, etc.).

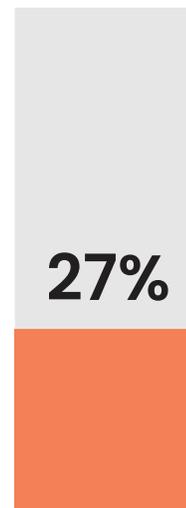
What would most likely improve the relevance of the message you get from travel/hospitality brands?



The brand promotes offers based on my previous behavior



The brand sends messages based on my demographic information



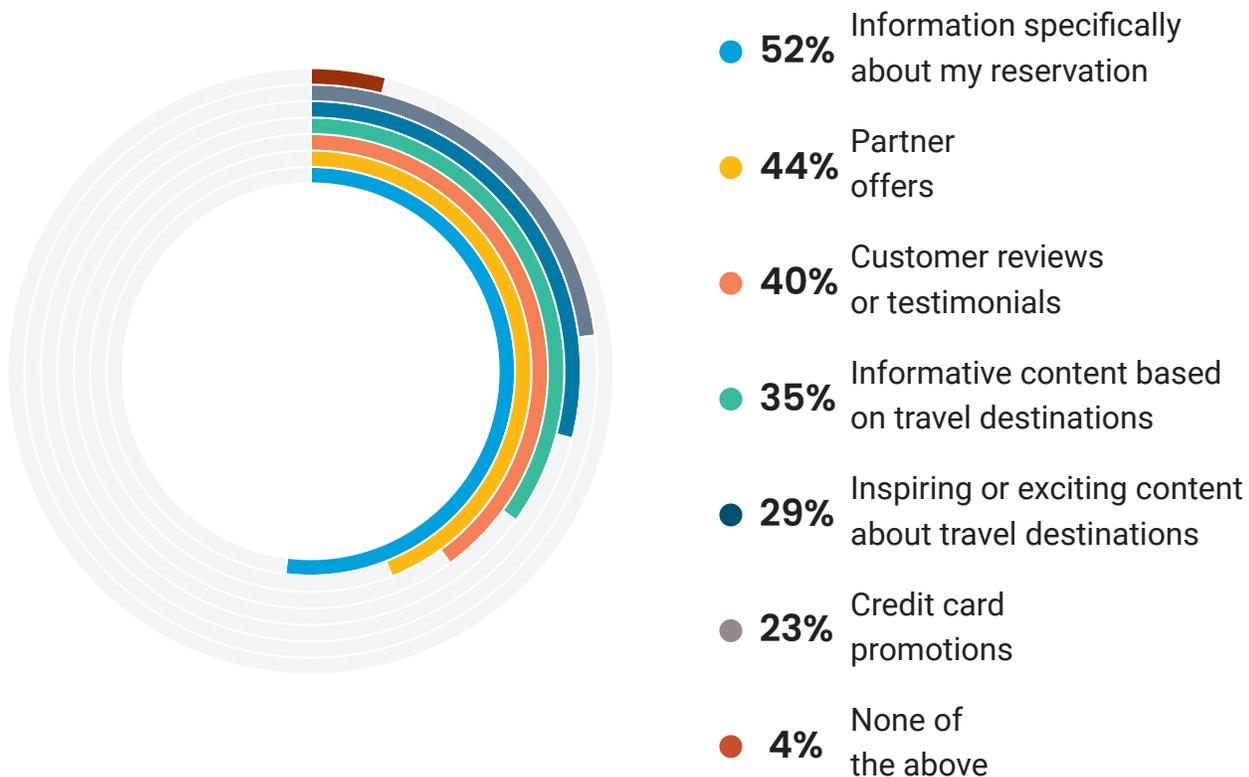
The brand sends messages based on information I have directly given them





Additionally, when asked what kind of content they'd like to see more of, 52% say "information specifically about reservations/past travel," 43% say partner offers (e.g., discounted hotel stays while booking flights), and 40% say customer reviews or testimonials. Again, customers want useful information that could help them when planning trips or traveling and also reaffirm their travel choice.

*What type of content would you like to see more of from travel/hospitality brands?
Please select all that apply.*



Refining content for existing customers can be challenging in more ways than one given the nature of the industry. For example, customers who just flew to San Francisco probably don't need to see promotions for flights to San Francisco after they've landed back home. Instead, a brand could offer recommendations for flights to cities they've never visited within a price range similar to previous purchases they've made.

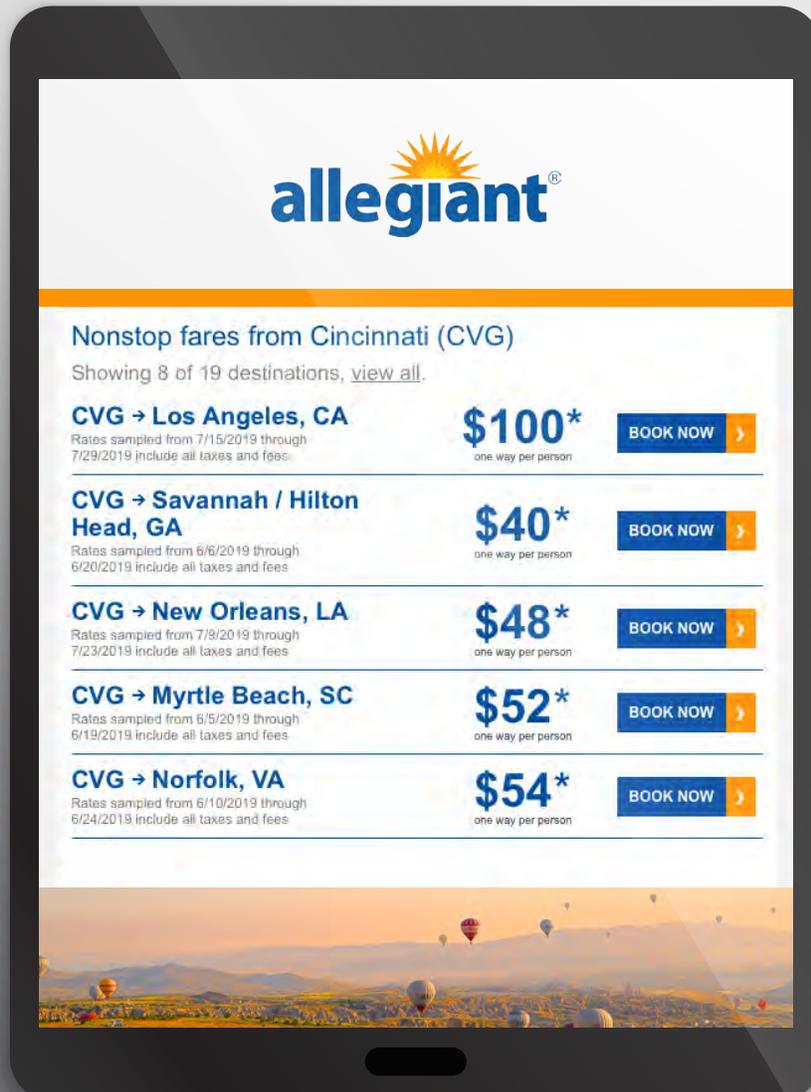


Turning findings into action

Act on the information you have.

There's no excuse for sending irrelevant content to customers who have booked reservations with your brand before. Customers are savvy, and they know what information you should have available if they've stayed at your hotel or booked with your airline. If you can't master data-driven personalization at scale, consider using a partner that can help.

The discount airline Allegiant reminds customers who frequently travel from Cincinnati when there are cheap non-stop flights from the area, and nudges them to book with links for each flight in the email.





Negative reviews will drive even repeat customers away

Current customers are not immune to negative reviews about your brand— even if they've previously had a good experience. Sixty-one percent say negative reviews have stopped them from using travel and hospitality brands they have used previously.

Generational differences exist in this regard, with younger customers reporting they are even more influenced by negative reviews about brands they've used in the past (71% of 18-21 year-olds and 67% of 22-37 year-olds, compared to 56% of 38-52 year-olds and 47% of 53-71 year-olds). Since younger consumers are more likely to be active across a variety of social media platforms, it's not surprising they are exposed to more of their peers' opinions and likely to consider them more heavily.

Turning findings into action

Mitigate CX issues before they become negative reviews.

Given the high cost of traveling, customers will shy away from brands if they see that other travelers have had bad experiences — even if they've used those companies in the past. Consistently gather feedback from customers to understand what CX problems occur so you can address them before they become larger issues.



Loyalty

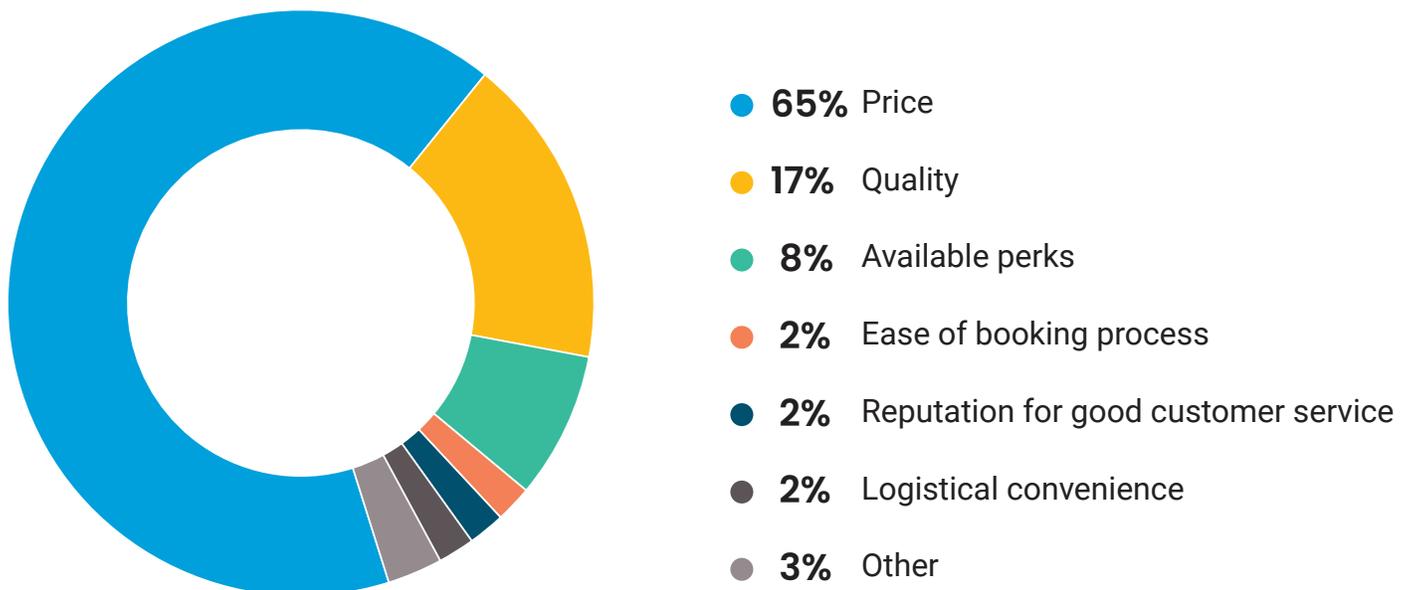
Loyal customers remain consistent in their demands

Given the uncertainties and stress of traveling, it makes sense that customers are likely to stick to their favorite brands once their trust is earned. More than six out of 10 (64%) customers say they have a go-to travel company they consider above all else.

Still, many of the same concerns that drove customers to try a new hospitality or travel brand also determine their loyalty. The top factors that drive loyalty among travelers include price (65%), quality (17%) and perks (8%).

This doesn't necessarily mean brands should race to the lowest price, since customers have different standards for a discount airline or hotel than they do for luxury experiences. But regardless of the tier or luxury level of travel they choose to book, consumers need to feel like they are getting value for the price they pay. Whether you work for a luxury hotel brand or a low-cost airline, reinforce the value consumers receive for their loyalty to your brand in every interaction – this will help customers feel like they are getting more for their money.

Loyalty program benefits aside, which of the following would make you loyal to a travel/hospitality brand?





Turning findings into action

Identify, reward and recognize loyal customers.

Customers that habitually spend the most money with your brand should receive better perks, prices and rewards. Recognize tenure and use customers' transactional history with your brand to provide better personalization, more relevant communications and more informed offers.

For example, members of Wyndham's loyalty programs who belong to the most exclusive tier – Diamond – not only receive welcome gifts at check-in (like cheese plates or local beer samples), but they also get complimentary tickets for local experiences. They can also treat family members to Gold status rewards like priority check-in.





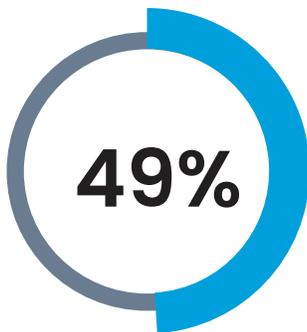
Loyal customers demand exclusivity

Loyalty can be challenging to earn, but even more difficult to retain in the travel industry, since value conscious customers are always on the hunt for a good deal. You are more likely to retain loyal customers if you know how to reward them.

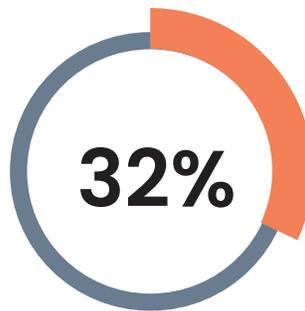
Eighty-three percent of customers say that being rewarded for their loyalty influences their decision to remain loyal to a travel or hospitality brand. The good news is that 75% of travelers say travel brands do a good job rewarding them for their loyalty. But there's always room for improvement – especially when it comes to the quarter of consumers who AREN'T impressed with brands' loyalty efforts. So how do loyal customers prefer to be rewarded?

Exclusive member benefits (like late checkout or airline seat upgrades) rank number one, with almost half (49%) of consumers reporting that these make them feel most rewarded. For another 32% of travelers, fee waivers (e.g., complimentary Wi-Fi, free checked bag, free travel insurance, etc.) are most likely to keep them happy and loyal.

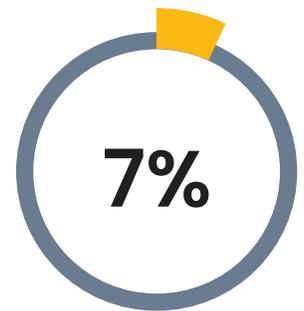
Which of the following would make you feel rewarded for your loyalty to a travel/hospitality brand?



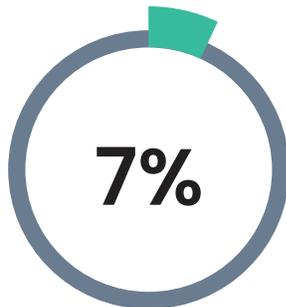
Exclusive member benefits/status



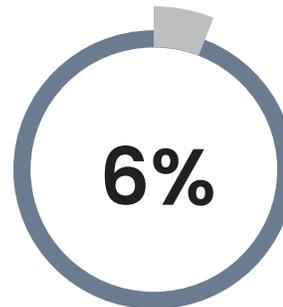
Fee waivers



Personalized services/recognition based on my travel preferences/history



Bonus rewards/points earned when using a travel-branded credit card



Flexibility/convenience

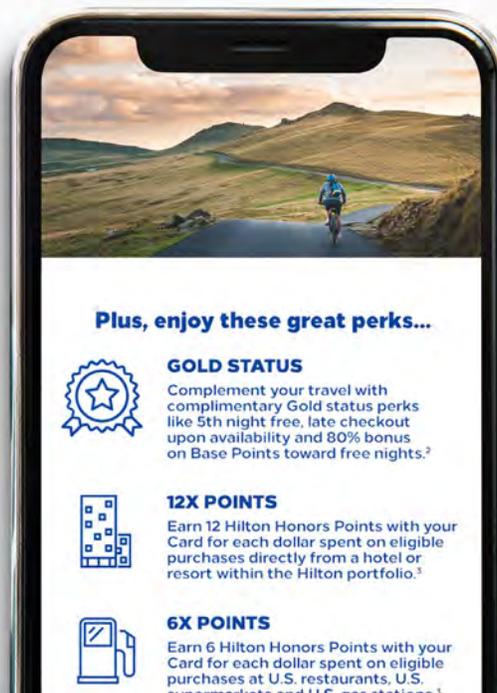


Turning findings into action

Give loyal customers the VIP treatment.

Travel is all about the experience, and if customers choose your brand time and again, they want to feel rewarded for it. Small things go a long way toward making your loyal customers feel like they're getting special treatment. For example, you could offer frequent business travelers early check-in so they can freshen up before meetings, or provide a concierge to coordinate activities they'd be too busy to research on their own. Give your VIP guests exclusive discounts and perks, learn their preferences, and train staff to greet them by name when arriving to check in.

Hilton Honors highlights exclusive perks like free nights, late checkouts and additional credit card points for their most active members.



Drive home the value of loyalty to your most prized customers.

It goes without saying that you should strive to make every experience great, especially for your most loyal customers. But also find ways to remind them of the value they are getting for their loyalty. Make an effort to show the great experiences, high-quality accommodations, and perks that are exclusive to them.

Additionally, make sure customers feel they are getting value for their loyalty by enabling them to earn rewards or recognition faster. One of the biggest complaints about loyalty programs is that it takes too long to earn a reward. So make sure your customers receive benefits after their first or second experience with your brand and make the next reward easy to obtain.



Conclusion

Your customers are traveling more than ever – and they’ve got a lot of travel and hospitality options to choose from. As a travel brand, it’s imperative that you understand what customers expect from you before they book for the first time. Whether you’re encouraging a new customer to try your brand for the first time, nurturing a current traveler toward loyalty or giving the VIP treatment to a loyal member, your content must be engaging, informative and relevant.

Legacy brands and new players are reimagining what travel looks like. Your ability to identify expectations, refine your offerings and perfect the frequency and relevance of your messaging will be instrumental in acquiring, retaining and delighting your customers.

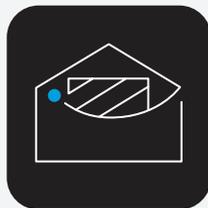
Sources

- 1 - [The Guardian](#)
- 2 - [eMarketer](#)
- 3 - [Inc.com](#)

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