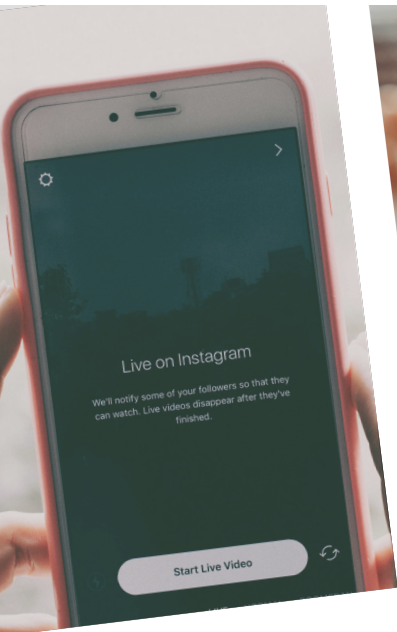# 7 KEY DIGITAL DRIVERS OF THE TRAVEL & LEISURE INDUSTRY

INTRODUCTION

In recent years, there have been remarkable breakthroughs in technology which have led to exciting advancements in the way travel and leisure operators conduct business and attract new consumers. It's been a period of discovery, with operators finding that the strategies that worked in the past, don't work now. As the recent fate of Thomas Cook shows, there has been casualties as a result.

Technology developments are showing no sign of slowing down, as innovation races to keep up with consumer's expectations. While some brands have already adopted experience apps and slick social media campaigns, others are still in the discovery stage; soaking in insight while incrementally applying updates to their business model. The more businesses lag behind, the more their counterparts will thrive, and that's a dangerous position to be in. Generation Z, the first digitally native generation, is quickly moving into the prime purchasing position.

We've reviewed the current digital state of the market and have outlined the innovations and strategies travel and hospitality leaders are executing. Based on these findings, trends have become clear and pitfalls have risen to the surface:

- Mobile is the clear platform of choice for researching holidays and gaining inspiration however, users are putting down their phones to power up their computers to book due to poor payment gateways.

- Personalisation is now a 'must-have', with consumers increasingly expecting relevant information at their fingertips.

- Omnichannel campaigns are not only directing users to relevant websites, but are being used as a portal for tailored user journeys.

Industry leaders, like Formula E and KLM, are innovating this space by utilising dynamic data to introduce artificial intelligence and virtual reality in their brand platforms and campaigns, nodding to capabilities that will be expected of all in the not too distant future.

What is clear from our research, is that the longer brands wait to adapt, the more difficult it is for them to stay competitive in today's digital reality.

CONTENTS

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CREATING BI-DIRECTIONAL ENGAGEMENTS VIA SOCIAL MEDIA

Social media platforms give businesses an avenue to communicate their defined tone of voice. It helps them to develop authentic connections with their clientele, to not only differentiate their brand, but to foster loyalty by nurturing prospects and engaging with repeat customers.

In today's digital world, it's paramount for businesses to have a presence on social media, and yet many travel and leisure operators are skimming the surface of its potential.

WHAT KIND OF CONTENT IS MORE LIKELY TO INCREASE ENGAGEMENT?

Visuals are no longer just recommended for catching and keeping people's attention on social media; they're an essential core component of every successful social campaign. When bright, high-resolution pictures are used, especially in the travel and hospitality sector, they provoke a reaction and open the gates to a discussion. A bonus tip is to use lifestyle images with people's faces in them. The human eye is naturally predisposed to recognise faces, so images with people's faces in them are more likely to be noticed. Just beware of cheesy stock images, which may come across as insincere.

While posts with images receive more interactions than posts without, videos gain the most engagement of all.

[Hootsuite reports](#) that the average engagement rate for Facebook video posts is 6.13% - almost double the average engagement rate. Videos designed specifically for mobile drive an additional 27% more engagement. These clips are short, fast-paced and usually optimised to play without sound (85% of videos on Facebook are watched muted). With this in mind, and taking accessibility into account, it's important to add subtitles. Furthermore, people spend 3x as much time watching a live video than a pre-recorded one.

On average, video posts receive
five times more engagement
than posts with images.

INSIGHT IMAGERY

The internet has undoubtedly become a treasure trove of inspiration and travel brands are no longer relying on TV advertising to reach holiday-hungry consumers. In its article ['How Are Millennials Using Travel Technology?'](#) Forbes reported a colossal 97% of millennials attest to posting photos or videos of their travels on social networking sites. Brands are now tapping into this growing consumer desire to share experiences to better market themselves. Instagram is arguably the ideal channel for hotels, especially luxurious and character-rich establishments. With its visual and curated nature, the platform allows brands to highlight the very best of what they have to offer, tantalising guests with a beautiful aesthetic and charisma.
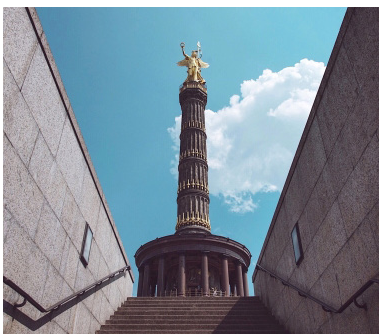
@visit_berlin is the official tourism account for Germany's capital city and is perceived internationally as the looking glass for all types of prospective visitors. To kick this into gear and uplift Berlin's organic social media presence, Dept devised a content strategy to showcase trendy spots, architecture, food and sights, as well as weather conditions and events. With the power of imagery in mind, Instagram became the city's channel of choice.

CREATING A HOOK

Successful content is more than just great visual assets; it's their context that sparks feelings and connects people. Social media is a powerful tool to wake up a range of emotions; the best profiles dig into the psyche and create a community centred around a common idea, desire or curiosity. Businesses that feed this part of a person's imagination with nuggets of delicious content are able to establish a reputation and generate genuine virtual connections in a way that sales collateral or other owned media channels cannot. Creating this 'hook' tactically combines art and science.

In the Visit Berlin example, quarterly 'Instameets' were initiated to engage users on and offline with the exploration of exciting places such as the Olympic Stadium or Opera Buildings. Some of the most renowned places in the city were exclusively opened to followers on Instagram. These events involved local influencers, which was instrumental in furthering its reach outside of Visit Berlin's own network.

USER-GENERATED CONTENT

Today's consumers are more empowered now than ever before to speak out about their experiences. There are exceptions but, ultimately, the more consumers are talking, the more opportunities brands have to celebrate achievements. It also enables brands to rectify any mishaps which may have previously gone under the radar. Positive user-generated content is like gold-dust in consumer engagement, especially when there is visual evidence attached to it; there isn't anything more trustworthy from the consumer's point of view. Gaining these happy reactions and genuine opinions is at the top of most social media plans.

With Visit Berlin, photo contests and incentive-led campaigns ran across all social media channels, as well as print media, with an emphasis on pulling out rich-media content from followers to showcase the diverse and wonderful place Berlin is. Community management was at the forefront of the social plan, encouraging visitors, residents and ex-pats to use hashtags including **#visit_berlin**, **#foodspots_berlin** and **#secretspots_ berlin.** In less than a four-year period, 500K postings were sent in and the Instagram account grew organically to 227K followers.

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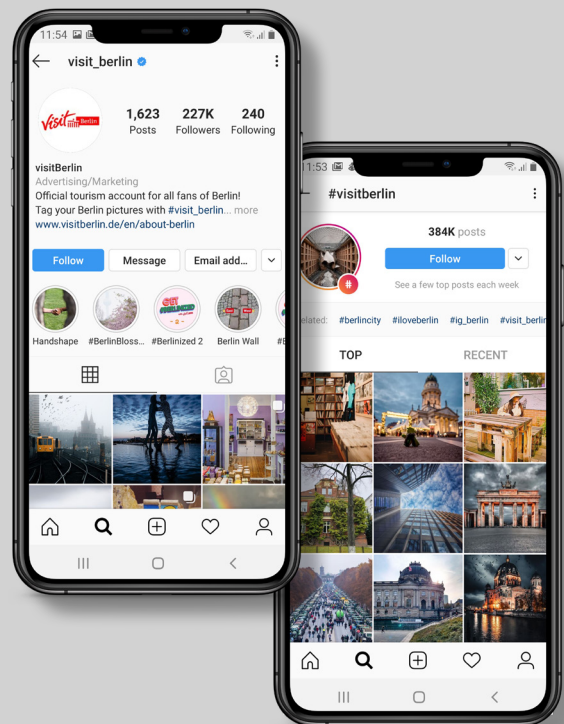
OPTIMISING PERSONALISATION STRATEGIES

The travel and leisure industry is undergoing a major evolution with personalisation. Travellers' experiences can now be deeply customisable at every stage, from research and booking to tailoring the main event itself, and interactions after it has taken place. Choices are plentiful on the internet and whether people realise it or not, they want businesses to provide them with an experience adapted to their needs and preferences.

In a world where people are finding love in a single swipe, TUI wondered why picking a holiday destination can't be as easy as dating, ordering food or paying. As the world's largest leisure, travel and tourism company, TUI has travel agencies, hotels, airlines, cruise ships and retail stores worldwide and are always on the lookout for ways to innovate holiday bookings.

The TUI Travellr mobile app was born with advanced algorithms to assist vacationers in discovering their dream holiday. The app was brought in as part of a campaign to shed light on new holiday offers, promote lesser-known locations, and surprise users with activity itineraries.

With smooth customer journeys, Travellr displays real Instagram photos and prompts the user to use their intuition to swipe right or left, which sparks the algorithm.

The technology narrows in on whether the user is more inclined to adventure, party or chill-out when away, and if they prefer a beach, tropical, mountain-esque or city centre setting. Based on the choices, Travellr generates a list of unexpected suggestions, ranging from one-day excursions to all-inclusive holidays. Users can book directly in the app and start packing their bags. During the three months following launch, the app received more than 2 million swipes and generated 160,000 matches.

This example, alongside thousands of other experience-led digital platforms, prove people are seeking personalisation. Advances in technology are enabling the transformation of the customer experience through hyper-personalisation, while at the same time increasing the efficiency of business operations. According to The 2018 Digital Transformation Report by Adobe, digital travel sales are projected to reach $219 billion by 2021, with nearly half of these transactions coming from mobile devices. This is hardly surprising with the general increase in mobile usage and subsequent mobile-optimised digital marketing tactics, such as TUI's app, as well as an influx in travel blogs, juicy social media imagery and exclusive offers; all of which have heightened wanderlust for recreational travellers.

Advancements in MarTech and related tools are increasingly being applied in travel and leisure to make the world seem more connected, empower travellers to explore, simplify the decision-making process, and be on hand to guide users through their journey. Here are some trends in technology that are being applied to enhance personalisation and reshaping the industry as we know it.

AUGMENTED REALITY (AR)

AR allows tourists to enhance physical locations and tourist attractions by pointing their smart device at a building to learn more about it in real-time. For example, a user may point their phone at a restaurant and instantly receive reviews or menus, or aim their tablet at a landmark to learn about its history.

This functionality has the ability to greatly enhance travellers' experience on-the-go and often features an element of gamification to entertain the kiddos with a hidden treasure-hunt in hotel buildings. AR is increasingly being used to digitally market the travel and leisure industry with the ability to virtually tour a destination prior to booking.

The Global Augmented Reality Market is anticipated to grow 56% oy 2025. Considering travel-based mobile apps are the seventh most-downloaded app category in the Apple Store and 85% of travelers use mobile devices to book travel activities, it's paramount operators continue to innovate to establish themselves and keep up with evolving users' expectations. AR has massive immediate capabilities, as it is built into Apple's iOS 11 operating systems for mobile devices.

ARTIFICIAL INTELLIGENCE (AI)/ MACHINE LEARNING

Artificial Intelligence and Machine Learning has the ability to automate analysis and detect patterns of data at a rate that would be impossible for humans to achieve. It can take data segmentation beyond simple keyword clusters, and opens up the opportunity to glean information from new data sources, such as audio, image and video. Team the opportunity of MI data pattern analysis with, say, audio sentiment analysis and natural language processing, and you've got the intel you need for powerful personalisation. and happy customers.

Dutch Airline KLM is making a name for themselves as an early adopter of technology and is leading the industry with its use of digital innovation.
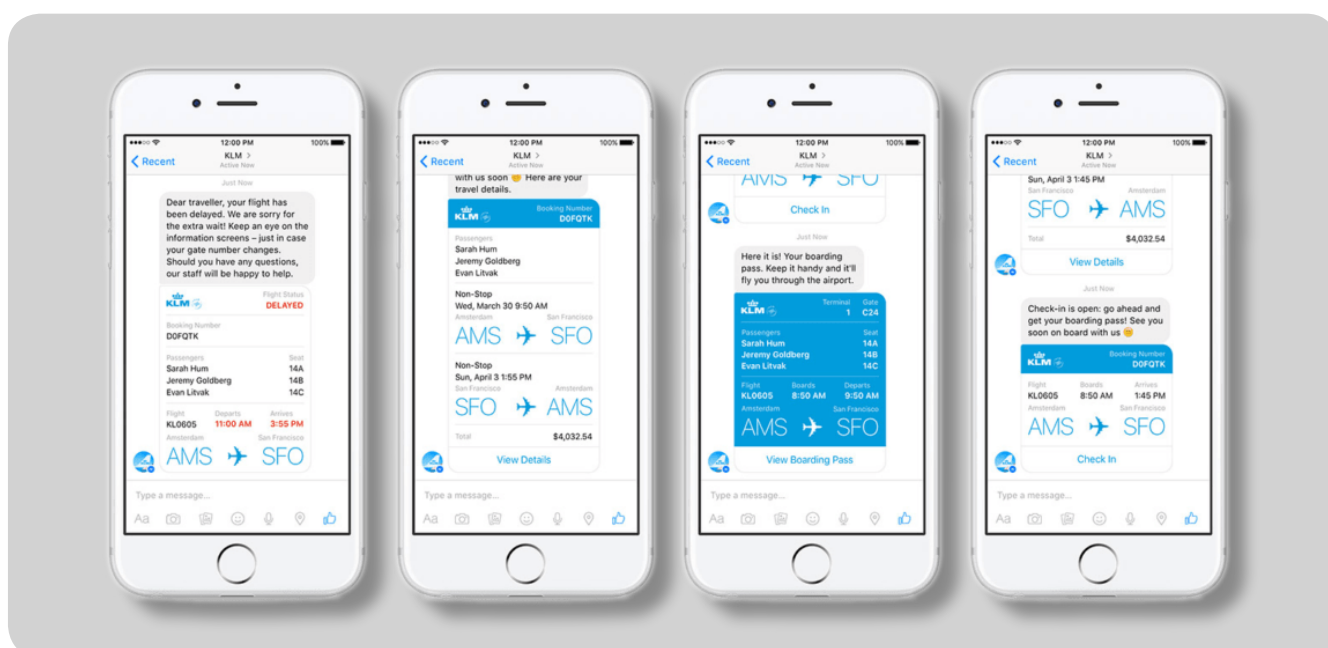
In 2017, the airline introduced its first project Blue Bot (BB); an AI-powered booking bot for Facebook Messenger. With an edgy, helpful and friendly demeanour, BB answers questions and assists users throughout the booking and subsequent stages by arranging visas and a packing lists, ensuring travellers are prepared for their trip.

KLM is seeking to extend its AI customer service capabilities with automated rebooking in case of flight cancellations, and is now investing heavily in building automated decision-making tools to improve operations. The solution will address all elements of the airline operations while having a positive impact on customer experience and operating costs. With these tools, KLM will be able to tackle the most complex decisions pertaining to fleet, crew, ground services and network, with a focus on breaking down the typical silos across these departments.

BLOCKCHAIN

Popularly known as 'smart contract', Blockchain is ledger technology with almost limitless potential. In the travel industry, blockchain can bring a higher level of transparency, better handle personal information and boost services.

Blockchain is one of the most talked-about digital innovation for adding value by removing the middleman. The technology has enormous potential for simplifying complex procedures to make transactions transparent and more accessible.

The technology makes it easier to track guests in real-time to manage crowds and minimise wait times, by notifying personnel when a customer arrives at an airport, amusement park or hotel. Blockchain can also be used to enhance the food supply in the commercial kitchens by keeping an active record of types and quantities, tracking temperatures, and notifying food suppliers, delivery partners and restaurant owners.

Blockchain is expected to become increasingly important in the next decade, which is evident by the sharp growth in blockchain startups from capital investment. International players in the United States are taking the lead, followed by China and the European Union. The 2019 EU report, Blockchain Today and Tomorrow, states funding in Blockchain reached over EUR 7.4 billion in 2018 due to the explosion of ICOs and venture capital investment. The UK is the leading country in Europe in regards to the number of blockchains, with the country hosting almost half of the blockchain startups in all of Europe.

INTERNET OF THINGS (IOT)

IoT involves internet-based inter-connectivity between everyday objects. It essentially transforms them into 'smart devices', with the ability to both send and receive data.

Personal control is the most widespread use of this technology in the travel industry, adding a greater degree of personalisation by centralising the control of lights, seat or bed reclining, heating, entertainment etc.

IoT technology is also being utilised as a placemaking strategy with sensors placed throughout airports and hotels to ramp up security, while creating a streamlined experience. By connecting these sensors to a smartphone, travellers can locate their luggage, navigate their surroundings, receive key notifications or gain access to their hotel room without a card; the possibilities are endless.

This technology is the beginning of a new generation of connectivity and, based on the sheer volume of adoption and investment from the major players, it's safe to say IoT is will continue disrupting the travel and hospitality sectors. It is expected to keep peaking within the next three years to become more of a requirement than a trend.

DATA-DRIVEN PERSONALISATION

Progression in technology is unveiling powerful opportunities for digital personalisation. However, it's important to combine automation with a human touch for a balanced approach that comes across as sincere rather than robotic.

Data is a growing necessity for all brands to better customise their messaging, products and services, enabling customers to feel valued and reap the benefits of having completely tailored services. For the travel and leisure industry to continue to progress with personalisation, operators will require even more data to be collected - and ideally dynamically from a first-party source.

Businesses should be more creative with the information gathering process, integrate it into the devices they're already using, and alleviate the hassle by pre-filling known information (e.g. dates, destinations, room types, etc). Questions should be easy to answer on impulse and the value for doing so should be clear. For example, if a user reports having to wait half an hour for their drinks to arrive at a hotel's restaurant, the hotel could discreetly arrange for a bottle of prosecco to be sent to the room with two apple juices for the kids.

The My Disney Experience App is an incredible example of a brand that's providing an equal value exchange; swapping data for a heightened experience. When a guest creates an account with Disney, their dinner reservations, ride passes, character meet and greets, and more can all be accessed from a single app. Guests can fully map out their stay right from their phones, and Disney can stay engaged with them throughout their trip.

Plus, guests can link their tickets to a wristband, so that they can float around the parks without being held up at pesky ticket booths. The omnichannel experience app enables guests to organise and get the most out of their stay, while Disney gains insight into their choices in order to better analyse consumer behaviour.

Sometimes it's not just about making things easier; the 'wow' factor goes a long way in travel and leisure. The more impressed and engaged a visitor is, the more likely they are to shout about their experience, recommend it and repeat it. There is risk attached to introducing digital in new ways, as it can be difficult to gain an initial buy-in. Consumers don't like to change their behaviour, which means brands must be pragmatic and launch their innovations seamlessly. Formula E did just that by following their ambitions to reinvent the century-old motorsport for the tech generation.

Formula E was looking to enthral race-goers in a way that's never been achieved before. Electric cars offer the possibility to use technology in unique ways and Formula E wanted to involve its fans directly in the race, giving them some control over the performance of the cars. The Sitecore-powered web and mobile app create a live race centre by combining smart race data and innovative Augmented Reality solutions. In the click of a button, Formula E fans can make their favourite driver's car go faster. Powered by an online voting system within the site and app, this so-called 'Fan Boost' grants more horsepower by the number of fans a driver has.
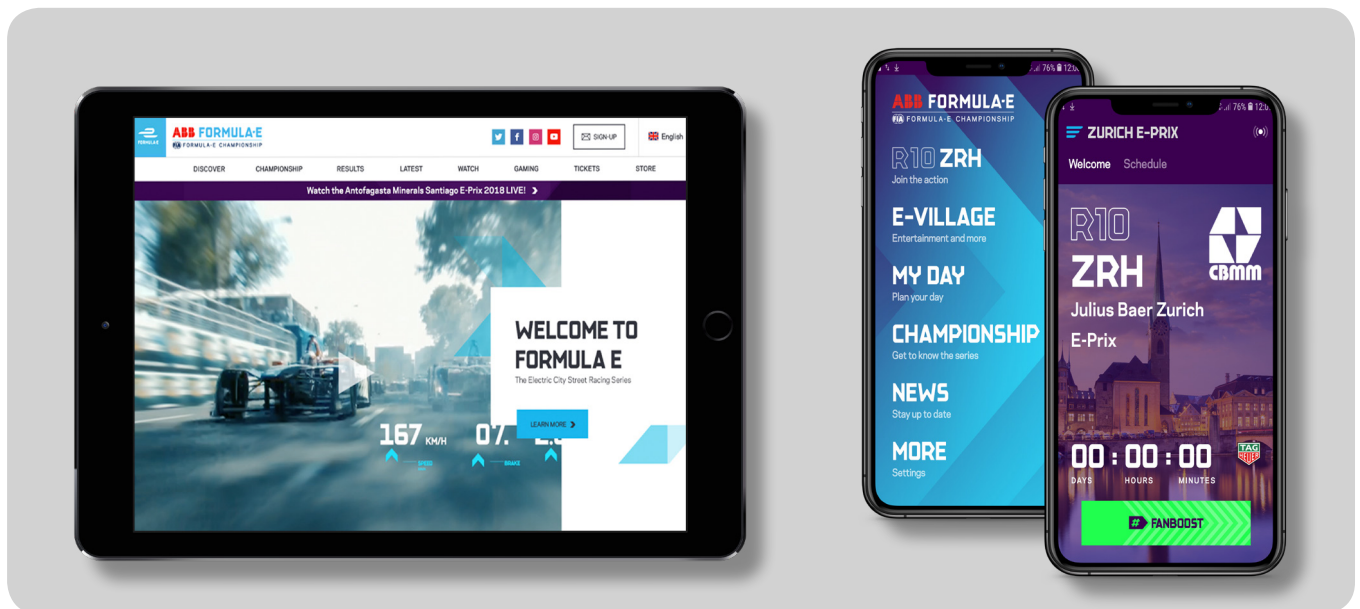
The multiple interactive features of the website and app, combined with localisation, has helped to develop Formula E's supporters into a loyal fanbase. The results have been impressive; the number of global viewers surpassed the previous season's 330million, with an average of 32.6m viewers per race (up 21%). Users generated over 850 million video plays and engagement rates increased by 449%.

POST-PURCHASE CROSS-SELL/UPSELL

The hospitality industry provides a perfect setting for employing advanced cross-sell and up-sell sales techniques and there are many different ways to go about it. Opportunities exist before guests purchase the core offering, during the website check-out process, in the pre-arrival stage, upon check-in, as well as after their stay.

Offering upselling and cross-selling options after the guest has already booked is the most popular route and for good reason. It allows the establishment to build trust with the guest and enable them to consider each purchase individually. When a guest books accommodation they already have so many considerations to take into account - location, reviews, amenities, and price - so it's best not to overload them with more choice, or you could run the risk of hurting your conversion rate.

After the purchase, the hotel may choose to follow up with an SMS or email offer that's timely for when they're visiting, or details for airport pickup. This approach plays up the notion that the guest should choose the venue first and view everything else as a bonus. This works really well for business travellers, solo short stays, or impulse travellers. But what about more complicated trips such as family holidays, hen dos, or reunions, when people want more choice and they're not just choosing a hotel based on the basics?

Bultin's, a chain of large seaside resorts in the UK, has earned a reputation for being a staple for British families holidays. The legacy operator was looking for new and innovative ways to unleash digital to engage holidayers prior to their break. With the objective of building hype for the experience ahead, whilst releasing commercial opportunities, Butlin's collaborated with Dept to launch the digital holiday planner.

Users are given control of their whole experience, at their fingertips, from the first engagement point. The planner features real-time data with a localised list of activities at their designated resort so they're able to plan ahead, as well as rejig their schedule as their day unfolds. Gone are the days of checking the activities' board in the mornings, or calling up the receptionist to ask about the evening entertainment. Guests are given full transparency so they're able to customise their stay and take advantage of meal deals and activities. With the ability to plan ahead, guests arrive knowing exactly what they're getting and can pack their suitcase appropriately.

It's a win-win scenario for both the establishment and the guest. Built-in analytics provide intelligence to the Resort Activity Managers about booking levels for all activities to plan ahead, and the data underpins operational improvements. Most importantly, the digital holiday planner is enhancing the customer experience and building brand loyalty.

Bourne Leisure is the parent company for Butlin's, Warner Leisure Hotels and Haven, who operate 37 family holiday parks in the UK. Haven represents the quintessential British holiday, providing caravans, touring and camping facilities filled with activities and entertainment for all ages. Haven was looking to transform rudimentary operations by introducing flexibility to better serve their range of clientele. Previously, visitors were assigned a pitch on arrival, however, this did not always meet their preferences.

Haven turned to Dept to develop a [Choose Your Holiday Home](#) (CYHH) web-based application, enabling users who have already booked their holiday to select their own caravan pitch or upgrade their current booking. The user can also look inside the caravans as they prepare for their trip. The application uses Google Maps API and adds a layer of artwork to showcase points of interest, such as activities, food and facilities. This technology opens the door to future possibilities with Google, as its platform evolves with virtual reality, street view and satellite images.

It was launched initially on 3 of its sites and +400 bookings were made via the app in the first few weeks of launch, demonstrating a clear demand for this type of post-booking service.

If a hotel is able to offer more, why not make that clear? It seems like hotels that are being reactive rather than proactive, are missing out on key communication points and relative opportunities, yet there is no one-size-fits-all solution. Perhaps some hotels are just not set up from a logistical standpoint to offer extras, or it's not worthwhile so they'll stick to their bread and butter. In any case, in today's technology-driven environment, it's becoming increasingly standard to offer digital solutions and complementary services. Business travellers are expecting wifi, meeting rooms and fitness facilities and, likewise, leisure travellers want an interactive map with all hotspots pinned. Hotels that are skimming the service with simple room and board will fall behind as others transform.

INCREASING ANCILLARY SALES

Giants in the travel and leisure sector are optimistic about the future of the industry thanks to ancillary revenue streams. The tactic of cross-selling and up-selling extras isn't new, but has skyrocketed in this sector over the past five years. Businesses of all sizes are reaching beyond their core offerings to open new lines of revenue. For example, in 2019, Marriott launched Homes & Villas in 100 destinations, to compete in the home-sharing business. In 2016, Airbnb branched out into tours and activities and reported exceeding 1 million bookings in its first year of operations, followed by a 7x increase in bookings in 2018.

Supporting services are most successful when they benefit both the provider and the customer. Airlines are a great example of this by offering extras that aren't necessary but genuinely improve a customer's experience. According to the 2018 Amadeus Global Report, top-performing airlines attribute 20% of annual income to ancillary revenue.

Ryanair set a 5-year target to reach 30% ancillary revenue by 2020 and is on track, having delivered 28% by 2019. As part of the plan, Ryanair maintained low-cost flights and revamped its hotly debated cabin bag policy, as well as charges for flight retail and F&B items, reserved seating, priority boarding and so on. Despite closing its holiday division in early 2019, Ryanair's biggest achievements since stating its ambitions to become the 'Amazon of Travel' are Rooms, Hotels and Car Hire. This success is very closely tied to improvements made in its mobile and digital platforms, which have delivered a 13% increase in ancillary revenues, by making these extra offerings more prevalent on their website and mobile app.

THE 5 STAGES OF THE CUSTOMER BOOKING JOURNEY

The travel industry has the benefit of an unusually long customer journey, which Google breaks down into five stages: dreaming, researching, booking, experience and sharing. These stages make up distinct touchpoints in almost every travel and leisure purchase, representing significant opportunities for businesses to add revenue while increasing guest engagements.

Smart operators will leverage this journey to create a completely customisable user path that mimics the experience they're aiming to generate, without coming across as salesy or taking up too much time. It's recommended that brands be creative with multichannel, to effectively link their offerings across internal and external platforms, off and online, to engage consumers in surprising ways.

Timing is everything. Being proactive and responding to unforeseeable circumstances in real-time with push notifications or email updates have a high likelihood of being successful, such as announcing a reduced entry to VIP lounges when there are delays, or hotel offers when flights are grounded due to weather conditions.

The first step in boosting ancillary sales as a travel or leisure vendor is devising a strategy with targets and a clear vision, which could be upselling snacks at a London theatre, or high-end perfumes at airport duty-free. In any situation, it's important to segment audiences and understand what makes each group tick in order to tailor offers to ensure they're appealing and relevant to all. For instance, when compared to a novice theatre go-er, a seasoned patron of the arts is less likely to respond to a 5% off voucher for ice cream on the back of their printed ticket, although they may be more drawn to an ad in a member's app, or glossy back cover drawing attention to the delicate ingredients and luxurious packaging.

5

SEGMENTED COMMUNICATION BY CUSTOMER TYPE

Developing a marketing segmentation plan creates a clear value proposition. It helps businesses to understand their prospects, website users and customers on a deeper level, in order to focus a product or service offering. Almost every business, regardless of their size, must break its total demand into groups and choose which ones they're most equipped to handle.

This process of prioritising the market involves dividing broad subsets of consumers into groups with common needs wants, demand, or characteristics. Naturally, businesses aspire for global domination, but the question should be: where is the smartest place to start? Once key consumers are defined, this intel will become the fuel to the marketing strategy to better target specific groups.

Eurail.com was looking to optimise the customer journey on its website but faced a very common dilemma: how to equally appeal to their two key audiences of non-European travellers and daily commuters. These target groups require completely different content at specific and contradictory moments. This was the key obstacle when Eurail.com turned to Dept. To fully grasp the rail provider's audiences, Dept gathered mass amounts of data and insight from internal and external sources. The agency used its own customer journey mapping model software to hypothesise and test various scenarios.

Based on the findings, the digital user experience was divided into seven unique phases, ranging from awareness to post-purchase. A series of campaigns were created to cater to each phase with matching messages across various communication channels, with the purpose of helping customers to the next stage of their journey.

Inspiration was the first phase with smart interactive banners and videos enticing engagement. The awareness phase followed, with personal and relevant content showcased across dynamic remarketing banners. In the attract and convince phases, audience segmentation was utilised for both search engine advertising (SEA) and dynamic retargeting. For post-purchase/ pre-travel, social media and email marketing are used to re-engage with the customers.

The consumer insight gained through the customer mapping model enabled Eurail.com to personalise content based on behavioural data (both in ads and on the website), to create a tailored and seamless user experience for all of their visitors at any stage of their travel journey. The segmentation campaign increased Eurail.com's success rate of SEA campaigns from 14% to 22%.

A consumer's purpose for using a service, like Eurail, is a great way to segment target audiences. It's also advised to consider preferred channels of communication and implement new uses of technology to better digitally serve customers.

SAYING THE RIGHT THING IN THE RIGHT WAY

Technology is increasingly being used in new ways to better communicate with budding generations that have always been reliant on digital. When brands define their target audiences, they should also determine their preferred means and style of communication, since they can vary depending on age, location, upbringing and personality traits .

If messages aren't tailored in an appropriate tone of voice, they may be misconstrued. If they're not delivered through a platform of choice,they may be missed altogether.

By assuming all audiences are ingesting information in the same way, you risk alienating specific personas. As a generalisation, the baby boomers typically prefer to consume their news from print periodicals, and they like to receive information in person or via telephone. Generation X prefers to be contacted through email and read the news online. Millennials favour text messages/WhatsApp and receive news on social media channels.

Generation Z is the first generation to be digital natives. They're not only used to the availability of information, but also the immediacy of it. This audience group is always tuned-in to their digital platforms and are early adopters to emerging technology. Gen Zs favour authenticity, brand transparency, and expect a personalised experience, which often leans on a storytelling approach involving rich multimedia.
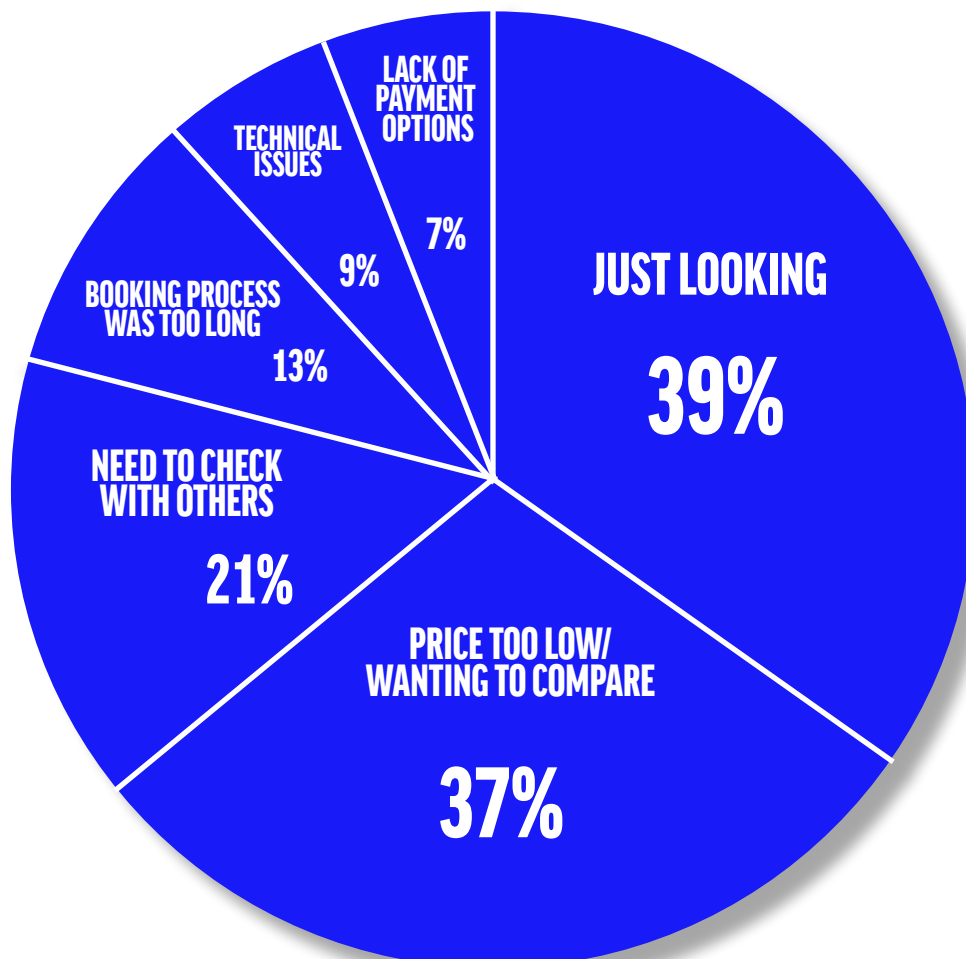
The Van Gogh Museum in Amsterdam had a vision of introducing digital into their exhibits to engage a younger target audience. The 'Unravel Van Gogh' web app was created to re-introduce his impact on the post-impressionism art movement, uplift his story and creatively showcase his paintings. With an overarching aim of inclusivity, the app was created with a high standard of accessibility, fuelling museum attendees with insight into lesser-known details about Van Gogh's works without needing to read or follow a group tour. The app adds a new layer to the museum and makes visiting more interesting for all. The interactive illustrations dynamically highlight key points that are difficult to see with the naked eye, relating to colour choice and tying in intriguing substories. Unravel Van Gogh won a 2019 Webby Award and is expected to benefit two million people within the first year of launch. What a great way to preserve Van Gogh's legacy into the future, digital generations!
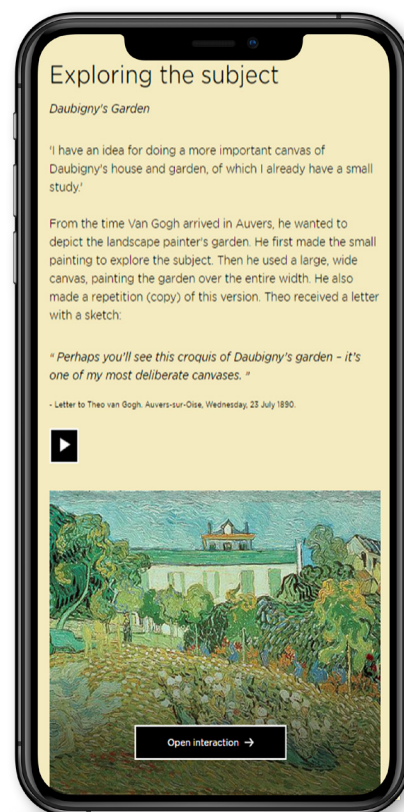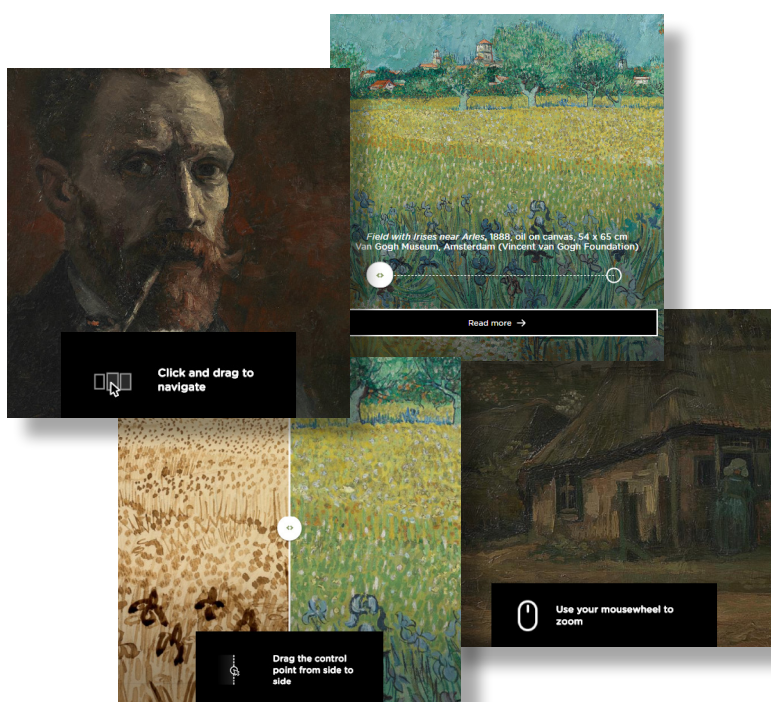
REDUCING ONLINE SHOPPING BASKET ABANDONMENT

International data specialists SaleCycle tracked over 280 million online bookings and abandonments in the travel industry with the objective of analysing trends in consumer behaviour. The Understanding Airline and Travel Trends report revealed that airline websites have the highest booking abandonment out of all subsectors in online travel. The average global abandonment rate for airline sites is 87.9%, which is higher than the travel industry average of 81%, and overall online abandonment rate of 76.9%.

This doesn't necessarily indicate that airline websites are poorly designed or incredibly difficult to use. But there is always room for improvements to minimise the number of steps a user needs to take to unveil all of the required information to book or the final price. As a rule of thumb, the longer the purchasing process is, the more likely customers are to abandon it. However, there are more variables at play here that a perfectly performing website simply cannot fix. Here are the real reasons why the airline booking rates are so low:

Pie chart with the following segments:
- JUST LOOKING 39%
- PRICE TOO LOW/ WANTING TO COMPARE 37%
- NEED TO CHECK WITH OTHERS 21%
- BOOKING PROCESS WAS TOO LONG 13%
- TECHNICAL ISSUES 9%
- LACK OF PAYMENT OPTIONS 7%

The research process tends to be longer for travel than other services, with users taking up to 45 days and visiting as many as 38 travel websites before completing their booking. With a generally longer researching timeframe, abandonment doesn't always mean visitors have decided against the purchase; 87% of survey respondents said they would consider coming back to their abandoned booking. Personalised re-marketing is a great tactic to prompt users to return to their booking and users appreciate when a website saves their trip details, so it's easy to resume when they're ready.

If research is just part of the process with choosing an airline, then marketers in this industry shouldn't be too distraught by low conversation rates. Instead, take the opportunity to persuade users when they land on your site with an enhanced customer journey. To stay competitive, airlines are increasingly having to create online experiences that are commercially valuable to both them and their customers.

New data collecting techniques, combined with a constantly connected consumer base, provide airlines with incredible potential. The growing sophistication of machine-learning technologies means anticipating future behaviour is much easier. Emerging technology makes identifying key customer segments, such as budget travellers, families, business travellers and frequent flyers simpler, which opens the doors to real-time opportunities. Similar, to the Eurail.com example described earlier in this report, targeted offers can enhance the customer journey and enable users to interact with the website in a way that appeals to their specific needs.

Localisation can make a big difference, even in its simplest form. Users appreciate when their location is pre-populated in the departure field, when the language is automatically adjusted, and the right currency is displayed.

Mobile is pinpointed as a constant stressor in the checkout journey and tech giants are betting on mobile wallets to close this gap, so it's worth keeping an eye on ApplePay and PayPal to see how they prevail.

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INCREASING BOOKING ON MOBILE DEVICES

Travel and leisure consumers are naturally on-the-go. Whether a person is visiting for business or pleasure, they're increasingly reliant on their mobile devices to navigate, book transit, make reservations, arrange entertainment, connect with friends, and so on. With these capabilities in the palm of their hand, why would someone opt to station themselves at one location and open their laptop? If there's no need to stop what they're doing, most people would choose to keep going. Although mobile is the device of choice, 54% of leisure travellers and 69% of business travellers say that mobile limitations or usability are their main reasons for booking on another device.

To increase bookings on devices, brands need to fine-tune their own mobile presence. This means optimising their advertising campaigns to divert to mobile screens and ensuring the user is unobstructedly able to convert from the moment they land on the homepage.

OPTIMISE ALL STAGES OF THE BOOKING PROCESS FOR MOBILE USERS

Most travel and tourism brands already have a mobile-friendly website however, they often divert the user to a third party booking engine which is not optimised for mobile and provides a subpar experience.

Ensuring a smooth and seamless user journey throughout all stages of a website, across all types of devices, is a growing necessity. Brands that embrace mobile browsing behaviour with personalised content and seamless payment options facilitate more mobile conversions, prevent cart abandonment and boost ancillary revenue. 88% of travellers with smartphones would switch to another website or app if one doesn't satisfy their needs. At this stage, businesses are at high risk of losing this customer to a competitor.

MAKE IT EASY FOR USERS TO SEARCH FOR CONTENT ON YOUR WEBSITE

Mobile is the dominant channel for hotel searches, according to a report from Google and Sojern. This is especially true in the economy and midscale segments with 73% and 62% of all searches performed on mobile, respectively.

Brands across travel and leisure need to take heed, and make it easier for users to search their offerings on mobile, with tailored user journeys and optimised content. If images don't load properly on phones and key buttons aren't visible, users are more likely to search for an alternative option rather than wait. Brands must take all measures to ensure that the convenience of viewing a website on mobile doesn't come at the cost of great user experience because, ultimately, it's the business that will be paying the price.

HAVE AN SEO STRATEGY TO ENSURE VISIBILITY

With the increase in mobile searching, the travel customer's journey is hinged on the ability to research, discuss and share information, recommendations and reviews.

The most effective approach to travel SEO takes into account all stages of the process, ensuring a business is at the forefront of the customer's mind as they're seeking inspiration, planning the trip, making the booking, and then throughout continued research.

It's a long tail strategy involving tweaking the website's code, as well as executing marketing tactics to target highly specific phrases, such as 'dog-friendly hotels in the Lake District', or 'short family break in London'. Tactics to improve brand rankings, link building and digital PR are also all-important to heighten visibility and establish trust.

TAILOR AD CAMPAIGNS TO MOBILE USERS WHEN IT COUNTS

Moments of urgency, such as when travellers feel like they could miss out on a good deal or need to extend a trip, makes people extremely likely to book on their phone. In fact, up to 80% of last-minute bookings are made on mobile devices, which presents an opportunity for any business in the travel and leisure space to send targeted messages.

It's crucial to make these offers comprehensive on mobile and easy to book on a whim. When crafting an ad campaign to suit this scenario, it's best to apply logic to tap into the psychology of the consumer whenever possible. For example, when it comes to beach holidays, the majority (79%) start their journey unsure of where to go and more than half (53%) are influenced by the temperature.

Smart marketers will use this insight to create a campaign for when it's raining in the UK and bring users to a landing page displaying high temperatures and sunny skies, prompting them to book a getaway.

GET AN APP

Travellers are moving beyond mobile-friendly websites and turning to apps as their ultimate platform of choice. It all comes down to usability and customer journey. Even mobile-optimised websites are generally falling behind native apps, despite best efforts.

Travel apps are usually downloaded via a trusted, unbiased provider which makes it easy for users to research options, find reviews, check rates, and make a booking. Apps also store all prudent information within one space and send push notifications, so there is no need to continuously check status dates or switch between screens or programmes to retrieve a booking reference, passport number, confirmation code, etc.

Although many apps require internet connectivity to perform their tasks, some can be accessed anywhere at any time, which is a big bonus for travellers. Being featured on a third-party app like Booking.com, Expedia or Kayak definitely has advantages for brand awareness and referral, but it's even better if a brand can create its own app and establish an active userbase, like the Hilton Honors, Airbnb or Priority Pass.

ACT NOW!

There's a myriad of opportunities for Travel and Leisure brands to raise the bar in regards to customer experience. But before jumping on the AI or app bandwagon, it's imperative to create a digital roadmap and multi-channel strategy that supports the overarching business objectives.

User behaviour and consumer expectations are changing all the time. Travel and leisure brands must evolve their digital strategies to compete in this changing landscape, to both maximise the opportunities it presents, while ensuring long term brand loyalty and revenue growth,

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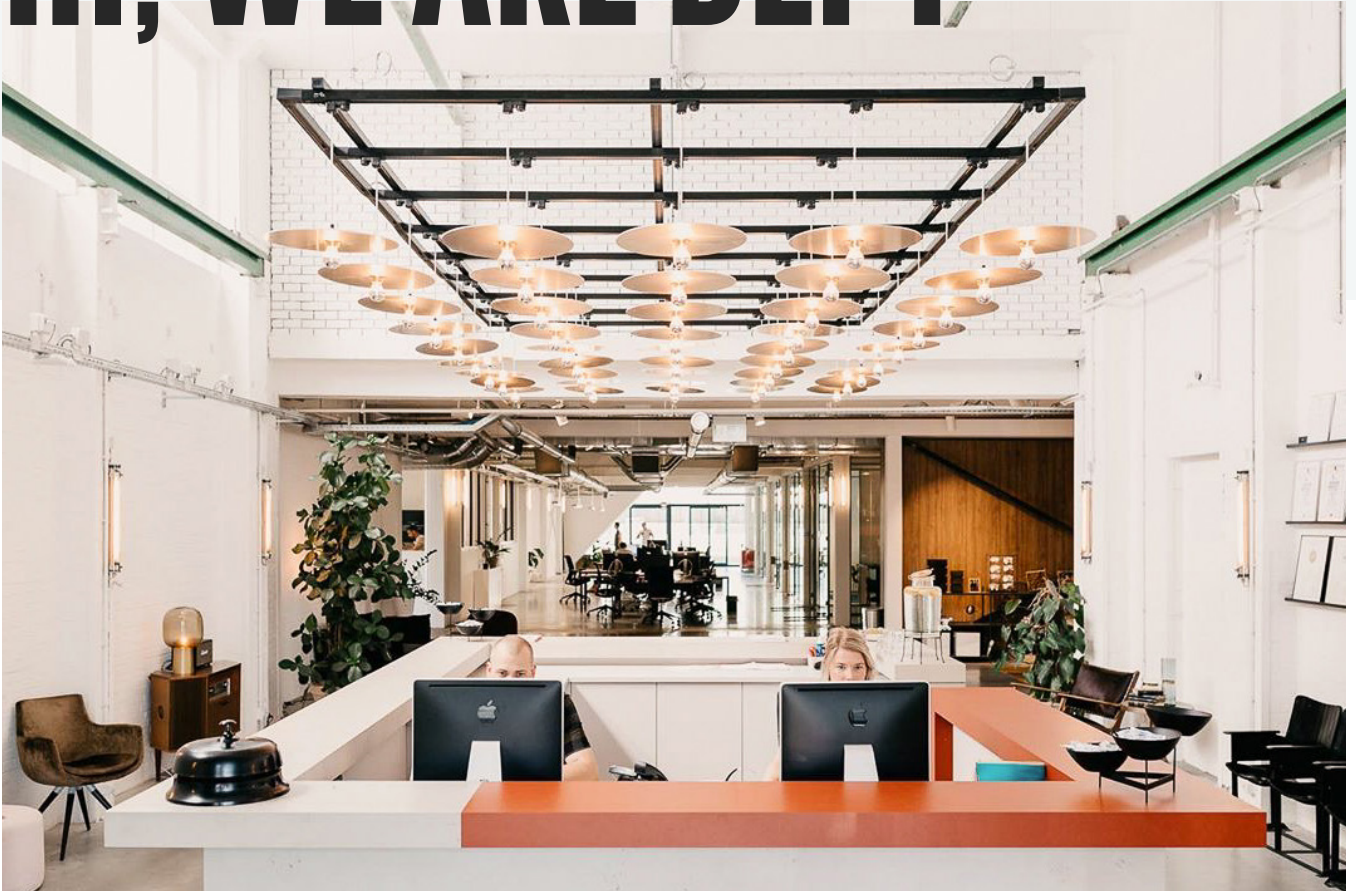
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The Sitecore® Experience Platform™ (XP) provides marketers with everything they need: Comprehensive digital marketing tools; a holistic view of customer data, and machine learning generated insights that deliver highly effective, personalised experiences across any channel.

Digital marketing tools connect all of your data to create, tailor, and personalise each customer experience.

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• **Scalable content management:** From small digital footprints to the largest in the world, Sitecore XP provides expansive frameworks and features to effectively manage all your content with ease.

• **Rich data, smart insights:** Sitecore XP allows you to collect and connect real-time customer data and interactions from all campaigns, sources, and third-party systems over time; stores them in the Sitecore® Experience Database™ (xDB); then generates real-time actionable insights with Sitecore Cortex™ machine learning for high-impact results.

• **Versatile digital marketing:** Whether used as a full digital marketing platform or integrated with other complementary best-of-breed solutions, Sitecore XP offers marketers and developers the freedom, flexibility, and speed to simply and effectively engage with customers.

• **Omnichannel delivery:** Sitecore XP delivers personalised experiences across the channels of today and scales to support the channels of tomorrow, from social, web, and mobile to point-of-sale, kiosks, IoT, AR, VR, and mixed reality.

Leading travel and leisure brands including Easyjet, Accor Hotels, Formula E, and Vue Cinemas rely on Sitecore to power their digital experience.

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ANY QUESTIONS?

Contact our Head of PR Valerie Lalonde if you want to know more. She'll be happy to help you!

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