Converting the Customer

Part of EyeforTravel's Behavioral Analytics Report Series

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About EyeforTravel

We bring together everyone in the travel industry, from small tech start-ups to international hotel brands, to form a community working towards a smarter and more connected travel industry.

Our mission is to be the place our industry goes to share knowledge and data so that travel and tech brands can work collaboratively to create the perfect experience for the modern traveler.

We do this through our network of global events, our digital content, and our knowledge hub - EyeforTravel On Demand.

Our Values

We believe the industry must focus on a business and distribution model that always puts the customer at the center and produces great products. However, to deliver an outstanding travel experience, the strength, skills, and resources of all partners in the value chain must be respected and understood.

At EyeforTravel we believe the industry can achieve this goal by focusing on a business model that combines customer insight with great product and, most importantly, places the traveler experience at its core.

At our core we aim to enable the above by valuing impartiality, independent thought, openness and cooperation. We hope that these qualities allow us to foster dialogue, guide business decisions, build partnerships and conduct thorough research directly with the industry.

These principles have guided us since 1997 and will continue to keep us at the forefront of the industry as a vibrant travel community for many more years to come.

Our Services

Our events are at the heart of EyeforTravel. These draw in experts from every part of the travel industry to give thought-provoking presentations and engage in discussions. It is our aim that every attendee takes back something new that can help their business to improve. This might be in the fields of consumer research, data insights, technological trends, or marketing and revenue management techniques.

Alongside this we provide our community with commentary, reports, white papers, webinars and other valuable expert-driven content. All of this can be accessed through one place - the On Demand subscription service.

We are always expanding the content we create, so please get in touch if you want to write an article for us, create a white paper or webinar, or feature in our podcast.

EyeforTravel in Numbers

- 80,000+ database contacts
- 2,000+ annual event attendees
- 100,000+ monthly online reach
- 1,000+ online conference presentations

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Acknowledgements

Introduction

Welcome to our Behavioral Analytics Report Series where we seek to uncover how brands can understand the modern traveler to drive higher conversion rates, lower acquisition costs, and ultimately give them the best possible product at the right price.

In this report, we examine how to drive customers down the purchase funnel and ways you can transform yourself into a conversion king!

From understanding where the customer is in their journey, to delivering personalized content, to creating fantastic digital experiences, we are investigating exactly what will drive customers towards your brand and push them over the line to make a booking.

This is critical, as customer acquisition can be a painfully expensive business, which worsens every time one of these potential shoppers departs the funnel not to return.

The good news is that improving this process doesn't have to be a huge challenge.

Introducing engaging, appropriate content, operating well-designed A/B tests, creating a streamlined checkout process and adding in strong social proof are all proven methods to bump up conversions but at relatively low costs. It is all about doing the basics well, and this report will help you to get those building blocks in place and create a superior digital experience.

This is the second report in our series and you can find the first report, Understanding the Travel Consumer by clicking here. You can also sign up to EyeforTravel's newsletter to be notified when our third report in the series, which covers dynamic and personalized pricing, is released.

Alex Hadwick

Head of Research, EyeforTravel

When Is the Perfect Time to Pitch?

Travelers research – a lot! Estimates vary of how many sites users will visit along their entire digital journey, but all are in the double digits, and consumers are keen shoppers. EyeforTravel research of more than 3,000 consumers across Australia, Canada, the UK and the US found that more than 90% of consumers use price comparison sites at least occasionally, with 73% using them regularly when looking to book accommodation and 70% when booking a flight (EyeforTravel Traveler Loyalty Survey 2018).

This research typically extends over one to two weeks of active research and an even longer period of

generally browsing and dreaming about their vacation. This leaves travel brands playing a guessing game as to how advanced the traveler is in their journey and what kind of products they are looking to book. So, how can brands know when and what to offer to their consumers?

Fortunately, there are ways of building clues to understand consumer's needs and proximity to making a booking, which we will discuss in this chapter.

It is worth really delving in and understanding the customer at this time, as although the journey to a

Percentage of Consumers Regularly Using Price Comparison Sites to Book Accommodation and Flights
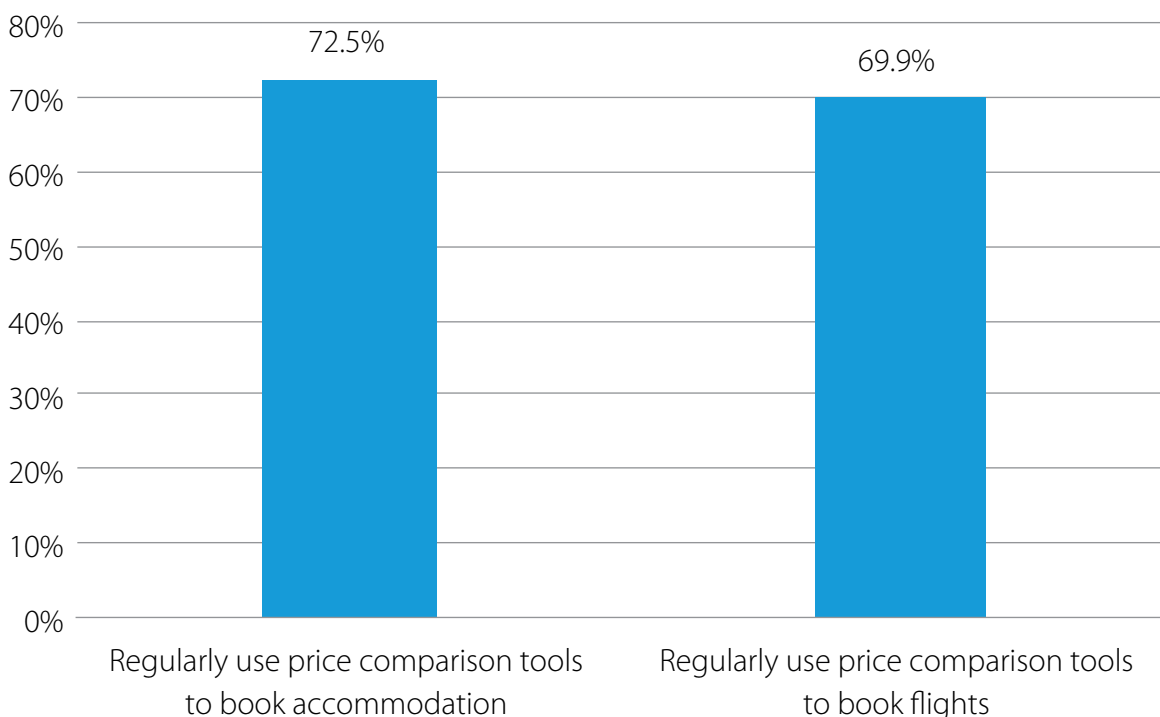
Source: EyeforTravel Traveler Loyalty Survey 2018

booking can become a pain point for some consumers, most view it positively. A 2010 Dutch study found that "post-trip happiness is generally not different for vacationers and non-vacationers" but pre-trip there was a significant positive difference for travelers, peaking just before and during their trip (Nawijn et al, 2010). Therefore, brands should view this as a great opportunity to work with engaged potential customers.

This is the view of Rod Cuthbert, chairman of Rome2Rio and founder of Viator, the online tour seller. "I'm constantly amused by technologists in the travel industry who want to shorten the search and discovery time for consumers," he told the EyeforTravel Europe 2018 summit in London in June. "It's a crucial part of the satisfaction, looking at hotels in Amalfi while they are sitting at their desk at work three weeks before their trip. They want it to take days, they want to look at a dozen sites. People don't want the answer in 300 milliseconds."

However, this long tail for travel makes it hard to know when is precisely the right time to reach out to that consumer and with what content or offers to maximize the chances of them converting.

1.1 Inspiration, Planning and Conversion

When understanding what to offer the customer and when, it is important to understand what kind of traveler you are talking to and what phase they are in. Getting to that stage of information is all about building a strong trail of clues you can follow to maximize your ability to serve up helpful advertising at the right time.

Core to this is addressing the customers' needs before they reach the checkout stage with optimized content that helps them when dreaming about and planning their vacation. Not only does this improve the probability of them booking with your brand through awareness and exposure, it also brings a critical data weapon to your armory. Getting someone to a piece of content can inform you what kind of trip that person is considering and where. It then provides a point to add a tracking cookie that can help create far more depth to that customer picture and improve personalization and remarketing. All of this continues to build awareness and probability of booking.

It all has to begin with engaging content, however.
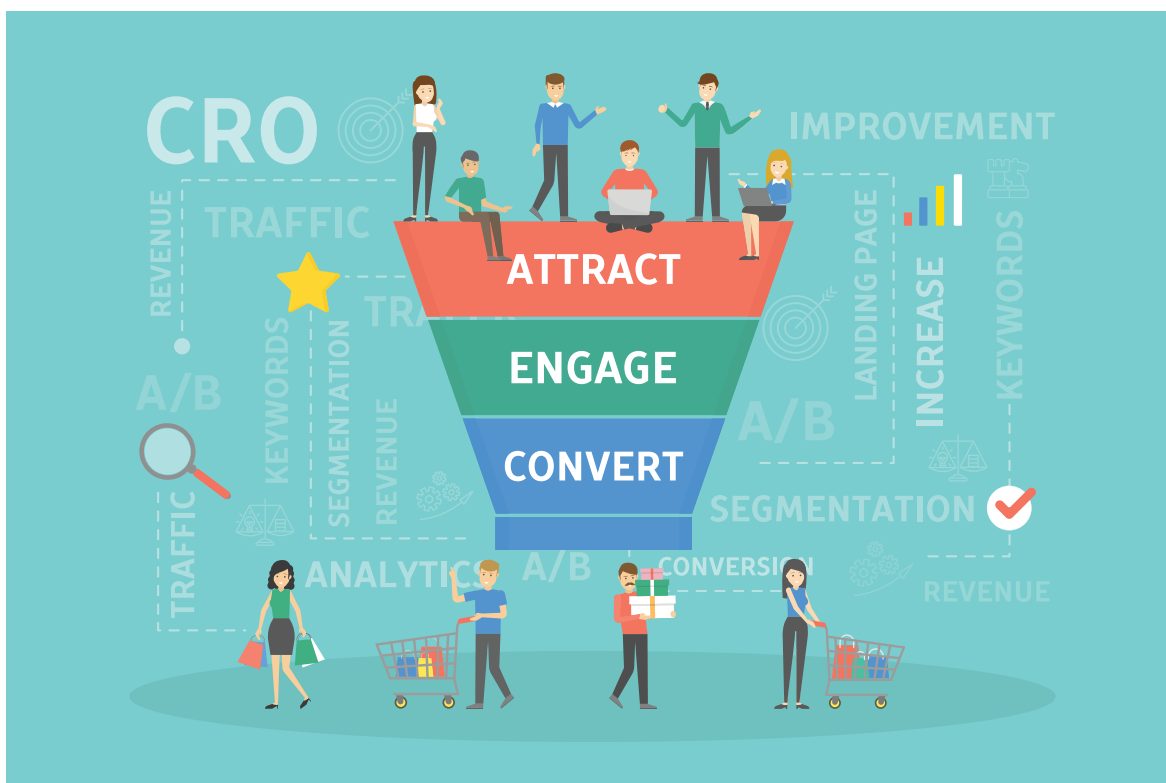
"I think some of the traps hotels might fall into are content that is simply me, me, me," says Chevy Kelly, founder of content start-up Deckchair. "It's not interesting to the person who is trying to discover a destination. It's look at our rooms, our bathrooms, our lovely buffet. These will be important at the 'stay' phase but most people will make decisions for leisure travel if they can understand the attractions it's close to, the local knowledge the hotel has, and the other areas become important as they go down the funnel."

Tess Mattisson, Director, European Marketing for Choice Hotels came to the same conclusion: "Last time I checked no one went to choicehotels.com to get inspiration, even though we as a brand would like to think so, as we are the center of the universe, right? But they don't. They go to, well surprisingly, social. That's where they get their inspiration today. Where do they plan? Well it's not on choicehotels.com, it's actually on other platforms. So, we needed to look where do our customers engage and how we can tap into that conversation," she said at EyeforTravel London 2018.

That is why Choice Hotels set up a dedicated content marketing site, featuring a host of inspirational content and suggestions for attractions around the locations of their hotels known as Travel Top 6. Doing so allowed them to boost conversions by 35% just from this one campaign through drawing people into the top of Choice's funnel and allowing for those customers to be retargeted.

Content marketing also needs to be sent via the widest number of social channels as possible to try and build the relationships that create long-term engagement. "What helped us boost conversion is that we managed to build up a sustainable brand loyalty over social media so people are in contact with our brand every day or when they see things in their news feed," says David Armstrong, CEO of HolidayPirates. "They are reminded of our brand constantly. They always see these great travel deals and even though they are not interested in a deal right now, it's always in the back of their minds that HolidayPirates shows great deals and finds great deals. Whenever they themselves want to go and book something, more and more they just show up at our website or our app to check if there is something that suits their needs right now in that moment. That's why we have managed to have a lot of brand traffic and organic traffic on our website and on our mobile app which helps conversion." (See Section 4.3 for more on HolidayPirates approach)

Critically, getting in at the top of the funnel with content marketing allows for much more accurate judgement of intent among travel consumers. Tracking cookies (if consented to) allows a travel brand to not only better understand the type of trip the user is considering, including location and trip type, but then to follow that consumer on. Brands can then follow across the tail and gather more information and serve up consistent ads that are much more likely to be relevant through this enriched data.

1.2 Interpreting Intent

The best time to advertise can vary dramatically depending on what you are selling and your customer profile, points out Sam Nazari, head of solutions engineering at Sentient Technologies, which helps businesses build and measure web and mobile pages to maximize bookings. The good news is that travel's long tail leaves you time to measure and understand their profile and somewhere within that, consumers are highly likely to visit their final conversion site and product choice at least once before revisiting to make their final booking.

"One of the airlines we are working with has a very long-tail conversion," he says. "The user shows up on day one, and shows up multiple times before they convert. The average [lead time] is about 30 days."

Holiday Pirates also finds that: "Usually people keep visiting you several times until they book, so it's not like they just visit your website and straight away book something," says Armstrong. "Sometimes that may happen but depending on the basket's value, or if it's just a flight," but generally consumers are revisiting the site several times before purchase. This gives HolidayPirates, "What they've been looking at and what they are interested in. You might know historical data of that customer of what they have booked before and those are actually the most important things, but also you may have other data that they have shared with you beforehand, giving preferences of the kind of deals they would like to receive through email or messaging or app push messages. Therefore, put the data points together."

This has been the approach of Roel Verhagen, head of ecommerce at Eurail train, who looked at increasing the engagement they were having with their content. What they did first was to put together a more accurate conversion attribution model and consider each phase

of the journey with the whole. This allowed them to divide up their website into each of the sections in the graphic below and to make KPIs for each step.

"With this model, we are better able to validate performance and actively test new hypotheses for each step in the funnel," says Verhagen. This allows brands to create a more complete view of the customer's behaviors. As "a customer moves up in the funnel, [that] is what we call the success rate. By constantly measuring the success rate we improve KPI's like bounce rate and conversion rate."

Through this model and consolidating all of their data surrounding customer interactions with the brand they were able to take "a long-term view on how to push the Eurail brand using video". This enabled Eurail to redesign their campaigns so that they were more localized and hit more channels, as well as being more effective when users moved down their attribution model. Ultimately,

the were able to push their video views up from 2.5 million to more than 11 million through putting the data points together and fully utilizing social media (see Section 4.5 for more).

If customers have opted in to being tracked for marketing purposes, then tech can also tell you when it's definitely *not* the best time to pitch. Matt Potter, vice president of UK and EMEA for Movable Ink, which helps clients like Virgin Holidays and lastminute.com send automated, personalized emails, sums it up: "If you've just been to New York and get an email two days later saying: 'Go to New York!', that's a bad experience. Just knowing that is really important." Brands should therefore continue to work on their marketing even after the purchase. Not only is this a good time to sell ancillary products but making sure that the CRM and marketing systems work with each other to recognize where customers are in the funnel helps to improve personalization.

1	2	3	4	5	6	7
Aware	Inspired	Informed	Confident	Convinced	Purchasing	Purchased

Dynamically Delivering

2.1 Why Personalize?

Internet advertising allows you to target potential customers more precisely than ever before – and research suggests that at least some personalization makes your message more effective.

In a study in 2015, Alexander Bleier and Mark Eisenbeiss found that "personalized banners yield substantially higher yearly sales revenue after ad costs than non-personalized banners, even if personalized ads are significantly more expensive." Their work suggests that the optimal window for highly-personalized content was shortly after a consumer had visited your website – because there was a time-decay effect, where these super-personal banner adverts became less effective at later dates than a constant, moderately-personalized approach (Marketing Science Institute, 2016).

2.2 More than Words

Movable Ink is all about personalizing content to trigger emotion and, eventually, a booking. The company personalizes images within emails to customers, taking advantage of AI analysis to serve up a relevant image wherever possible.

"It might be a background image. It might be some words you want to say on the image, or a call to action – are they open at the moment or shut [to the idea of booking a trip]? explains Matt Potter, vice president, UK and EMEA.

"We are also starting to deconstruct some of those images on the basis of whether [the visitor] clicks on a link. We try to learn what triggers emotions in people," says Potter. This might be a beach scene or a city location, but it goes deeper

than that, with MovableInk experimenting to see whether that beach scene plays better with palm trees or a family playing in the sea.

People might concentrate on a marketing email for just eight seconds, he says. "If you can put that evocative image in front of somebody, then they pay attention. A picture is very much worth a thousand words, and it's definitely easier to do at scale."

2.3 Cunning Content

When people are looking for a holiday, they aren't just looking for a hotel – they are looking for a great experience of a destination.

Some businesses believe that the best way smaller travel firms, such as hotels, can compete is by combining information about things their potential guests genuinely want to know – for example, the weather – with striking content that grabs their interest.

Deckchair.com helps its clients offer a unique view on the world, with the help of its webcams in 44 countries, capturing 105,000 images every year – one every five minutes, and in 365 "time-lapse" videos of each day. The business works with hotel chains such as Marriott International, Red Lion Hotels, and the Radisson Hotel Group, installing a web camera on their roof space to capture professional-grade images of sites, such as Sydney Harbour or the Eiffel Tower.

"In many cases we are more cost effective than Facebook and Google in driving traffic," says managing director Chevy Kelly. "Some of the properties with a web cam on their rooftop have reported 40% more

Photo: Park Inn by Radisson Berlin Alexanderplatz Germany Deckchair LiveCam

traffic if they create the right type of page with content supporting it – things like weather information, which helps make the webcam page more relevant."

He urges his clients to use their web images for everything from press marketing – publicizing extreme images of the "beast from the East" cold wave in the UK in 2018, for instance – to social media channels, for example showing images of an inspiring early sunrise or dramatic storm.

He adds that hotels can win back business from the large online travel agents by ensuring they offer destination information that isn't just about their own property, but answers people's broader questions.

"When people are Googling for a stay, normally it starts with the destination, whether that be 'museums in London' or 'what is the weather like in London in June?'" he says. "These types of overall [search] terms are less costly for hotels to compete on, compared to 'hotel in London', for example, and travel companies who answer the burning questions a traveler might put themselves in the best position to win from the inspiration and research phase.

"If you have the right destination content, that people are interested in, on your website, that keeps them there for longer. The longer they stay on your site, the more likely they are to convert."

TripAdvisor reviews can guide you in what your guests enjoy about the location, and also what they value about your property or service, he adds. "What hotels need to do better is not just responding to TripAdvisor reviews, but actually learning from them. You might have 500 or 1,000 reviews speaking of a wonderful view, so it absolutely makes sense to really promote that. If less than 5% are talking about their view, or complaining about it, then it's probably not the strongest asset. Your content needs to reflect what they are interested in, in the property and destinations."

So, for example, The Sheraton Amsterdam Airport has a Deckchair.com camera trained on the airport terminal – and showing every business person just how convenient it might be to be out of bed and at the gate in a matter of minutes.

This kind of innovation might require some thought in accompanying content – for example, some copy about typical or live weather – but it doesn't need heavy technological lifting: it's one line of code, just like embedding a YouTube video, and can cost less than £6.50 a day.

Optimizing Conversion

## 3.1 How Do You Stop Customers Abandoning Their Carts?

The power of artificial intelligence is helping more travel companies find out why people start on the road to a purchase – but never quite make it to the end.

There is a continual process at Booking.com, for instance, to modify the website to encourage visitors to convert to buyers and make that purchase. Steven Consiglio, product performance manager, said that it always has "countless, ever-present" different versions of its site on trial and uses A/B testing to measure the success rate of one version against another.

"Most of the concrete opinions we've brought to the table have been wrong," he says. "In terms of hypotheses, we do worse than a coin flip on things that we feel will improve the guest experience--it really speaks to the importance of a testing culture. We added a shadow to the Booking.com search box and conversion increased. There are a hundred of those [kinds of example] that are nonsensical."

Nazari and Sentient Technologies have similarly found that small changes can add up but trying to second guess which ones or why is borderline impossible: "One of our clients decided to reverse the payment and address fields. So instead of the customer filling out the address and the payment field, let them start with the

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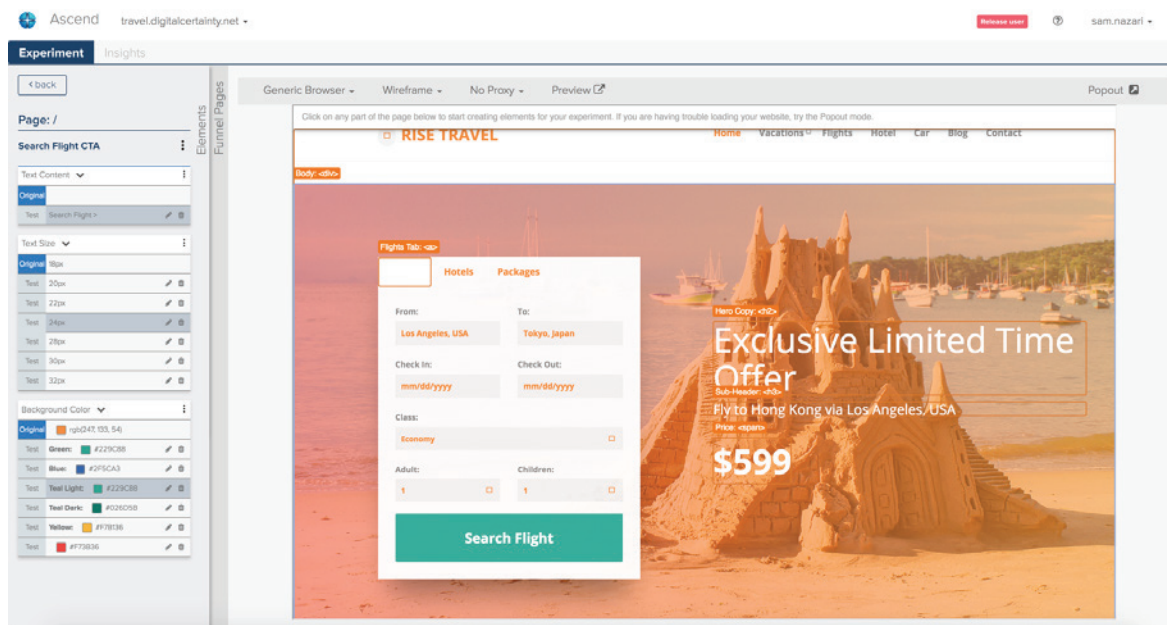
Mock-up of a travel site color scheme in the Ascend testing tool, courtesy of Sentient Technologies

payments and then the address field. We don't necessarily know why, but our AI told us that that variation is a top performer."

Booking.com's testing has led to site changes such as a search bar spanning the top of the page for business users, and more photo content for known leisure users, for instance, as well as a virtual assistant message service to help.

"On mobile, we have found that entering in credit card information, and/or address details, overwhelmingly became the highest bounce rate," he adds. "It was a tremendous [source of] friction once you already shrink the screen and shrink the steps to book."

So, the business created a product to allow hotels to waive the need for a credit card to be entered, in certain circumstances. "It has a huge conversion-positive boost [for] last-minute [bookings]," he says.

3.2   Color Me Bad? The Ugly Widget Creator

Sentient Technologies has an AI system called Ascend which hotel chains and airlines are using to test thousands of versions of their web and mobile sites, to find the best colors to keep customers engaged until the end.

Sam Nazari, head of solutions engineering recommends that even if clients have strict branding guidelines, they try some unusual shades. "In the tests that we have run, the colors I've seen work really well are orange, red and green – specifically for a call to action," he says.

"Abuv Media tested very odd colors, and non-obvious combinations of colours were actually the best performing design. So, a pink background and perform widget, a white call to action with black text and a lime green banner was a top performer. They call it the ugly widget creator! We generated that design, and it was a 45% lift [in conversion rates] over [the] control."

3.3   Cross-Selling Versus Quick Selling

An airline might try to cross-sell a hotel room, car hire or train ticket – but if you want to make sure customers don't abandon their carts, it is wise to measure whether the revenues from doing this are worth the costs of people giving up because the process is too long.

Nazari, of Sentient Technologies recommends testing this carefully. "Removing anything that distracts the customer from filling out what they need to seems

to help increase the conversion rate – just not having those optional fields and steps before the client can convert," he says.

So, while you might make money from selling other products on the way to the final check-out, you could be losing it too. "We recommend taking a look at average order value and revenue per variation," he explains. "Maybe you increase your overall conversion rate but Average Order Value (AOV) and revenue goes down, so you need to take account of that. Typically, as a best practice, removing any kind of distraction that takes the user away from going to the end of that funnel and converting, is always a good idea."

However, extensive testing and well-structured e-commerce processes can create big lifts in value for selling ancillary items. EasyJet restructured its checkout process in 2018 to make ancillaries easier to add but is also gave each item its own page to emphasize the importance of each element and to make consumers consider the item. The results of carefully tailoring the post-selection process has been seen in its recent results. In its first half 2018 results it noted: "A strong performance on ancillary revenue per seat, increasing by 14.0% at constant currency, due mainly to further innovation and conversion uplift supported by digital acceleration. Specifically,

easyJet improved its bag proposition, introducing a new 15kg/23kg offering for our customers, smarter bag yield algorithms and further benefits from the Hands Free product." (easyjet, 2018a)

It followed this on in its Q3 2018 results with: "An 11.5% increase in ancillary revenue per seat at constant currency with greater conversion and attachment rates from improved website functionality. More customers are choosing allocated seating and adding bags." (easyjet, 2018b)

In the instance of baggage, easyJet has added options and complexity into the checkout process, with 15kg, 23kg and 26kg hold bag choices. This would seem to go against the grain of reducing cognitive load for the consumer. However, through site optimization, menu design, and some clever psychological pricing, this is paying off. Whilst the jump from a 15kg hold bag to a 23kg hold bag costs a few pounds or euros, the 26kg bag cost over 60% in the example we looked at on the website in August 2018. This is a classic pricing trick that makes the consumer assume the middle option is the best value with the 26kg option essentially a redundant option, leading to higher total sales as well as item revenue.

Therefore, it is important to test pricing as well as functionality to find the trade-offs and achieve a balance.

3.3.1 Expanding the Experience

It is also important to emphasize that cross-selling is increasingly seen as critical to future growth by a host of the world's largest travel companies. They are looking at selling add-ons to give consumers a one-stop shop for their trip and offer some differentiation. From Booking Holdings to Ryanair to Airbnb, there is an arms race for greater inventory and choice for consumers in order to cater to all potential aspects of a trip.

According to the 2017 annual report of Booking Holdings – holding company for online travel agents including Booking.com, priceline.com and OpenTable – Booking.com had more than 1.5m properties listed on its website at the end of last year, 75% of them apartments or "unique places to stay" (Booking Holdings, 2018).

The broader aim is to expand the range of services even more, SVP of corporate development at Booking Holdings Todd Henrich told the EyeforTravel Europe summit 2018.

"We are not alone in our focus on helping people experience the world," he said. "It's not just hotels but rental cars, flights, activities and dining. Creating a hub where customers can get what they need, taking the friction out of the travel experience. You hear a similar refrain from a lot of travel companies," including Airbnb. At the same summit Hadi Moussa, head of business development at Airbnb, said that providing additional experiences was "where we see the future," starting with its 'experiences', which it launched in November 2016 and has been steadily expanding out to more and more locations. Marriott too is getting in on the act with its Marriott Moments program that offers more than 120,000 experiences.

Henrich expanded on why this broadening focus is becoming more important for Booking Holdings strategy at the EyeforTravel San Francisco 2018 Summit: "We used to be very much focused on taking friction out of the hotel booking process," he said. "Fundamentally we recognize that that competitive advantage at some point has diminishing marginal returns and when you do that, people start to catch up…. So, increasingly we think about taking friction out of not just the hotel booking process, but out of the travel experience. That can be everything from your flight, to how do you get to the airport? How do you get from the airport to your hotel? Once you're at your hotel, how do you get around town? How do you decide what to do?" Booking Holdings acquisition of tours and activities provider Fareharbour in April 2018 and investment and distribution agreement with ride-hailing giant Didi Chuxing are indicative of this wider focus on the entire journey and providing more options along each travelers route.

3.4   Do You Deserve a Second Chance?

Cart abandonment is a fact of life for the travel industry. According to SaleCycle data from June 2018, average abandonment rates among their travel customers was 81%, above the other four sectors measured. Fashion led the pack, with a 71% abandonment rate, demonstrating that although this is a common phenomenon across all industries, travel is particularly prone to abandonment (SalesCycle, 2018).

However, this prolific drop-out rate doesn't mean the end of the story between you and that visitor. Rather this is a new opportunity from a qualified lead. It is critical to drive remarketing and build in convenience for returning visitors who have previously travelled part of the way down the funnel. Of course, this requires a degree of sophistication.

Firstly, brands should always be sending booking abandonment emails when that data has been acquired. Automate the emails in a CRM system and allow them to jump back to the payments page so that consumers can get back to their booking and complete it in as few clicks as possible.

Secondly, there is a variety of retargeting options available through third parties. Facebook offers dynamic advertising specifically for this kind of retargeting, with options to automatically serve ads with specific date ranges that have been previously searched by the consumer on your website. There is also standard programmatic advertising that can be made increasingly granular depending on your ability to put data points together, as well as remarketing specialists for the travel sector, such as Lastminute.com.

If they have already performed searches on your site or even gone all the way to the checkout, then you have a wealth of information for retargeting, including their home or current location, their intent to travel to

SaleCycle Average Cart Abandonment Rates in June 2018
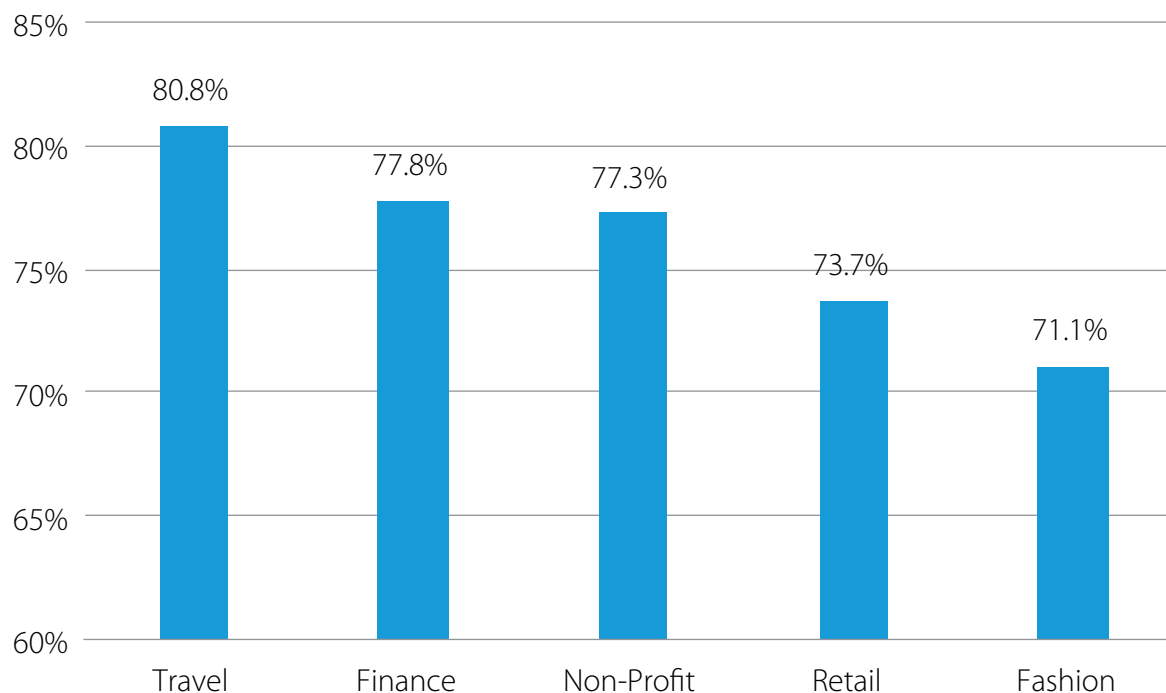
Source: SaleCycle, 2018

a particular destination and their expected timeframes to do so. This is extremely powerful and should be used aggressively to remarket.

Given the long tail of travel and the fact that most consumers leave and come back to sites, then perhaps even more important than third-party remarketing is

building in convenience for returning visitors. Similar to abandonment emails, think about how to return the visitor to their search and the checkout in as few clicks as possible. Saved searches, prompts, notifications and chatbot interactions can all be leveraged to get the customer back to their intended trip as fast as possible and will help to push up conversion rates.

3.5   Key Takeaways for Driving Conversions

Test and Test Consistently

What will and won't succeed in increasing conversions when it comes to site look and layout is frequently not obvious and often frustratingly irrational. A/B testing is a must in this arena as even the most adept of web designers may miss out on a conversion positive tactic. Note that you will need good levels of traffic to the test pages, especially for more subtle changes to avoid freak results or misleading conclusions.
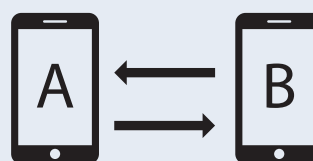
Reduce the Steps to the Completing the Booking

Once customers have reached checkout, keep it to crucial information only, or even confirm the booking and look at payments later in the case of hotels or tours and activities. This is especially true on mobile as reduced real estate makes it harder for the customer to enter details and move through stages.

If They Haven't Asked for the Product, You Need a Reason to Offer It

If consumers drop off for every extra hurdle they have to jump then why put them there? Keep your extra products simple and make it obvious what the benefit is to the customer at every single stage. If at all possible use previous sales data, intent information and cookie tracking to find out what products are most likely to be taken up by the customer and also an optimal pricing level. To return to testing again, run an A/B test to see if trying to sell an ancillary product is genuinely conversion and revenue positive versus not offering it or offering it more subtly. Small page changes or product variations can lead to big jumps.
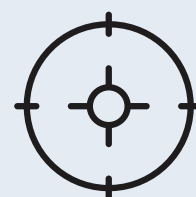
Keep Friction as Low as Possible

All of these points are really about keeping friction down for the customer at every stage of their journey. Think about user intent at each stage and what would get them to their desired outcome as fast and accurately as possible. Nowadays it is very cheap to run user testing through on-demand services that can source large number of remote testers at short notice. Some, have even taken it further, with Expedia running its own in-house user lab.

Retarget Where Possible

Just because the customer dropped off, doesn't mean they are gone forever. Indeed, the majority of final bookers will return to the product they last viewed or a similar one. This is a golden opportunity to close the deal. If you can track and retarget them, then you are increasing your probability of conversion. While using banner ads is an established tactic, you can now get even more sophisticated. Saving their search criteria and viewed items can give you a crucial advantage in reducing their steps to checkout when they return. You can serve them their searches or preferred products via a chatbot offering a discount, or push notifications on-site or on-app to bring them back to their previous searches.

Give Them Reason to Believe

We are social creatures and making us believe we are within the wisdom of a crowd is a powerful force. Read the next chapter find out more …
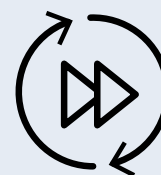
The Proof Is in the Product

## 4.1 Social Proof … and Why We Stand in Line for a Crowded Restaurant.

Would you rush to the front table of an empty restaurant? Or be tempted to join the round-the-block queue for the tapas place next door?

Social proof, or as it is more colloquially known, following the crowd, appears to be a significant factor in business success. When you don't have an actual queue, the best way to prove that lots of people are happy, repeat customers is to encourage a trail of social media reviews.

The influential Mary Meeker report on internet trends for Kleiner Perkins notes that social media are increasingly driving product discovery and purchases, and more people are clicking through on adverts – although the cost of advertising somewhere like Facebook is rising at a "faster rate than reach" (Kleiner Perkins, 2018).

Social content is, according to some analysts, "the new shopfront". A Curalate survey of 1,000 American adults in 2017 suggested that 76% of U.S. consumers have purchased a product they saw in a brand's social media post. Facebook led the way with 52% of respondents saying that they discovered products through the

Social Media Networks Used to Discover Products Among US Consumers
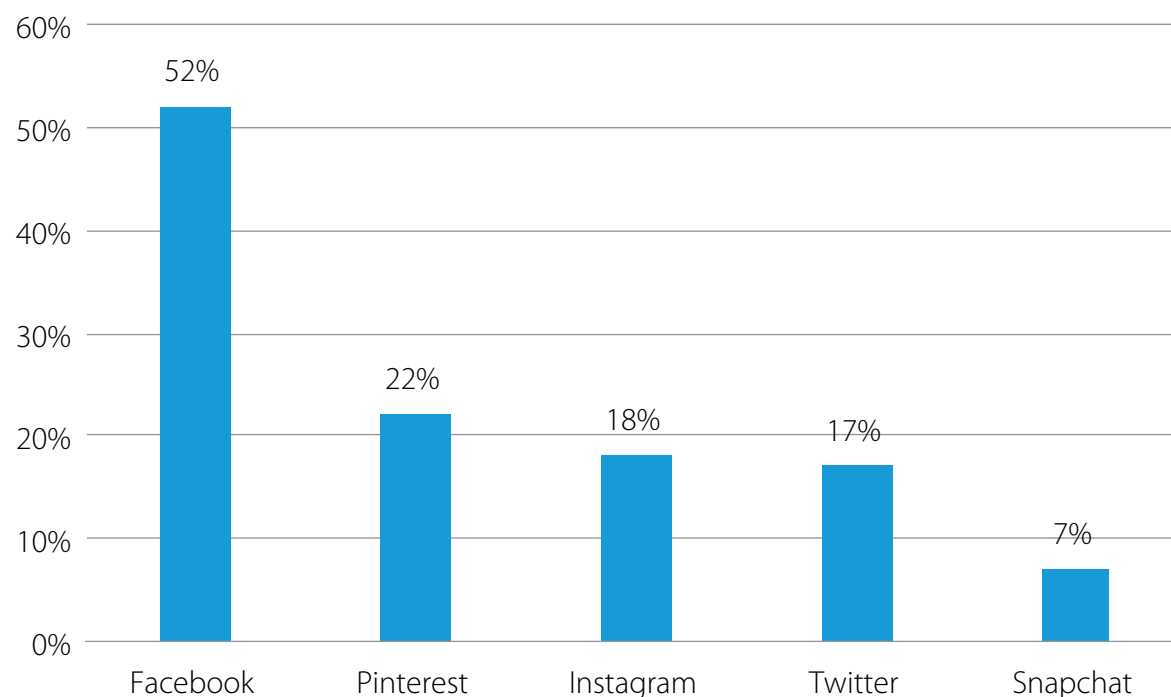
Source: Curalate, 2017

network in the preceding 3 months. This rises consid-erably for those aged 18 to 34, where 78% discovered products they were interested in buying on Facebook in the three months prior, and 59% did this on Instagram and Pinterest (Curalate, 2017).

Social proof tactics are all relatively simple but are some of the most effective possible changes you can make to optimize an e-commerce process.

Adding in reviews and user feedback is the main method of social proof when it comes to online travel sales, but also you can create a sense that the booking may disappear due to demand from scarcity messaging, which can be combined with a deadline to purchase for an added psychological push. A meta-analysis of 6,700 A/B tests conducted by e-commerce company Qubit across 2014 to 2017 found that social proof, introducing the idea of inventory scarcity and using messages with sales deadlines to create urgency were by far the most effective tactics from the 29 categories they tested. This is because they increased consumer perception of product value and encouraged them to push on with the purchase. They found that these tactics gave the following bump to revenue per visitor:

⬆ Scarcity created a +2.9% uplift.

⬆ Social proof created a +2.3% uplift.

⬆ Urgency created a +1.5% uplift.

Source: Browne and Jones, 2017

Furthermore, out of all of the tactics tested, scarcity and social proof had the highest probability of creating an uplift in their experiments.

4.2 Social Business

Adding social and review functionality onto your digital experience doesn't have to be intimidating either. A growing number of new digital media companies in this space allow smart partnerships to help host, monitor and improve social interactions.

Dan Christian, chief digital officer of The Travel Corporation, believes in harnessing the potential of advertising via social media recommendation. "Mary

Meeker's latest trend report says selling on social platforms is very real – people see social content and make purchases," he told the EyeforTravel Europe Summit 2018 in London. "We were looking to get all of our travel directors active on social media."

For his group – comprising 30 international brands – the solution was a partnership with a Toronto-based start-up, PostBeyond, which connects enthusiastic employee advocates with potential customers on social media, and Feefo, an independent online review site.

"PostBeyond was a tool that our team could use and with one click could share – their SaaS [software as a service] model worked perfectly. We also needed user generated reviews – independent reviews from people who had been on our trip [with Feefo]. We see consumer behavior changing and we won't be relevant if we aren't where they are spending their time, and we need the tools to do that."

4.3 Case Study: HolidayPirates – Using Social Media to Steal the Limelight

Online bargain travel agent HolidayPirates boasts that while the travel industry spends billions on internet advertisement, it has instead invested in creating content for social media … and spent a grand total of nothing on search marketing.

"We invest in content and viral content on social media [and] after six years we have over 30 million monthly visits, almost 10 million Facebook fans, over 10 million app downloads and last year an estimated TTV [total transaction value] of €362m," chief executive David Armstrong told the EyeforTravel Europe summit 2018. This growth has come despite not spending anything on search engine marketing and almost nothing on other paid media.

It helped, he said, that the business started as a travel blog recommending fantastic deals. Now, algorithms and technology do much of this leg work, and the results are posted on social media to hook in customers and stimulate viral sharing.

"Our recipe for virality has four components – an entertaining tone of voice, transparency, to be

relevant with content deals and a call to action, and being controversial to foster engagement," he added. "You have to inspire people."

Last year, his business reckons it only paid for 7% of its traffic, and it sees future (free) advertising potential in messaging apps such as WhatsApp and through app downloads. "We receive a high proportion of direct traffic, and have never spent on Google, don't do TV ads, are just a small company with 200 employees and receive a higher share of direct traffic than Expedia," he adds.

4.4   The Happy Reviews Business

John Potter, managing director of Potters Resort on the east English coast, doesn't just want his guests to leave with a smile – he wants to turn those smiles into more business.

He is the co-creator of a new customer satisfaction tool, the "customer happiness score", which asks customers to click on one of five emojis to indicate how they feel about the service. It doesn't just get a live reply to sort out any problems – the happiest customers are viewed as advocates and given special offers. "This happiness score saved my restaurant," says Potter. "Like all restaurants you are busy at weekends, quiet midweek. Often profits on a Saturday are funding your Wednesdays. So, we identify our happy customers and encourage them to fill our quiet times with offers they can't refuse." When they recommend friends, or pitch their happy reviews to social media, his smile is even broader too.

4.5   Your Rail: Eurail's Videos Bring Romance to Rail Travel

Social media advertising and viral content can draw eyes to you, even if you are a small operator.

This was the idea when Eurail, which sells all-in-one train tickets for Europe, began experiments with story-based videos.

"Our struggle is our brand awareness," said Roel Verhagen, head of e-commerce. "We are not top of mind when you think about travel…but we do have 2,500,000 in traffic a month. Our return on investment on ad spend is hugely important."

They came up with the marketing idea of creating two videos telling the story of a pair who met by chance in Amsterdam and travelled Europe together – with longer-play and short versions for paid adverts and social media pages. At the same time, the team started using Facebook Pixel to track customer response to this advertising and finding out where people fell out of the funnel through seven stages, from being made aware of Eurail, to having purchased a ticket.

"At a certain moment, the return on advertising spend was better on our own channels like Facebook, and we had success with the engagement rate," says Verhagen. The videos of Chloe's story and Justin's story rose to 11 million views, and now the next video is in production with the firm Boomerang, and a permanent part of marketing policy.

Conclusion: Smart Spending and Creative Content Win the Booking

Both the larger online travel agencies and smaller brands can make more of advertising and marketing content, the experts agree.

With a large dataset and smart technology, you can adjust your web and mobile pages, and even adverts to convince more surfers to make a purchase. Tactics range from fewer clicks to purchase but also unusual color schemes and counterintuitive designs.

Small hotels and airlines, meanwhile, can move quickly and post very particular content that customers want to read – responding to events, the weather, giving locals' guides to destinations – with the aim of attracting more direct purchases. Thanks to social media and viral content, this doesn't necessarily have to cost much more than your team's time, open ears and creative energy.

By experimenting with ideas such as Eurail's videos, Potter Resorts' loyalty scheme or employing technology such as Deckchair.com's webcams, your business could come out smiling too.

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