



# ***INDUSTRY RUNDOWN: TRAVEL & HOSPITALITY***

**PERSONALIZED ENGAGEMENT THROUGH  
A UNIFIED VIEW OF THE CUSTOMER**





# INTRODUCTION

In a transformed travel and hospitality industry, providing a high quality, personalized experience is key to rebuilding brand loyalty, generating new and repeat purchases, and driving revenues.

Well before the onset of the pandemic, the travel and hospitality industry was already undergoing significant disruption and change. When the global health crisis hit in early 2020, the entire industry came to a standstill as consumers and businesses curtailed travel, events and dining out.

As the industry rebounds, travel and hospitality companies find themselves facing a new normal. A new generation of travelers has high expectations for personalized service in all areas of the industry — from hotels to airlines, cruise ships to casinos. Ultimately, travelers prefer providers who know and understand them, can anticipate their needs and offer the personalized service and recommendations that create an optimal experience.

As travel slowly resumes, new challenges are surfacing. Technology teams are now charged with making the travel experience as touchless as possible, while simultaneously leveraging the

latest and greatest technologies to meet customer expectations and deliver the best user experience throughout the entire journey.

**The key to success for travel and hospitality companies will be the ability to deliver targeted content and personalized recommendations for each travel experience based on a traveler's unique demographics, behaviors, interests and actions. And, they must do it while also ensuring that the content they share is relevant, valuable and timely.**





*“Current trends in the hospitality industry are showing that personalization is already known to be the way to go when gaining and retaining customers. The concept of personalization has even been called ‘a must-have’ for hoteliers as part of trends in the tourism and hospitality industry. When it comes to travel in the 21st century, standard and impersonal experiences just won’t cut it anymore.”*

NEVRON





# ***TRAVEL AND HOSPITALITY INDUSTRY TRENDS***

# ***TREND 1*** ***THE MASSIVE IMPACT OF A GLOBAL PANDEMIC***

For the last two decades, the travel and hospitality industry has faced unprecedented disruption. Then, in early 2020, the Coronavirus pandemic spread around the world, immediately bringing the industry to a standstill. Travel and hospitality was the first industry to be impacted by the pandemic, and will likely be one of the last to fully recover.

The cancellation of large-scale conferences and events, combined with the complete cessation of business and leisure travel, had an immediate and massive negative impact on revenues. To compound the damage, many providers were forced to refund fees for reservations and other bookings.

The pandemic has had a potentially long-lasting effect on consumer spending; many consumers are now more mindful of how and where they spend their money. Pressures on income can have a negative impact on brand loyalty when consumers choose to try new, lower-priced alternatives in search of better value.





“As a result of the significant drop in travel, more than half of hotels report they have less than half of their typical, pre-crisis staff working full time currently. Without further governmental assistance, 74% of hotels said they would be forced into further layoffs. Business and group travel are not expected to reach 2019 peak demand levels again until 2023. As a result of the sharp drop in travel demand from COVID-19, state and local tax revenue from hotel operations is estimated to drop by \$16.8 billion in 2020.”

AMERICAN HOTEL & LODGING ASSOCIATION (AHLA)



As travel resumes, a new set of preferences will emerge for both the traveler and the service provider. As business improves, providers need to focus on the health and safety of both their customers and their employees. They must leverage technology to limit touchpoints and interactions without sacrificing personal service.

Now more than ever, it is critical to utilize technology and data to stay in touch with current and potential customers, as well as influencers. Open and robust communication about safety measures and other important information can provide invaluable peace of mind, and give customers the confidence to take action and book a trip.



## **TREND 2** **RAISED** **EXPECTATIONS** **FOR TAILORED** **EXPERIENCES**

Today's consumer is used to being able to purchase exactly what they want, whenever they want. As a result, they now expect the same types of personalized, customized, immediate experiences from the travel and hospitality industry. Because customers have more options than ever before, it's essential that providers meet their expectations.

Millennials and Gen Z are now the largest segments of travel and hospitality customers. They seek out and prefer sustainable, eco-friendly lodging and prefer visiting lesser known cities to avoid tourism. Their environmental concerns extend to air travel, and with good reason. According to [Statista](#), commercial aviation emitted over 900 million metric tons of CO2 in 2019, an increase from 627 million metric tons in 2004. While the pandemic caused those numbers to dip, they are certain to climb again as travel resumes.

“Many of today's travelers and especially younger generations (millennials, generation Z), expect personalized experiences and offers. They want to book a property that goes that extra mile when it comes to them as a client. Who wouldn't want an experience that focuses on trends in tourism and the hospitality industry and strives to tailor the guest experience in such a way that will fit them perfectly?”  
NEVRON





The Millennial and Gen Z cohorts also expect smarter hotels, personalized experiences, offers that appeal to their values and desires, and a business that goes the extra mile for them. Because they also are more inclined to promote their experiences — both positive and negative — on social media channels, meeting their expectations matters.

Business travel has been significantly transformed during the pandemic. And many of those changes could become permanent. According to travel industry research organization [PhocusWire](#), corporate travel managers are exerting greater control over employee travel by mandating that travel is booked through an internal travel management tool, rather than by employees directly. Additionally, CEOs are becoming increasingly reliant on corporate travel managers for guidance on ensuring their workforce can travel safely and responsibly. The historical focus on cost control is shifting toward well-being and safety. New technologies that support and protect employees, including alerts and advisories and tracking tools, are becoming commonplace.

For business and leisure travel alike, personalization is no longer “a nice to have.” It’s a must. The demand for personalization will continue to grow. Travelers want tailored recommendations and experiences that appeal to their values and desires. They expect providers to understand their preferences, anticipate their needs and offer personalized options without having to ask.

To meet these ever-changing expectations, travel and hospitality companies must provide personalized, intelligent and seamless experiences across every touchpoint before, during and after each journey.





# **CHALLENGES FACING THE HOSPITALITY INDUSTRY**





## LOYALTY

After more than a year of varying degrees of lockdowns, customer loyalty in the travel and hospitality industry has weakened. Even before the pandemic hit, third-party aggregators such as Kayak and Expedia were coming between travel and hospitality companies and their customers. While those aggregators take a financial cut out of each booking, they also separate providers from something equally valuable: data. This fragmented purchase process makes it difficult for a travel and hospitality company to access relevant data from across an entire journey and develop a comprehensive understanding of the customer that can be used to build loyalty.

Investing heavily in loyalty and retention programs may be an effective way to minimize customer reliance on third-party providers, acquire new customers and build loyalty through personalized service rooted in data.





The very nature of loyalty programs may also need to shift. While these programs have typically been transactional, experience is becoming more important. According to research from loyalty specialist [Bond](#), “The transactional aspect of a loyalty program accounts for less than 25% of what drives engagement. An overwhelming 75% is driven by a human-centered approach focusing on personal relevance, convenience, recognition and support, digital and mobile adaptability, and trust.”

It’s nearly impossible to underestimate the power of a robust rewards program that aligns with customer values and desires to lure travelers back. According to [Deloitte](#), “Rewards programs have the potential to play a significant role in recovering loyalists. They appeal to travelers’ desire to feel valued and can help brands build trust by enhancing the communication and actions necessary to put customer well-being and safety first.”





## TECHNOLOGY

Integrating new technology and keeping pace with change are critical for the travel and hospitality industry to stay competitive. As the industry expanded and grew through mergers, consolidations and new ventures, legacy IT systems became fragmented and disconnected from booking systems and other applications. Critical data that could offer a unified view of a customer was siloed and difficult to access.

Innovations in technology are providing new opportunities to the industry to better serve customers, and those innovations are coming at a fast pace. Virtual travel, augmented reality, intelligent agents, self-serve kiosks, interactive displays, biometrics, cloud computing and many other advancements are all viable now. IT and business teams must evaluate, understand and prioritize what to implement to derive the most benefit. All of these new technologies will generate massive amounts of data that can be captured to provide unique insights.







Social media is also a technological force to be reckoned with. Travel and hospitality companies need to embrace, understand and leverage consumer activity on these channels. In the [Hotels 2020: Beyond Segmentation](#) report by Amadeus, 96% of those surveyed agreed that by 2020, hotels will need to develop strong social media listening skills to understand how customer needs and perceptions of brands and service quality are truly evolving and to develop service propositions, marketing messages and pricing solutions that reflect the needs of an increasingly

diverse customer base. Integrating social media data with other sources of consumer data can provide valuable insights into understanding consumer sentiments and behaviors.

The travel and hospitality industry understands that technology is key to delivering exceptional experiences. The challenge will be for companies to stay ahead of developments and create a strategy for prioritizing and introducing each new technology in a way that effectively meets changing customer expectations.

*Thanks [to] technology, guests want more without doing much — they expect you to know. It is left up to hoteliers to join data points (say hello to artificial intelligence), understand their guests and deliver an experience that leaves them breathless — enough to leave you a stellar online review that will inspire the next booking.”*

HOTEL NEWS RESOURCE



## LEVERAGING BIG DATA

As traveler expectations continue to rise, leveraging big data can provide opportunities for marketers to greet travelers with personalized recommendations and experiences wherever they are in their journey and on whatever channel they prefer.

According to a study Google conducted with Phocuswright, nearly six in 10 (57%) U.S. travelers feel that brands should tailor their information based on personal preferences or past behaviors. The report reveals that if a travel brand tailored its information and overall trip experience based on personal preferences or past behavior, 76% of U.S. travelers would be likely or extremely likely to sign up for the brand's loyalty program. Additionally, 36% (over 1 in 3) would pay more for tailored information and experiences.

Delivering against this objective can be challenging. However, data-driven experiences tailored to the unique needs of each guest with real-time data aggregated will enable travel and hospitality companies to better streamline their operations and

personalize each interaction with the traveler — before, during and after their journey.

Traditional segmentation models will no longer suffice. The Hotels 2020: Beyond Segmentation report stated that 71% of respondents agreed that by 2020, traveler motivations will become increasingly fragmented, diverse and harder to segment into clearly definable and actionable groupings. The report adds that one of the most challenging groups to serve will be those who demand highly attentive and personalized service, but who consider themselves too busy to spend any time providing the necessary information on booking or check-in. These travelers will expect the provider to use technology to find out about them and learn about their needs and behaviors without their active input.

Successful brands will collect data across the many channels that guests interact with and unify, enrich and interpret this data at scale to deliver rich and exceptional experiences.

***Data has become the world's most valuable resource. The sooner you start to mine guest data for better customer insights, the better positioned your property will be against your competition....Data can fuel smarter marketing campaigns, inform your pricing and help you capture a higher market share than your competitors by knowing your guests on a deeper level.”***

HOTEL TECH REPORT



# ***PRIORITIES FOR SUCCESS***

**1**

## ***DATA-DRIVEN MARKETING STRATEGY***

Develop a strategy driven by a powerful digital platform to translate massive volumes of data across vast networks and touchpoints.

**2**

## ***CUSTOMER-CENTRIC VIEW***

Create a 360-degree omnichannel strategy to meet customer expectations for a personalized, retail-like experience.

**3**

## ***MEET CUSTOMERS WHERE THEY ARE***

Curate deep insights to understand customer behavior and sentiments, and use those insights to place targeted offers at the right time in their journey.

# HOW ACQUIA CDP CAN HELP

Personalization is essential to the successful reemergence of the travel and hospitality industry. Leveraging technology and customer data is the key to delivering exceptional and personalized experiences.

With a customer data platform (CDP) in place, travel and hospitality companies can unify all customer data to develop deep, holistic views of their customers. New platforms and machine learning enable deeper insights into customer behaviors and preferences. Marketers can deliver targeted, relevant offerings at the right time on the devices that consumers prefer.

**The Acquia CDP empowers travel and hospitality companies to:**

- ✓ Deliver exceptional customer experiences
- ✓ Improve customer acquisition
- ✓ Improve brand loyalty and retention
- ✓ Increase lifetime value and profitability
- ✓ Grow revenues and market share

**Learn more in our “Customer Data Platforms 101” eBook.**



**83%**

**83% of marketers say that their customer data lives in unconnected silos, with data from different channels and systems stored in separate servers, clouds and databases scattered across multiple departments.**



# Acquia

ACQUIA.COM

## **ABOUT ACQUIA**

Acquia is the open digital experience platform that enables organizations to build, host, analyze and communicate with their customers at scale through websites and digital applications. As the trusted open source leader, we use adaptive intelligence to produce better business outcomes for CX leaders.

