

TRAVEL MARKETING IN A **POST-PANDEMIC WORLD**

How Travel Companies Plan to Recover and Reach
Audiences in a New Business and Leisure Travel Market





EXECUTIVE **SUMMARY**

The COVID-19 pandemic caused significant challenges in the travel industry with travel restrictions, social distancing requirements, and a dramatic shift in demand for both business and consumer travel. Leading travel marketers are taking critical and timely actions now to help their companies recover from the economic impacts of this crisis. They are also taking steps to analyze what the future traveler looks like, paying close attention to the lessons learned from customers in 2020.

Travel marketers' actions provide a blueprint for how travel organizations can pioneer a new chapter of success for the industry. The most successful companies are accelerating their business recoveries by identifying their customers' contexts, generating more actionable customer insights, promoting more relevant offers, and increasing the attractiveness of their loyalty and engagement programs.

However, there are stark realities travel marketers must face, such as the inability to change people's behavior during a time of increased safety concerns.

This report explores travel marketers' key strategies and challenges in this new environment. In addition to benchmarking travel marketers' expectations, you'll also learn how you can apply these strategies to jumpstart recovery efforts at your own company.

KEY FINDINGS

52% of respondents believe business travel **will resume at or near pre-pandemic levels sometime in 2021.**

Most respondents believe there will be less frequent international travel (57%) **but more frequent domestic travel (57%), as well as more business travel extending into vacation trips (56%).**

60% of respondents expect a **greater emphasis on safety and distancing in transit.**

Most respondents plan to **increase focus on both hyper-personalization (61%) and mobile channels (58%) in 2021.**

67% of respondents are developing a deeper level of customer understanding through identity resolution and persona development while 52% are engaging in personalized messaging based on individual circumstances and global context.

A plurality of respondents (41%) identify gamification or updating of loyalty and rewards programs as the “most effective” part of their pandemic recovery strategy.

Uncertainty around the pandemic is the biggest marketing challenge among 67% of respondents, followed by reaching those most likely to travel (60%).

Digital transformation (58%) and analytics and strategy (55%) will be the most impactful marketing capabilities among respondents in 2021.



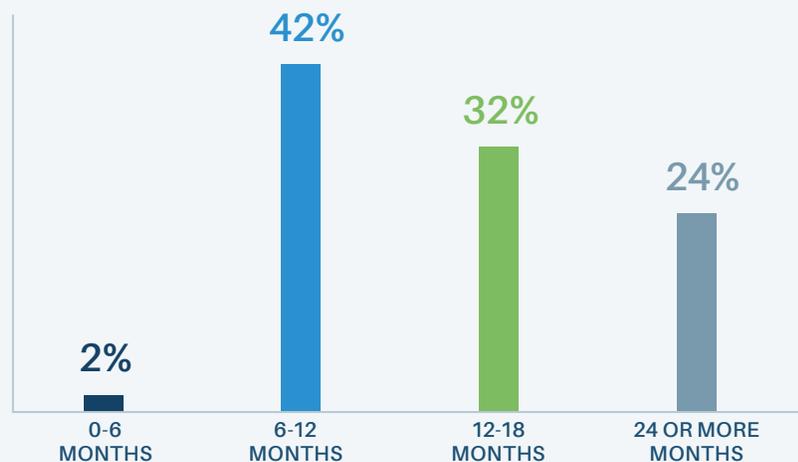


MARKETERS ARE PREPARING FOR A NEW KIND OF **TRAVEL CUSTOMER**

Acxiom and the WBR Insights research team surveyed 100 travel marketers to generate the results of this survey. Their initial line of questioning focused on the status of travel marketing in a disrupted industry and what travel marketers expect will be a reasonable timeline for recovery.

Overall, there were significant differences in travel marketers' expectations for personal travelers and business travelers.

How quickly do you think people will resume leisure travel at or near pre-pandemic levels?



At 56%, most of the respondents believe people will not resume leisure travel at or near pre-pandemic levels until 2022 or 2023.

If this is the case, it would represent a significant challenge for the industry. Although leisure and personal travel are generally less lucrative than business travel, they make up a majority of all travel activities. For example, in the U.S., domestic leisure travel accounted for almost 80% of all trips in 2019.¹

How quickly do you think business travel will resume at or near pre-pandemic levels?



Meanwhile, 52% of respondents believe business travel will resume sometime in 2021. This result reflects the reality that airline trips are still available despite COVID-19 restrictions, and many businesses have acclimated to the new reality of managing travelers during a pandemic. In some cases, business travelers will be traveling out of the necessity, so there will be more of an imperative for businesses to engage with the market.

Notably, several industry sources tell a different story about the recovery of business and personal travel. According to recent articles published in sources like Forbes, the market believes personal domestic travel will begin to bounce back in 2021, while business travel will return to normal levels in 2022.²

That said, travel marketers are very aware that travel customers' behaviors and habits have changed due to COVID-19.

¹ <https://www.statista.com/statistics/207103/forecasted-number-of-domestic-trips-in-the-us/>

² <https://www.forbes.com/advisor/travel-rewards/when-will-travel-recover/>

In what ways do you anticipate your post-COVID-19 traveler to be different?

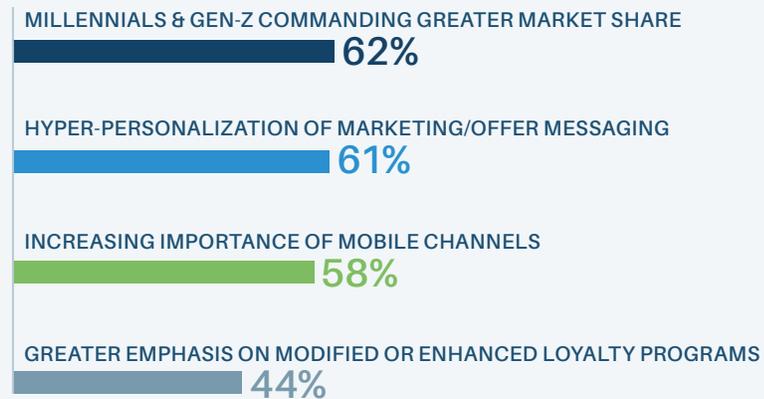


A majority of respondents (60%) anticipate post-COVID-19 travelers will place a greater emphasis on safety and social distancing while in transit. This is to be expected considering the events of 2020. However, it also reflects recent revelations in the scientific community that suggest the infection could be among us for as long as 18 to 24 months since it was first discovered, and that it won't be halted until 60% to 70% of the population is immune.³

Furthermore, majorities of respondents anticipate people will travel domestically more frequently and travel internationally less frequently (57%), and that more business travelers will extend their business trips into vacations or leisure travel events (56%). Whether business or leisure travel takes precedence in 2021, some business travelers may take advantage of their company trips to enjoy some time off abroad. It also reflects peoples' anxiety about travel restrictions and traveling to other countries in general when there is still a significant risk of infection.

³ https://www.cidrap.umn.edu/sites/default/files/public/downloads/cidrap-covid19-viewpoint-part1_0.pdf

For 2021, what key trends in travel marketing today do you expect to be the most relevant to your business?



Travel marketers also expect to see some shifting trends in 2021, some of which are related to COVID-19 and some of which are not. For example, 62% of respondents expect Millennials and Gen-Z to command greater market share, while 61% expect hyper-personalization of messaging and marketing to increase in the industry. Meanwhile, 58% expect there to be a greater emphasis on mobile channels in travel marketing.

These trends reflect general demographic changes in the customer base that will enjoy the travel industry in the future. Travel organizations must recognize these trends and incorporate them into their strategies for 2021 in addition to the realities of the post-COVID-19 recovery.





TRAVEL ORGANIZATIONS

ARE ADJUSTING THEIR MARKETING STRATEGIES FOR THE RECOVERY

Now that the travel industry is looking toward a recovery, travel marketers must reflect on the lessons they learned in 2020 and develop new strategies to reach the next generation of business and leisure travelers.

The researchers sought to determine what travel marketers did differently during the pandemic and learn how they plan to adjust their strategies moving forward. They began by asking the respondents to describe how their marketing changed to engage with customers during the pandemic.

Several respondents say that their marketing has become “more opportunistic” and “on-demand,” and that they are working to cut costs during the pandemic. They are also leaning into digital marketing resources while working remotely and social distancing, and they stress that personalization has been key to driving success during a difficult period.

According to one respondent, **“More focus has been on using digital tools and personalization in marketing and engagement.”**

“We have tried to limit the use of our budget as the pandemic continues to remain unpredictable,” says another respondent. “Engagement is strictly digital for now.”

Several other respondents say they’ve had to shift their marketing to domestic customers in response to travel restrictions. They also focused heavily on “safety defining messages,” as one respondent puts it, to boost customer confidence.

Another respondent says, “Content that helps customers seek discovery in the safest of ways has been the core message we have been following in marketing. We didn’t have the same ideology 12 months ago.”

From a brand perspective, most of the focus has been on messaging and sticking close to company values. This is true of travel companies both from external and internal branding perspectives.

“As a brand, we have been extremely supportive of our staff in these challenging times,” says a respondent. “This goes to show how concerned we are, as well as how customer- and employee-oriented we are.”

Other respondents say their branding is oriented toward safety, reliability, and a personalized experience. **“It has been about personalization all the way through,”** another respondent says. **“We need customers to feel the length of the services that we’ve been providing—and will provide—in these circumstances.”**

Which of the following are you employing now to help with recovery?



To aid in their marketing strategies, the respondents are employing a range of options to better understand their customers and meet their demands. Most of the respondents (67%) are developing a deeper level of customer understanding through identity resolution and unified persona creation.. This is the process of compiling identifiers across touchpoints to build an omnichannel view of the customer.

Identity resolution helps in the next most employed strategy on the list, as 52% of respondents are engaging in the personalization of messaging for individual circumstances and global context. By understanding their customers' needs and how they engage with brands via their favorite channels and devices, travel organizations can craft personalized messages that speak to specific customer contexts. Not only does this help improve the effectiveness of their marketing, but it could also help them save on costs.

Which of the following do you plan to employ to accelerate recovery?



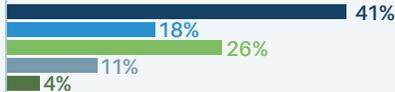
Indeed, 47% of respondents say they are focusing their marketing messaging by engagement level and channel. Meanwhile, 44% say they are pursuing deeper levels of customer segmentation to connect and market to the post-COVID-19 traveler.

All these efforts are in being undertaken below an overarching marketing strategy that will inform these organizations' recovery over the coming year. Researchers asked respondents to identify the most important post-pandemic recovery strategy to their organization on a scale of one to five, with one being "most effective" and five being "least effective."

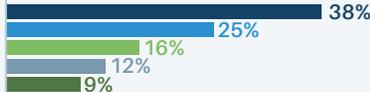
Which of these are most important in your post-pandemic recovery strategy?

■ 1 ■ 2 ■ 3 ■ 4 ■ 5

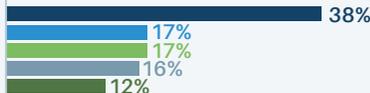
GAMIFICATION/UPDATING OF LOYALTY AND REWARDS PROGRAMS



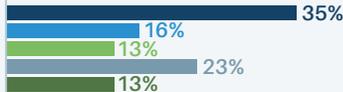
FOCUSED MARKETING MESSAGING BY ENGAGEMENT LEVEL AND CHANNEL



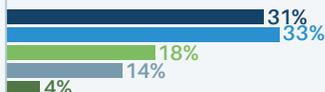
PERSONALIZATION OF MESSAGING FOR INDIVIDUAL CIRCUMSTANCES AND GLOBAL CONTEXT



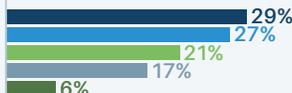
PURSUIING DEEPER LEVELS OF CUSTOMER SEGMENTATION



INTEGRATION OF AI-DRIVEN ANALYTICS AND CUSTOMER BEHAVIOR REPORTING



DELIVERING MESSAGING BASED ON RECOVERY AND COMMUNITY CONCERNS

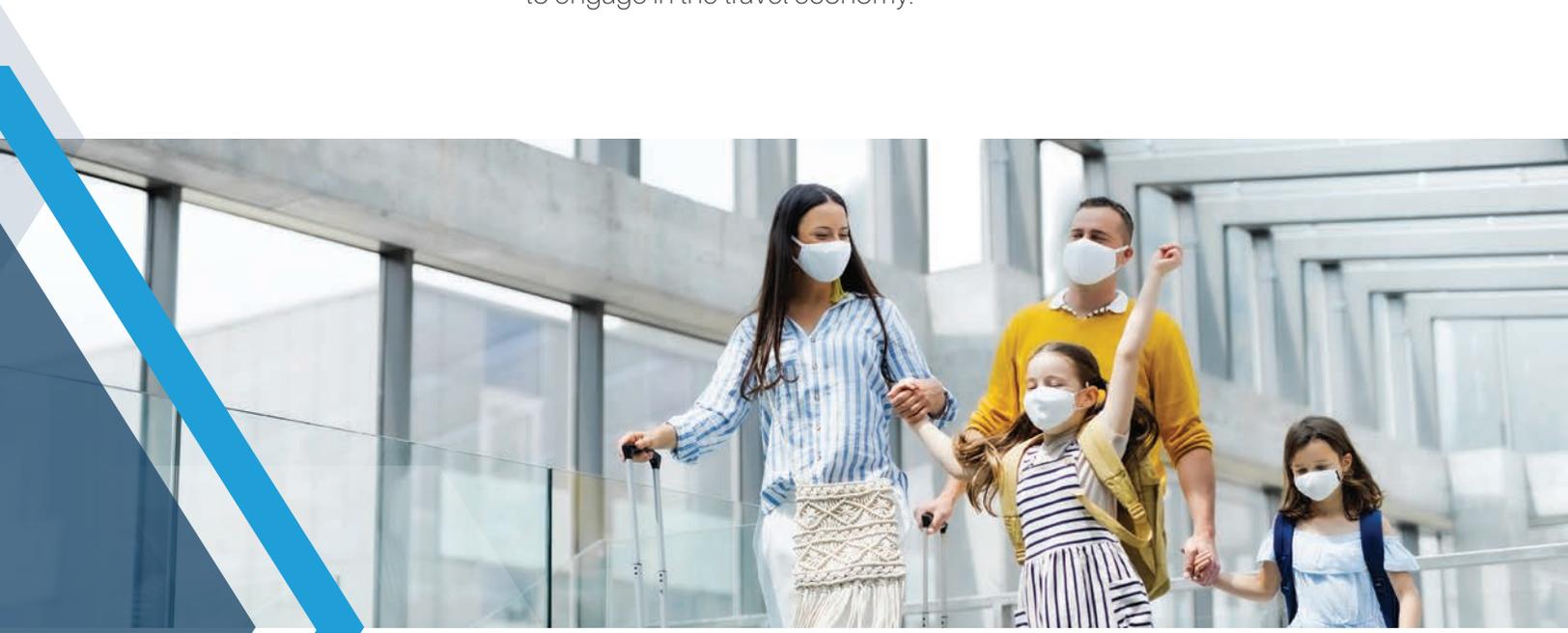


DEVELOPING A DEEPER LEVEL OF CUSTOMER UNDERSTANDING THROUGH IDENTITY RESOLUTION AND UNIFIED PERSONA DEVELOPMENT



Based on the survey results, the most effective strategies for travel organizations to drive their recovery are gamification and the updating of loyalty or rewards programs (41%), focused marketing messaging by engagement level and channel (38%), and personalization of messaging for individual circumstances (38%).

These numbers verify the results from previous questions. In the coming months and years, travel organizations must recover by identifying key customers, building more meaningful relationships with them, and delivering personalized messaging and gamification to encourage them to engage in the travel economy.

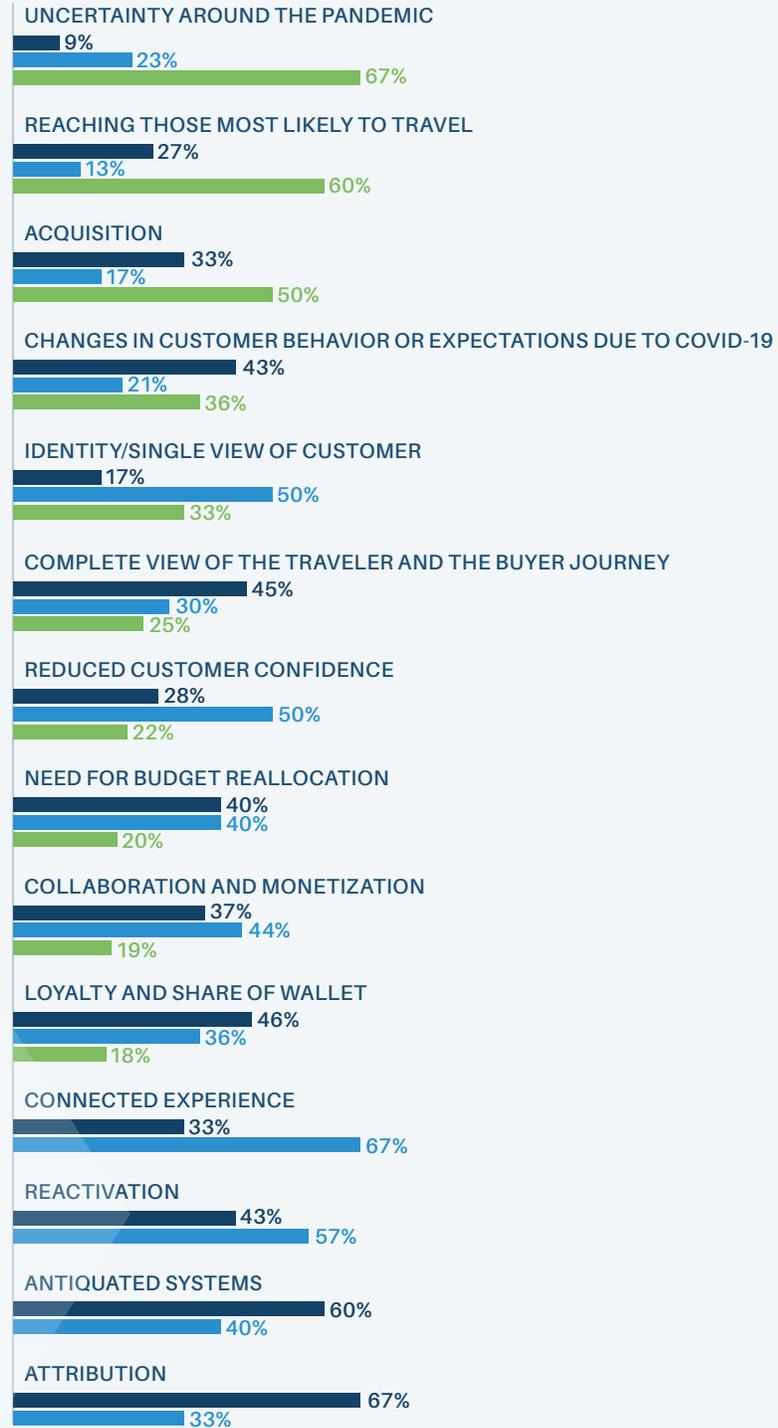


TRAVELER BEHAVIOR AND UNCERTAINTY REMAIN STARK CHALLENGES FOR TRAVEL ORGANIZATIONS

2020 was a challenging year for the travel industry, but recovery comes with its own sets of challenges. Travelers in 2021 will still be wary of pandemic risks. As we've already learned, most travel industry insiders expect a slow recovery for leisure travel, so many organizations will need to pivot their marketing to focus on the more active business demographic.

What are your biggest marketing challenges in 2021? Please rank your Top 3, "1" being your "biggest marketing challenge."

■ 3 ■ 2 ■ 1



Researchers asked the respondents to identify their top marketing challenges for the 2021. The top three: uncertainty around the pandemic (67%), reaching those most likely to travel (60%), and customer acquisition (50%). All these challenges are reflective of this time in the travel industry, which is likely to be dominated by pandemic fears in the immediate future.

The respondents recognize the barriers they face.

“Marketing wouldn’t do as much as a vaccine would in this situation,” says one respondent.

In essence, the biggest challenge to travel marketers is the behavior of customers, which is largely outside of their control. “The behavior of customers will take a lot of time to change,” says another respondent. “Only once restrictions are lifted, and people begin traveling will we have enough revenue to expand marketing.”

Still, marketers do identify what customers want most in the current travel environment. “They are more concerned about getting back home safely and on time,” says a respondent. Another respondent says, their organization “now focuses on safety as much as it focuses on quality of service,” as a means of attracting customers. Others recognize that digital tools will take precedence in their marketing efforts, as most of the data they collect will be from customers’ online activities.



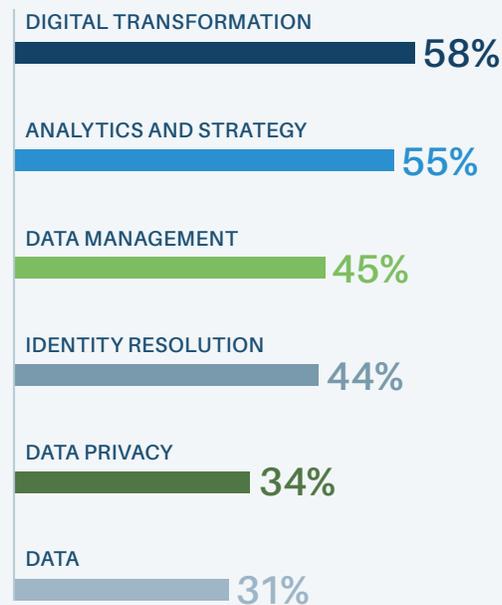


CONCLUSION:

DIGITAL TRANSFORMATION AND ANALYTICS WILL DRIVE THE RECOVERY

In their final line of questioning, the researchers asked the respondents to identify which marketing capabilities will be most impactful to their strategies in 2021.

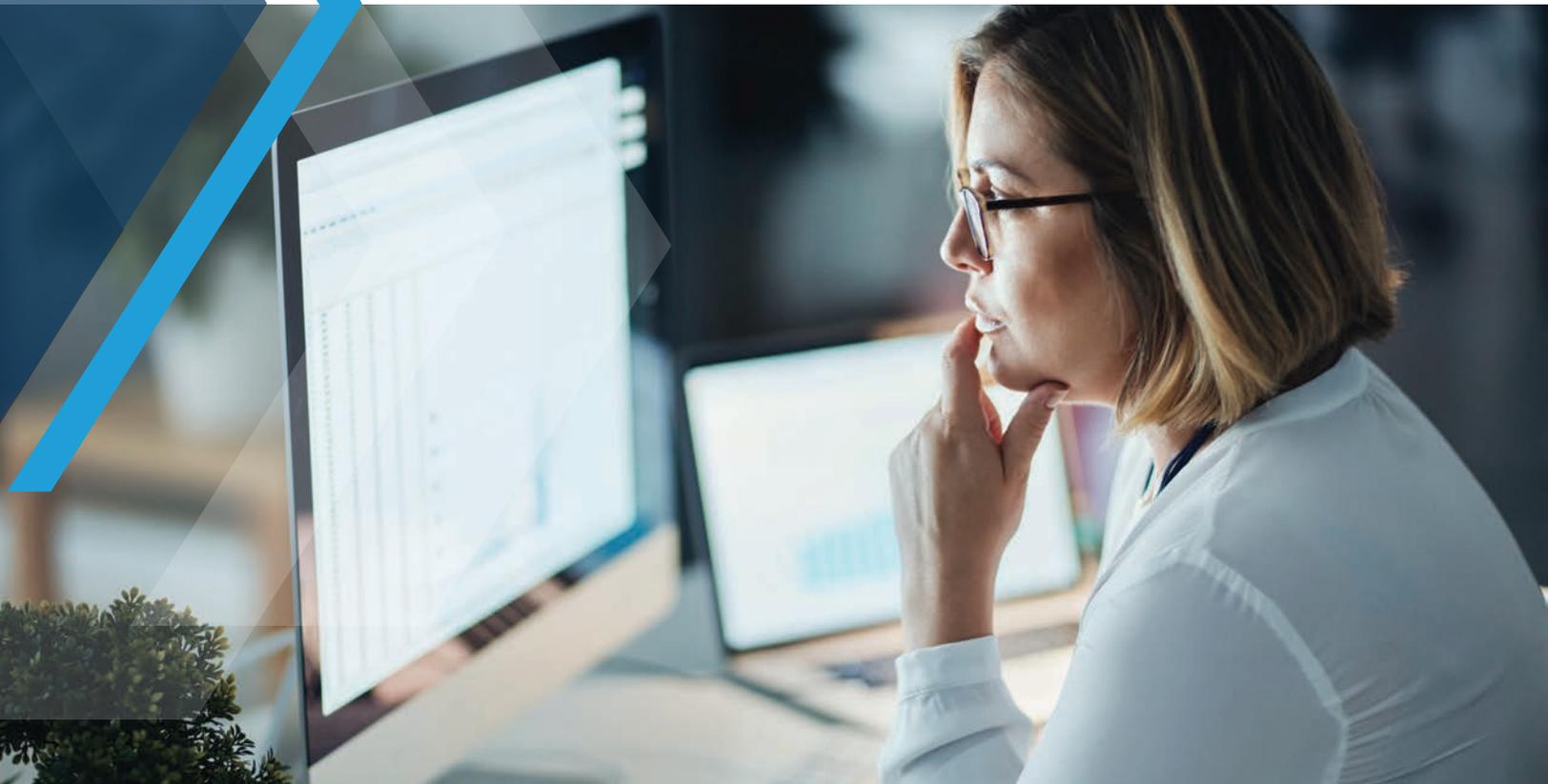
What marketing capabilities will be most impactful for you in 2021?



Not surprisingly, 58% of respondents say digital transformation will be the most impactful marketing capability in 2021 while 55% say analytics and strategy will be the most impactful. These responses support the previous finding that customer engagement and data collection will be driven primarily by digital interactions for the foreseeable future. Significant numbers of respondents say data management (45%) and identity resolution (44%) will be two of the most important capabilities for their strategies, which also supports this finding.

Although travel organizations are dealing with a difficult reality regarding consumer behavior, there are steps they can take in the meantime to fortify their marketing capabilities and prepare for when travel returns to pre-pandemic levels. They can also leverage innovative tools to create digital identities for their customers.

This will be essential to attract business travelers in 2021 and to market to younger, more tech-savvy consumers in the future. As the market recovers, travel marketers must be in a position where they can scale up their activities and engage in effective marketing campaigns that drive value for the next generation of travelers.





KEY **RECOMMENDATIONS**

Travel marketers are taking this time to develop a deeper understanding of their customers through **identity resolution and unified persona creation.**

It is imperative that your marketing is personalized to match the specific contexts of your customers, as only highly personalized campaigns will drive value and ROI.

While customer behavior is largely outside of marketers' control, customers do **respond to messaging about safety and care.**

Travel customers in 2021 will expect companies to educate them about how they are prioritizing customer safety. Don't just inform your customers about how you prioritize their safety. Show them when possible.

In addition to focused marketing, **leverage gamification and your loyalty and rewards programs** to inspire customer engagement.

ABOUT THE AUTHORS

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