

YOUR CUSTOMER JOURNEY

How travel and hospitality businesses can take advantage of the digital revolution.

November 2015



EPSILON



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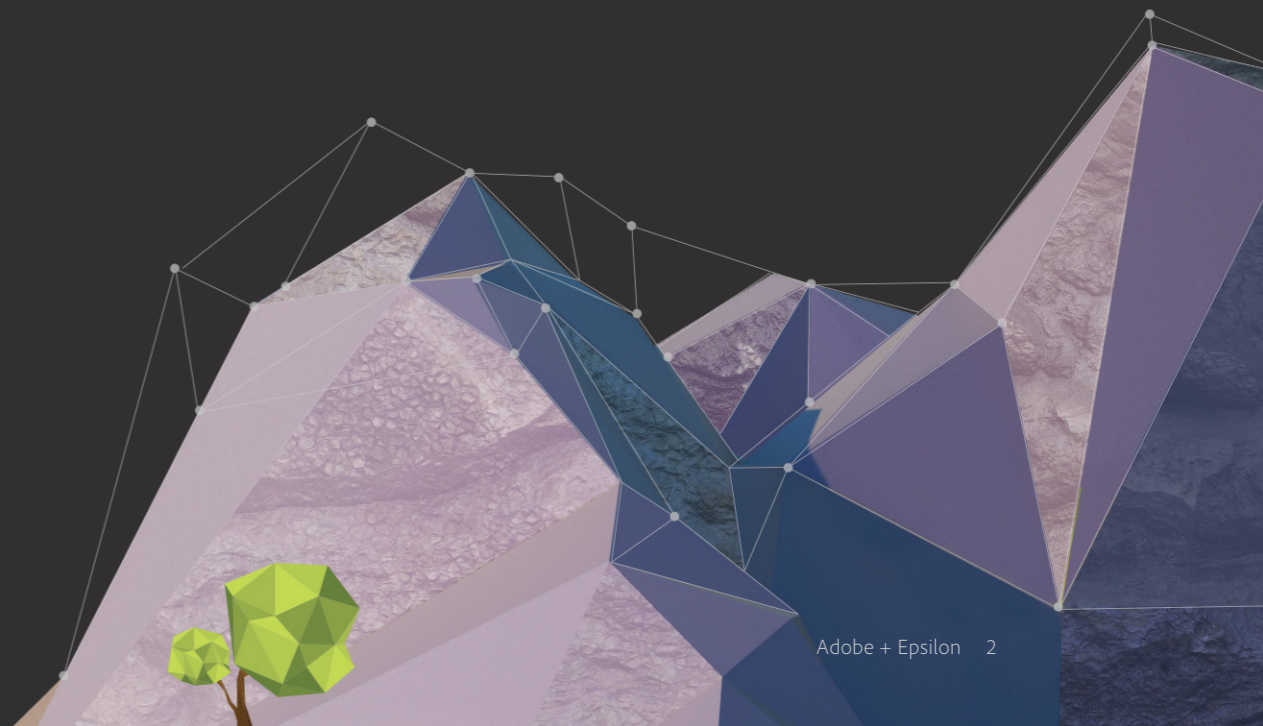
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Lowell is a professional whose wife is in an internship across the country in Manhattan. When he has a break from work, he wants to go see her and share in her experiences in the City.

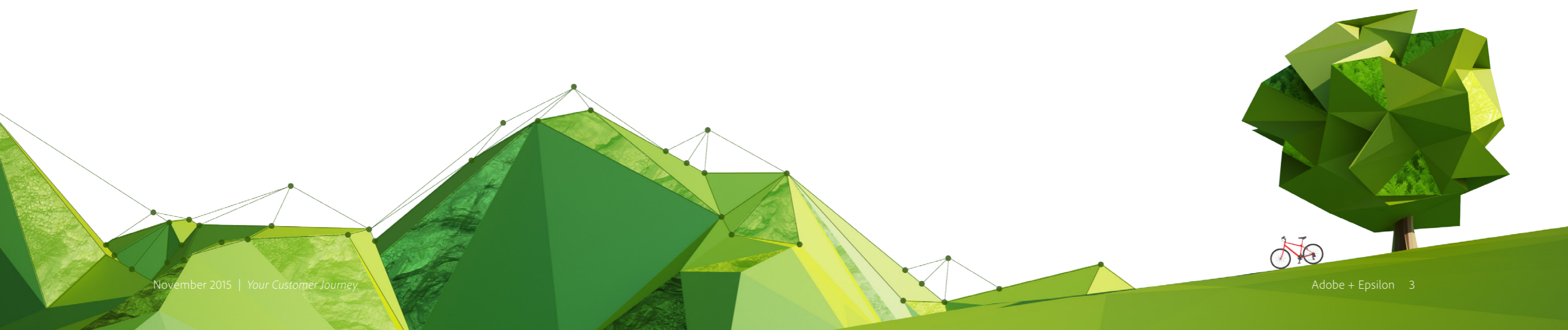
Then there's Cordelia, a seasoned executive who travels regularly for work. As a result, she's about to pass the two million mile mark in her airline loyalty program and is ready for a well-earned vacation.

Or Jane. She's an active millennial who loves to travel. She and her husband, however, are looking for some place close to home for a quick getaway.

You know this challenge. Each traveler is unique. Sure, there are similarities, but in the end, each traveler is taking their own journey for their own reasons and with their own expectations.

It's your job to make that journey successful, but creating an incredible and personal travel experience is hard. Sure, the technology is there, but you have to bring it all together with the right strategy, tactics, and processes, which is no mean feat.

Let's look at what you need to do to pull it off.



More than a phone. **A MINDSET.**

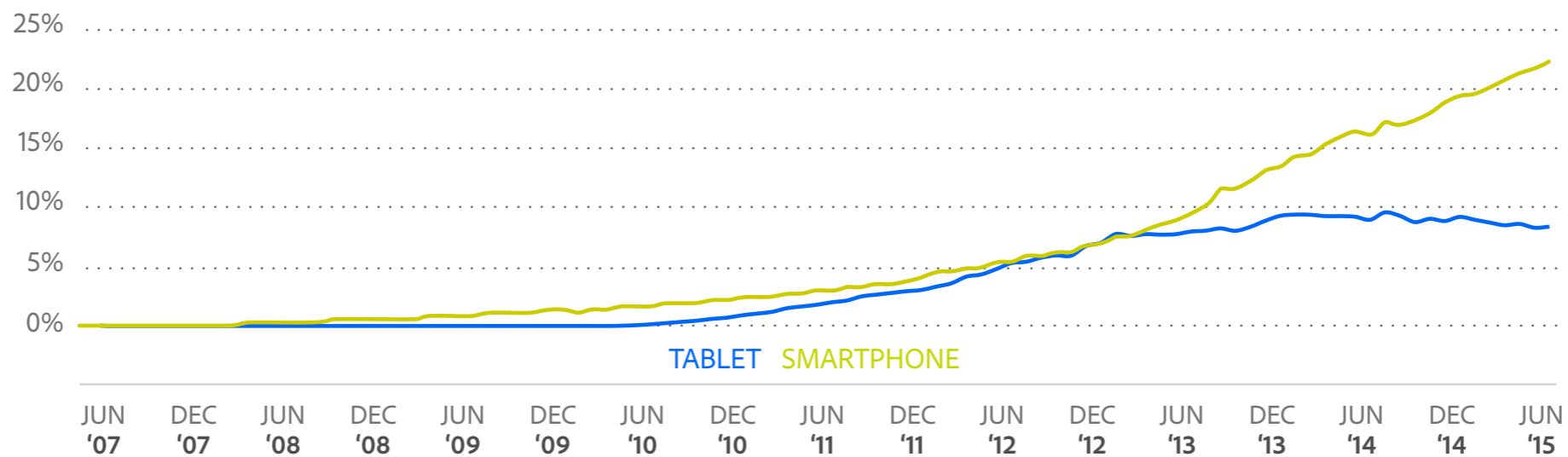
We'll start with the technology, specifically the phone.

The role of the smart phone in today's travel and hospitality experience cannot be overstated. The rate of adoption has been relentless (a fact that's further demonstrated in figure 1, which shows the steady rise of page views on mobile devices since the inception of the smart phone in 2007).¹

But these days, it's not so much the device itself as the mindset it fosters that's so crucial. Internationally recognized mobile expert and author Luke Wroblewski describes this mindset perfectly:

“There are scenarios where the laptop is two feet from you but you have your smart phone in your hand. And it's not that the smart phone is any better or easier for getting things done, it's just that it's there, it's on, so you're going to do it on that device rather than getting up, going over to the laptop, turning it on, right?”

Share of Pageviews: Global



Source: Adobe Mobile Services and Adobe Analytics

Figure 1.

"[I]t's always with you, always connected and you can kind of do it anywhere and everywhere, whereas a lot of these other devices have a home, if you will. The desktop's at the office. The tablet's at the house. The TV's at the house. You're generally not watching TV during the day, but the smart phone is always with you, always connected so it kind of becomes the first line of defense."²

And while the smart phone is at the heart of this revolution of constant access to information and technology, it's certainly not alone. With tablets, smart watches, intelligent cars, and the vastly expanding network generally referred to as the Internet of Things, the mobile movement is a juggernaut. In fact, Gartner has predicted 310 *billion* mobile app downloads by 2016³ and eMarketer predicts that commerce through mobile devices will generate \$60.7 billion in revenue by 2019.⁴

Mobile app downloads by 2016.³

310 billion

Source: Gartner

Commerce revenue through mobile by 2019.⁴

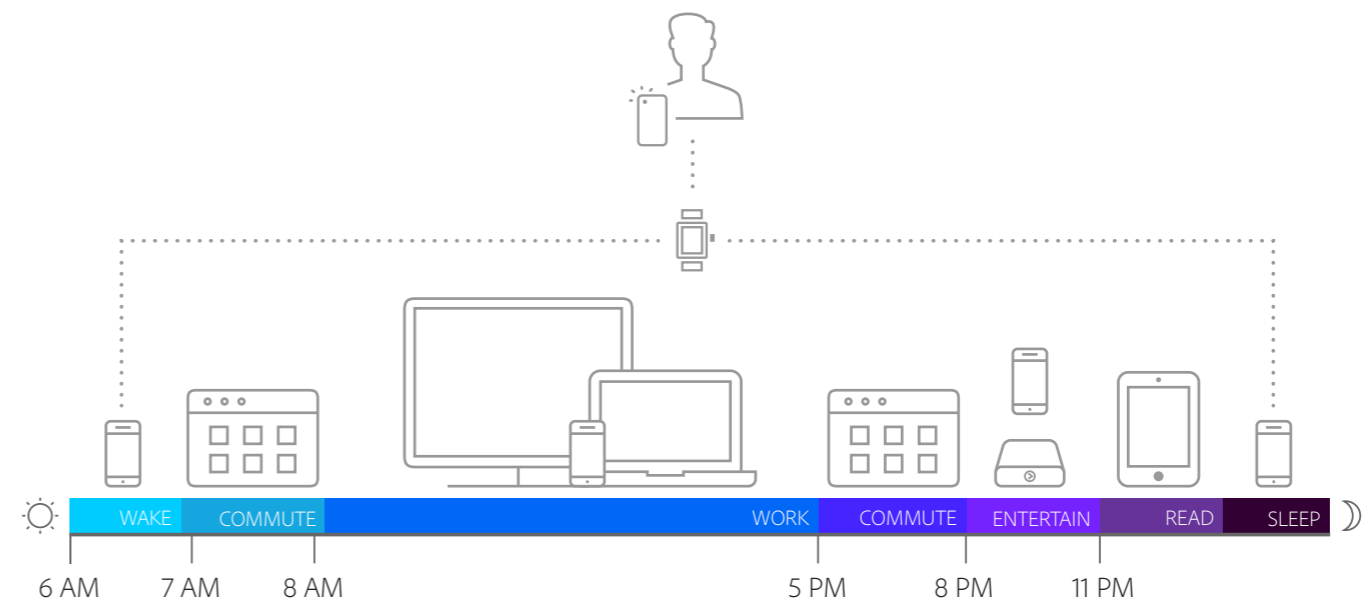
\$60.7 billion

Source: eMarketer

Through strategies like responsive design, mobile is even changing the traditional desktop experience. Indeed, the entire digital landscape has been changed by mobile, but again, it's not about the technology so much as the mindset.

Today, travelers expect to have access to information 24/7. And increasingly, they don't care which device delivers it. A search may start on a tablet, but it often ends on a phone or a desktop.

But no matter the device, from the minute they wake up to the minute they go to sleep (and sometimes while they sleep), people today are plugged in (see figure 2). And while they want businesses to be a part of that experience, they expect everything to happen on their terms.



Source: @Lukew

Figure 2.

MOBILE millennium.

While this affects all businesses who expect to succeed in the mobile world, it hits travel and hospitality businesses—for whom the term “customer journey” has literal significance—right where it hurts. Hotels, airlines, rental car companies, cruise lines—if you work in one of these, or any other travel-oriented business, you likely feel the pressure that comes from the mandate of this mobile mindset.

Especially because this mindset is becoming a part of our cultural underpinnings. One of the features of the so-called “millennial” generation—which is generally described as encompassing people born between 1980 and 2000—is its acceptance of and proficiency with digital technology, including mobile.

This is important because millennials are becoming the big spenders in travel and hospitality. According to a report published by the Boston Consulting Group, millennials will account for almost half of all spending on business flights by 2020.⁵

The same report demonstrates how this millennial mobile mindset is changing things. In the Boston Consulting Group’s findings, 75% of millennials who took the survey had a travel app on their phone. In contrast, only 47% of non-millennials made the same claim.

Similarly, millennials “are more likely to use Amazon, Google Maps, Yelp, Hotels.com, Expedia, Kayak, Orbitz, and the travel apps of traditional carriers such as Delta and American Airline.”⁶ And “millennials are twice as likely as non-millennials to use their mobile phones to show travel pictures to friends, share travel photos on social media, blog or recount travel experiences online, and post travel reviews.”⁷

The expectations of these travelers are different than previous generations. Their familiarity with mobile leads them to expect to interact with brands on their own terms and on their own time. They expect brands to know them and to deliver experiences that are personal, compelling, and share-worthy. And they know that if they’re not getting these experiences from you, they can get them from someone else.

Millennial mobile mindset is changing things.

Millennials had a travel app on their phone.

75%

Non-millennials had a travel app on their phone

47%

Source: Boston Consulting Group survey

DATA to the rescue.

Digital technology clearly enables customers to experience personal and customized journeys, but it also enables you to deliver these journeys by giving you unprecedented access to your customers' lives and the context in which they make decisions, need help, and expect engagement.

The crucial element here is data. Digital technology allows you to gather huge amounts of data about your customers' behavior. The challenge is to gather and use that data efficiently and effectively.

Ideally, this wealth of data should allow you to create a comprehensive view of each customer along their entire journey that allows you to deliver personal messages—and this includes more than simply marketing messages—and experiences that keep them coming back to you again and again.

That's the ideal, but the reality is that most businesses are not there yet (see figure 3).⁸ Indeed, for most businesses, this vast amount of data gets shunted into silos, the customer lifecycle gets chopped into discrete, disconnected pieces, and the business fails to understand the context in which their customer's actions are taking place.

These three challenges—moving past data silos to create a complete, 360-degree view of your customer, understanding the complete customer Lifecycle, and moving from simple personalization to more contextual interactions—are critical in rising above the crowd and delivering extraordinary experiences.

And remember, it isn't just about customer experience. It's about your bottom line too. By delivering these great travel experiences, you're encouraging your customers to spend more with your brand and recommend you to their friends (these are sometimes called brand and business equity).

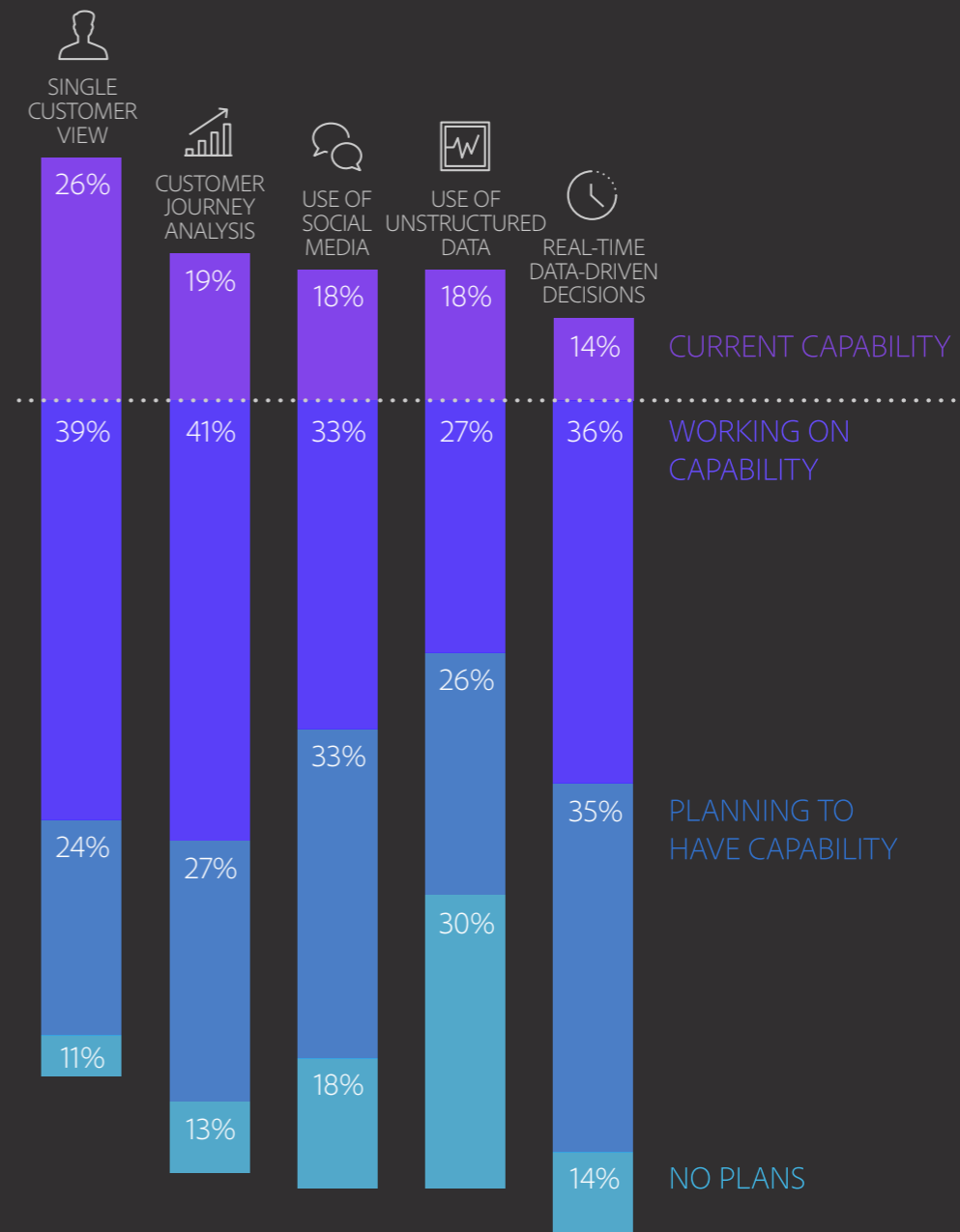
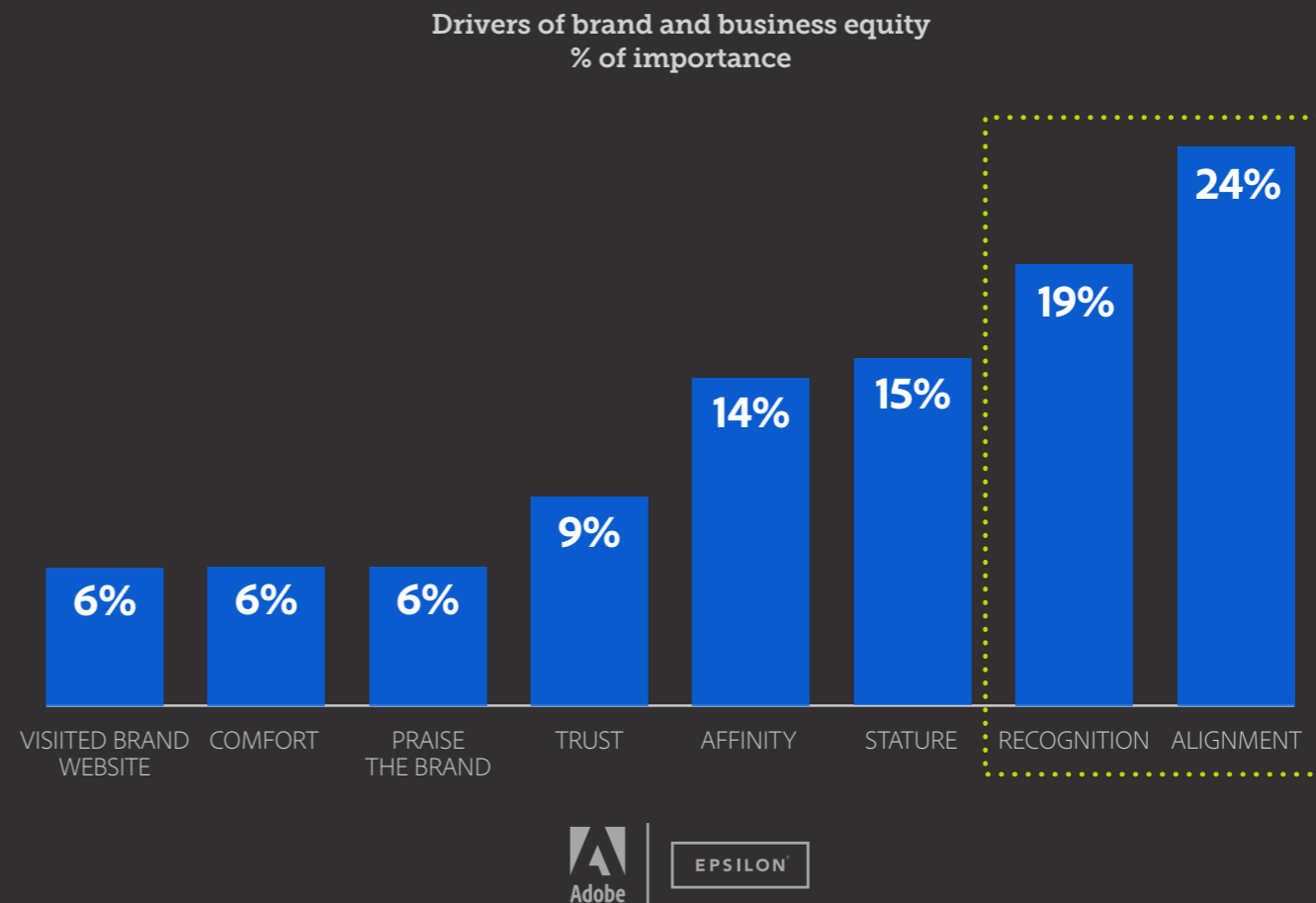


Figure 3.

Epsilon, a global data-driven marketing firm, conducted extensive testing in the travel and hospitality space to find what drives brand and business equity and discovered that the two most influential factors are how well a business aligns with a customer's views and needs and the recognition that business gives its customers for their spending and loyalty (see figure 4). These two factors—which are critical to personalization—account for 43% of what drives wallet share.⁹

By developing a comprehensive view of each, individual customer, engaging them throughout their entire customer journey, and taking advantage of contextual clues, you can create this kind of impressive personalization.

Delivering personalized treatment pays off.



Source: Frawley (Epsilon) 2014

Figure 4.

Complete CUSTOMERS.

Getting a complete, 360-degree view of your customer is all about your data. More specifically, it's about taking advantage of all the data you have about a customer, regardless of its source, to paint a holistic picture of that customer's actions and behaviors so you can deliver to them the experience they're looking for.

This data comes from many sources. Depending on how your business is set up, you're probably receiving information through a variety of channels—from a mobile app to a website to a customer service agent. This is all first-party data, but according to Mohammad Gaber, head of industry strategy for travel at Adobe, "there's a growing amount of second- and third-party data that's at the disposal of brands to build a more complete customer view. At Adobe, we believe that data partnerships and that second-party data is going to be a critical part of creating that picture."¹⁰

This second-party data can come from a variety of partnerships. For example, travel suppliers, meta-mediararies, and online travel agencies are often willing to share data to build closer relationships with their customers. By partnering with them and sharing data, you can gain the same benefit.

Partnership data also gives you access to stages of the customer's journey that you may not have on your own, allowing you to tailor the delivery of your own experiences with greater precision. And because this data is first-party data to your partner, it has a depth you probably won't receive from some third-party source.

The end goal of gathering all this data, of course, is to create a detailed picture of a customer. This is not some broad segment. If you can successfully break down your silos and pull all your data together, you can create a dynamic profile of each customer, allowing you to anticipate and respond to their individual needs.

Consider the profile shown in figure 5. This profile goes way beyond simple demographics. By combining data from all channels and sources, it shows significant detail about the customer's lifestyle, behaviors, and motivations. This allows you to anticipate what he wants and deliver the appropriate messaging or offers. (It also helps you anticipate the needs of other, similar customers too.)

Remember, people are looking for brands that align with their values and appreciate them as customers. By creating customer profiles with this level of detail, you can market to what they're really looking for, instead of guessing at what features you think they might like.



David Benson

Success-oriented/sports enthusiast/high-value traveler

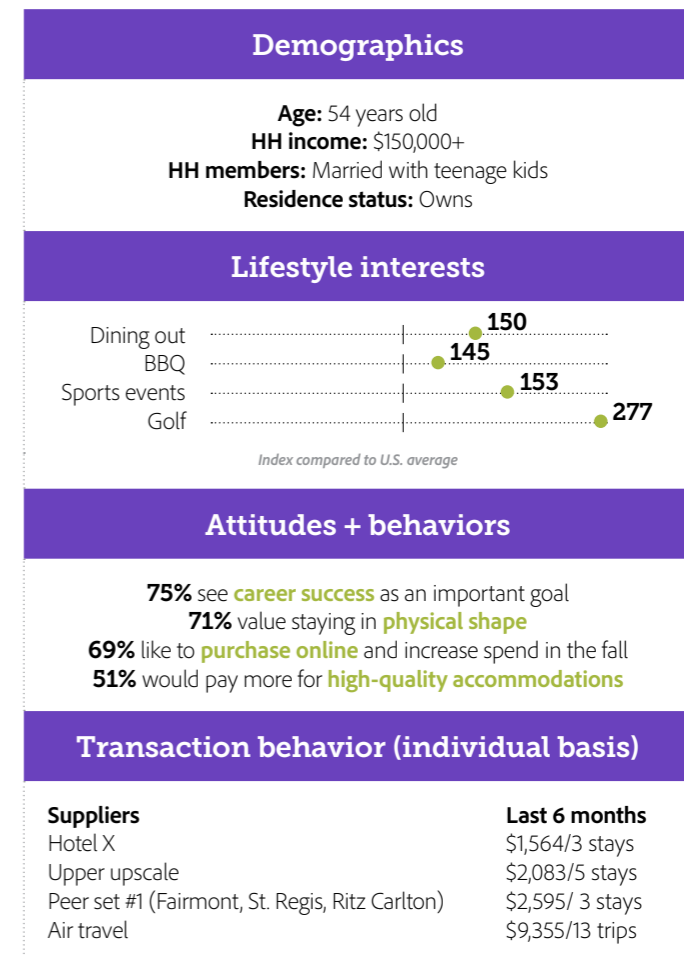


Figure 5.

Complete **JOURNEY.**

It's easy to see your customers' journeys as a series of discrete steps and to try and market to each of these steps individually. In reality, a customer's journey is more complicated and to address that complexity, you need to look at the whole thing as a series of engagements that are connected to each other, and then execute your marketing tactics accordingly (see figure 6).

Traditionally, most of the focus of travel and hospitality businesses has been on the bookings phase of the process. More recently, creating experiences has grown in popularity. But by understanding the ways in which these engagements interact—and by managing these engagements, both inbound and outbound, with a centralized decision-making process—you can better meet your customer's needs.

Carolyn Corda, vice president of industry strategy for travel at Epsilon, describes how they're approaching this idea:

"With more sophisticated 'look-alike' models—mimicking what we see in the retail sector—we're finding the right value-adds and framing them in a way that's more enticing. To improve the pre-trip communication, we're matching offerings—dining options, baggage delivery services, priority access, VIP treatment—based on predicted preferences."¹¹

This focus on the whole lifecycle works. According to Corda, one of their tests with an airline yielded more than a 10% boost in conversion as a result of this kind of personalization.¹²

When working toward this kind of continuous relationship throughout the traveler and guest journey, consider the following:

- Reframe the customer lifecycle as a complete experience where individual touchpoints are milestones along the way. These touchpoints are important, of course, but focusing on the lifecycle as an indivisible unit helps you maintain consistency between touchpoints and between channels.
- Focus on the high-value tasks that customers try to achieve. These tasks might cross online and offline channels, such as direct mail, email, kiosk, in-store, mobile apps, social networks, and your website.
- Design for complete, end-to-end touchpoint experiences that work together and support each other.
- Integrate employee offline interactions by giving front-line employees and call-center staff the same customer view.

In the end, a holistic view of the customer lifecycle depends on that comprehensive view of the customer. As you come to understand the behaviors and actions of an individual customer, you can predict how they'll react throughout their customer journey and deliver the right message at the right time.

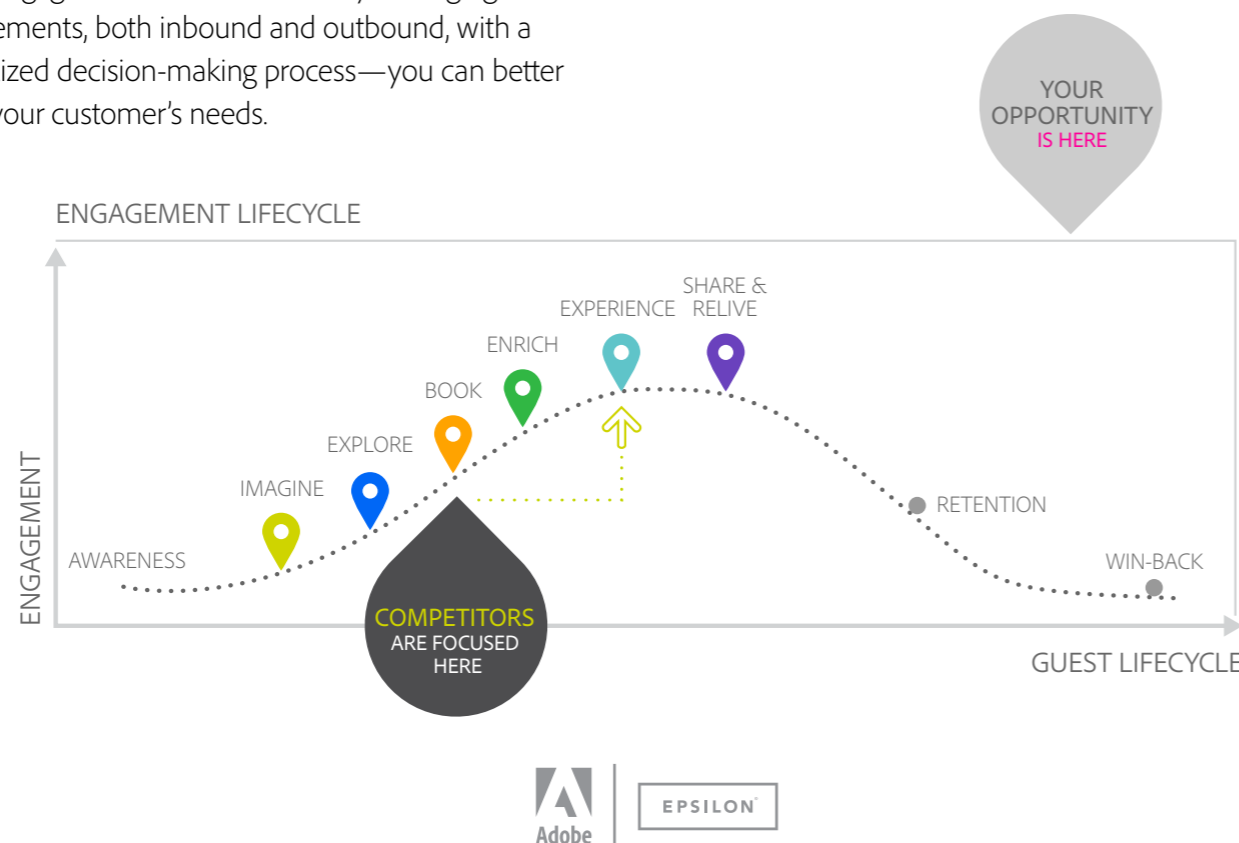


Figure 6.

Complete **CONTEXT.**

Understanding the complete customer is important. Respecting the full scope of the customer journey is crucial. But context is the piece of the puzzle that pulls it together.

Context allows you to go beyond the broad strokes of traditional “personalization”—like simply putting names in emails or applying changes to groups of similar customers—and actually market to the individual. When you have context around your relationship with a customer—even something simple like when and where they interacted with your brand—you can deliver something special. You can engage with them when they’re having a problem, reward them for their participation, and so on.

Again, contextual insights rely on good data. Because your customers interact with you outside the bounds of your traditional marketing campaigns, it’s critical that you pull together information from every available source, including any offline interactions—like when your customer talks to a call center agent or a member of your lobby staff.

It’s also important that you take advantage of the wealth of data that mobile devices provide. For example, smart phones provide detailed information about location, which is classic contextual data that you can absolutely make use of.

Once you have this data, you can use it to respond to (or proactively address) customer needs in real time. Figure 7 shows an example of this, using the imaginary customer we introduced earlier.

Personalization + value alignment.

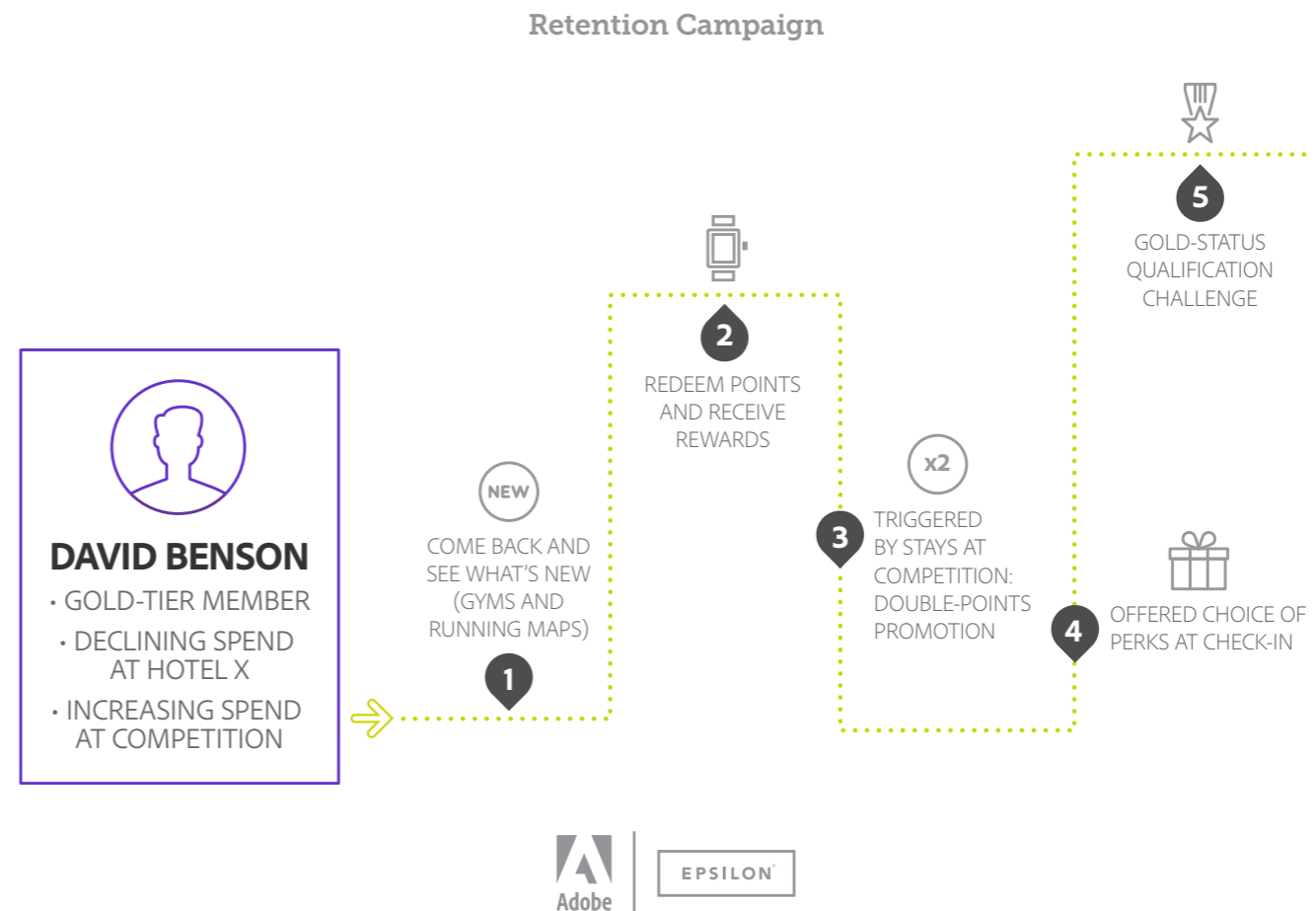


Figure 7.

David is a customer with Hotel X, but by analyzing his spending patterns both with our hotel and with our competitors, we can tell he's in danger of leaving us. To keep him coming back, we plan a campaign aimed at his needs and that responds to his actions in context.

1	To start, we use what we know about him and his interests (information we've gained through first-, second-, and third-party sources) to send an email with a personalized URL that highlights all that our hotel has to offer him specifically. For example, we know he likes to run, so we offer downloadable running maps to areas he's frequented in the past that are near our hotel.
2	When that doesn't work, we reach out to him with an offer to redeem loyalty points that he's accrued. Again, we use what we know about him to tailor the offer with products that we think he'll like. At the same time, we pay attention to what he chooses because this is valuable information about his preferences for the future.
3	Despite our best efforts, our data reveals that David is still choosing to stay with a competitor. This triggers a "double points" promotion to encourage him to stay with us the next time. We're able to offer a deal like this because we have context. We know what he's doing, so we can respond in a way that's specific to him.
4	David jumps on the double points offer, so when he checks in, we give him a choice of perks (like lounge access, late check-out, a bar credit, and so on). Again, by offering him a choice, we have the opportunity to learn more about what's important to him.
5	It's important that we act on our renewed relationship with David, so even though we can predict from his spending habits that he's not likely to gain "Gold" status with us soon, we let him know that if he stays with us eight times in the next sixty days, he can become a gold member. To cheer him on, once he accepts the challenge, we put a widget in our app on his phone, tracking his progress toward gold. We also send emails to remind him of his progress and the benefits of becoming a gold member.

Your customer. **YOUR JOURNEY.**

You have the ability to deliver incredible travel experiences, but not without a little discipline, a little work. You need to bring all your data under one roof. You need to take advantage of second- and third-party data to augment what you already know. And with all this data, you need to create a single, 360-degree understanding of your customer.

Then, you need to respect each phase of their journey, engaging at each step, from before they book until after their trip is over. And you need to put your data to work to understand the context of customer's actions and then take action in response.

The world of travel and hospitality is different today than it was ten years ago, but for you, that's a good thing. These technologies that disrupt and delight are an opportunity for you to give each customer a journey that will stay with them for a lifetime.

Adobe Marketing Cloud is the most comprehensive and integrated marketing solution available, enabling marketers to measure, personalize, and optimize marketing campaigns and digital experiences for optimal marketing performance. With its complete set of solutions, including Adobe Analytics, Adobe Target, Adobe Social, Adobe Experience Manager, Adobe Media Optimizer, Adobe Primetime, Adobe Audience Manager, and Adobe Campaign, as well as real-time dashboards and a collaborative interface, marketers are able to combine data, insights, and digital content to deliver the optimal brand experience to their customers. And it gives you everything you need to get deep insight into your customers, build personalized and unified customer experiences, and manage your content and assets.

Epsilon is the global leader in creating connections between people and brands. An all-encompassing global marketing company, we harness the power of rich data, groundbreaking technologies, engaging creative and transformative ideas to get the results our clients require. Recognized by Ad Age as the #1 World CRM/Direct Marketing Network, #1 U.S. Digital-Agency Network and #1 U.S. Agency from All Disciplines, Epsilon employs over 7,000 associates in 70 offices worldwide. Epsilon is an Alliance Data company.

For more information, visit epsilon.com, follow us on Twitter [@EpsilonMktg](https://twitter.com/EpsilonMktg) or call 1-800-309-0505.

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