

PURPLE

SQUARE



From Layovers to Luxe Stays

Revolutionising Customer Experience in the Travel and Tourism Sector

Author: Andrew Addison, CEO & Founder



In the post-pandemic, dynamic landscape of the travel, tourism, hospitality and airline industries, it has become abundantly clear that offering exotic destinations, luxurious accommodation or simply the most direct route from A-to-B is not sufficient. The key differentiator in today's competitive market is the quality of Customer Experience (CX) provided to travellers. This experience is no longer a linear path but is framed around five foundational principles that define modern travel marketing – our "5 Core Principles of CX".

The modern marketing paradigm is fluid, adjusting rapidly to technological advances, socio-economic trends, and perhaps most importantly, the evolving preferences of travellers. For experienced marketers, the real task is not just in comprehending these changes, but in harnessing them for better engagement. Central to this effort is the concept of customer personas. These rich, data-driven profiles—whether representing the lone backpacker, the family on holiday, or the corporate globetrotter—serve as the North Star for all marketing endeavours. Coupled with in-depth segmentation based on behaviours, interests, and demographics, campaigns can be meticulously crafted to resonate deeply with each specific audience.

But the journey doesn't stop at segmentation. The combined power of personalisation, backed by automation, truly transforms marketing outreach. In an industry like travel, personalising messages elevates their impact, and with automation, these messages can be sculpted and dispatched at an unprecedented scale, ensuring relevancy at every touchpoint. This efficiency transcends communications, reshaping operational dimensions and empowering marketers to channel their energies into groundbreaking strategies.



The industry is predicted to keep on growing. Did you know...

- In 2020, the average UK spend on holidays was around £4,000.
- Travel and tourism GDP is predicted to grow, on average, at 5.8 percent a year between 2022 and 2032.
- The UK Hospitality Industry is estimated to grow at a CAGR of 2.53% between 2023 and 2028.
- VisitBritain forecast inbound tourism to the UK will reach 42.4 million visits in 2023, up 7.4% from 2022, and spend £28.4 billion, up 6.8% from 2022.
- Global Visitor trends expected growth for 2024 expected to be >25%.

As marketers, we see organisations making significant strides towards:

- **Customer-centricity**

Shifting from a product-centric to a customer-centric approach, where the focus is on delivering value-added experiences that meet or exceed customer expectations. We use customer data, insights, feedback, reviews, ratings, referrals, testimonials, user-generated content, social media listening, sentiment analysis, net promoter score, customer lifetime value, customer advocacy programs, etc., to understand customers' needs, wants, preferences, behaviours, motivations, emotions, and satisfaction levels.

- **Deciphering the modern traveller**

In understanding the traveller, constructing customer personas is a definitive starting point. We use these as our compass: these fictional yet data-driven representations of our core customers offer invaluable insights. The aspirations of a solo backpacker, the requirements of a family on a holiday, or the preferences of a business traveller are distinct. Recognising these nuances enables a more surgical approach to marketing campaigns, ensuring resonance and relevance.

- **Fragmenting the customer journey**

The customer journey is becoming more complex and nonlinear, as customers use multiple digital platforms and channels to research, plan, book, manage and share their travel experiences. We need to map and understand the customer journey across all touchpoints, and provide relevant and consistent information, offers, and services that match the customer's context and intent.

- **Leveraging technology and innovation**

Technology and innovation are transforming the industry, by enabling new products, services, business models, and customer interactions. Embracing digital technologies and innovations, to enhance efficiency, effectiveness, agility, resilience, and competitiveness. Marketers also need to use digital platforms and channels, such as websites, mobile apps, social media, email, chatbots, voice assistants and video calls, etc., to reach and communicate with their customers at any time and place.

- **Building the experience economy**

This industry is moving from selling products and services to selling experiences and memories that enrich customers' lives. As marketers, we can use experiential marketing techniques, such as storytelling, gamification, co-creation, immersion, interaction, engagement, emotion, surprise, delight, etc., to create memorable and meaningful experiences that connect with customers on an emotional level.

- **Using customer data and insights**

Organisations use customer data and insights, such as preferences, behaviours, feedback, etc., to understand their customers better and tailor their experiences accordingly. Marketers can use tools such as surveys, analytics and artificial intelligence (AI) to collect, and analyse customer data and insights, and use them to provide relevant and timely information, offers and services, that match the customer's context and intent.

- **Using personalisation to create loyalty and differentiation**

We use personalisation to create loyalty and differentiation, by exceeding customer expectations and providing value-added experiences that make them feel special and appreciated. Creating loyalty programs, rewards, recognition, and personalisation at scale to create long-term relationships with customers based on mutual value and trust. We also use personalisation to bring back the magic of travel, by creating memorable and meaningful experiences that connect with customers on an emotional level.

- **Using personalisation in the moment**

Extending on personalisation, we can use it "in the moment", by considering the customer's current situation and needs, and providing them with the best possible solution. We can use AI, real-time data, notifications and alerts to deliver personalised experiences that are responsive, proactive, and empathetic. For example, airlines offer alternative flights, hotels, or activities in case of delays or cancellations, or provide personalised entertainment or food options during the flight.

- **Closing the feedback loop**

No strategy is complete without a mechanism for feedback. Integrated within marketing platforms is the capability to collate customer feedback post-travel experiences. This real-time feedback serves as a beacon, guiding refinements in campaigns and experiences, ensuring that the industry not just meets but anticipates and exceeds traveller expectations. It enables us to learn and develop better strategies for the future.

The linchpin, ensuring the continuous evolution of these strategies, is understanding which levers to pull to improve our initiatives and create better customer experience.

Introducing the “5 Core Principles of CX”.

At Purple Square, we believe that to deliver great CX, an organisation must master the “5 Core Principles of CX”. These are the foundational elements of any successful CX strategy, and execution. Organisations can be strong in four principles but weak in one and remain unable to deliver the best Customer Experiences for their audience.



1. Vision: The Ultimate Traveller’s Journey

Every memorable journey starts with a clear vision. What constitutes a dream booking, travel, or engagement experience for your clientele? This vision, once crystallised, leads all your endeavours.



2. Operations: The Voyage’s Execution

A grand vision, without meticulous execution, is but a mirage. Thus, blending CX into your operational planning and processes is essential. This ensures flexibility, responsiveness, and growth as travel trends shift.



3. Data: The Compass of Traveller Insights

Today, travellers seek personalised adventures and relevant engagement. The key? Data. By valuing traveller data, marketers can navigate to more profound, richer connections.



4. People: The Soul of Memorable Journeys

Regardless of advancements in virtual reality or AI, the human touch in curating travel experiences is unparalleled. The right team, at all customer touchpoints, equipped with the right knowledge, brings any travel dream to life.



5. Technology: The Machine That Gets Us There

Technology is reshaping the travel experience. Modern travellers demand seamless, personalised interactions. By harnessing this specific technology businesses meet and exceed these expectations.

The Role of MarTech.

For businesses aiming to offer unmatched, tailored CX, both Customer Data Platforms (CDPs) and Marketing Automation Platforms (MAPs) are invaluable.

CDPs serve as a centralised hub, collecting data from numerous sources to provide a 360-degree view of customers, enabling businesses to understand intricate traveller insights and curate experiences that deeply resonate. On the other hand, MAPs streamline the process of engaging customers at key touchpoints. They help businesses connect timely and relevantly, automating marketing tasks, and providing actionable analytics to refine strategies.

While CDPs ensure a deep understanding and segmentation of customers, MAPs optimise the delivery of personalised content and offers. Used in conjunction, CDPs lay the groundwork for understanding and segmenting the audience, and MAPs capitalise on this by ensuring precise, timely, and effective communication.

To truly personalise and optimise customer experiences in the travel and tourism sector, CDPs and MAPs should be integrated, working symbiotically rather than in isolation.

A Customer Data Platform (CDP) is essentially a sophisticated software system that acts as a hub for gathering and organising all the data a company has about its customers from different sources like websites, apps, and databases. It's like a toolbox for businesses to analyse this information and use it to create personalised marketing campaigns and make smarter decisions to enhance customer satisfaction and grow their business.



A Marketing Automation Platform (MAP) is an advanced software solution which serves as a central hub for automating complex marketing activities across various channels, such as personalised email campaigns and customer journey management, on a substantial scale. They allow enterprises to efficiently manage and automate their marketing efforts, ensuring precise targeting, seamless communication, and data-driven decision-making, ultimately optimising customer engagement and revenue generation while reducing manual workloads.

Why CDPs are Changing the Game

In this hyper-competitive landscape, understanding the traveller isn't a luxury—it's a necessity. Today, the onus on industry leaders is not just to offer unparalleled experiences but to tailor them uniquely to every individual. CDPs, in essence, serve as a centralised hub, meticulously curating data from a plethora of sources. The result is a comprehensive, 360-degree view of the customer, laying the foundation for bespoke experiences. Here's why industry giants are rallying behind CDPs:

- 1. A Deep Dive into Customer Insights:** With CDPs, gone are the days of surface-level understanding. Businesses can now delve deep, extracting intricate insights about travellers. Everything from browsing patterns on websites to interaction histories on apps is available. These insights lead to the creation of precise customer personas, which further refine segmentation and campaign personalisation.
- 2. Crafting Tailored Experiences:** The contemporary traveller demands more than just a generic package; they seek experiences that resonate. CDPs empower businesses to offer exactly this. By harnessing unified data, businesses can curate travel experiences, offers, and content that mirror a traveller's inclinations and desires.
- 3. Informed Decision-making:** In the dynamic world of travel and tourism, agility in decision-making is paramount. With insights garnered from CDPs, businesses aren't just reactive but proactive. Whether it's the unveiling of a new travel package, alterations in marketing strategies, or enhancements in customer service, every decision is data-driven, minimising risks and amplifying returns.
- 4. Economical and Efficient Operations:** The operational prowess of CDPs is often understated. Beyond customer insights, these platforms bring about efficiency by automating myriad tasks. From data amalgamation to intricate analyses, CDPs ensure that the grunt work is taken care of, leading to cost reductions, and allowing businesses to concentrate on strategic imperatives.
- 5. Unified Data Management:** With data fragmented across different platforms, creating a coherent marketing strategy is challenging. CDPs efficiently integrate disparate data, offering a single source of truth that simplifies and enhances marketing endeavours.
- 6. Strategic Investment:** CDPs support intelligent decision-making regarding marketing investments. By analysing customer data holistically, businesses can identify high-value segments and strategically allocate resources to engage these segments effectively.

7. **Seamless Experience Delivery:** CDPs enable companies to provide consistent, seamless experiences across various channels. Whether interacting online, via mobile apps, or through customer service, travellers receive coherent and compelling messages and offers.
8. **Loyalty and Retention Boost:** Through analytical insights, CDPs help businesses to not only acquire but retain customers. They support the development of loyalty programs and retention strategies that are grounded in deep customer understanding, fostering long-term customer relationships.
9. **Enhanced Compliance and Security:** With stringent data protection regulations in place, companies must handle customer data responsibly. CDPs assist in maintaining compliance, ensuring that customer data is managed securely and ethically.
10. **Scalable Personalisation:** CDPs provide the tools needed to scale personalisation efforts effectively, allowing businesses to reach large audiences with messages that feel individualised and relevant, building stronger customer connections.
11. **Future-Ready Customer Engagement:** As customer expectations and digital landscapes continue to evolve, CDPs offer a resilient and adaptable platform that supports ongoing innovation in customer engagement and experience strategies.



Why MAPs are Redefining Engagement

Simply reaching the traveller isn't enough—one must engage them meaningfully. The responsibility on industry leaders today is to not only deliver exceptional experiences but to ensure that every interaction feels personal and relevant. Spearheading this transformation is the continued rise of MAPs.

MAPs, at their core, are the digital orchestrators of marketing tasks, ensuring that businesses connect with customers at the right time with the right message. They harness the power of data and algorithms to automate, measure, and refine marketing tasks and workflows. Here's why industry frontrunners are embracing MAPs:

- 1. Enhanced Customer Engagement:** With MAPs, every touchpoint becomes an opportunity for personalisation. Whether it's sending timely email reminders for unfinished bookings or triggering special offers based on recent searches, automation ensures relevance at every turn.
- 2. Streamlined Marketing Operations:** Gone are the days of disjointed marketing efforts. MAPs seamlessly integrate various marketing channels—from social media to email campaigns—ensuring consistent messaging and efficient use of resources.
- 3. Optimised Marketing Budgets:** Through predictive analytics and campaign tracking, businesses can now ascertain which marketing initiatives deliver the best ROI. This ensures that marketing budgets are allocated more effectively, focusing on high-yield strategies.
- 4. Fine-tuning Campaigns:** By categorising customers based on specific interests, behavioural trends, and demographics, campaigns can achieve greater precision. This granular approach ensures that each segment receives communication tailored to its unique preferences.
- 5. Responsive Customer Service:** Using automated chatbots and AI-driven support, MAPs facilitate instant responses to customer queries, leading to enhanced customer satisfaction. It's not just about faster replies but more accurate and relevant ones.
- 6. Nurturing Leads and Loyalty:** Through automated workflows, potential customers can be nurtured with relevant content and offers, leading them down the conversion funnel. Post-trip, MAPs help in retaining customers by triggering feedback requests, loyalty program promotions, and tailored deals for the next adventure.

- 7. Behavioural Tracking and Analysis:** With in-built analytics, MAPs provide a clearer understanding of where travellers are spending most of their time, what offers entice them, and what pain points deter conversions. This continuous feedback loop allows businesses to adapt in real-time.
- 8. Localised Marketing:** For a global traveller, local experiences matter. MAPs can automate content and offer localisation based on user location, language preferences, or past travel history, making every offer feel specially curated.
- 9. Elevating Personalisation through Automation:** The value of personalisation in marketing is indisputable. With MAPs, tailoring your messages isn't just feasible; it's scalable. Whether it's the warmth of a welcome email, an abandoned cart reminder, or a celebratory birthday note – each communication can mirror the recipient's aspirations and preferences.
- 10. Future-proofing Marketing Strategy:** As digital interfaces and consumer behaviours evolve, MAPs offer the flexibility and adaptability to remain relevant. Their AI-driven algorithms are continuously learning, ensuring that businesses remain on the cutting edge of travel and tourism marketing.



Fundamental CX Activities ■

We see great communications delivered every day, but not always consistently. Data driven, targeted, personalised CX can provide a unique and tailored experience for each customer, which can enhance satisfaction, increase loyalty, and drive more revenue.

Here are a few examples of common customer engagement activities that can – and arguably should always – form part of your CX strategy:

Customer Journeys

1

- **Pre-booking:**

- Offering tailored destination recommendations based on a customer's past travels or search history.
- Providing content relevant to the customer's interests, e.g., adventure, relaxation, culture.

- **Booking:**

- Personalised flight/hotel options – presenting options that align with the customer's past preferences, like window seats or hotels with gyms.
- Tailoring the booking process based on the device being used, such as a mobile app, desktop, etc.

- **During Travel/Stay:**

- Personalised in-flight entertainment or room amenities based on previous preferences.
- Mobile apps providing real-time personalised recommendations or itineraries.
- Relevant, timely updates/notifications that take the specific customer persona's into account.

- **Post-travel:**

- Feedback forms tailored to the specific experiences of the travellers.
- Offering personalised discounts or incentives for their next trip.

2

Offers and Promotions

- **Dynamic Pricing:** Offering special prices based on purchase history, loyalty, or demand.
- **Tailored Deals:** Send personalised holiday or travel deals based on customers' past destinations, current location or interests.
- **Retargeting:** If a customer looked at a specific destination but didn't book, marketers can use retargeting ads with special offers for that particular destination.
- **Seasonal or Event-based Promotions:** E.g., offering a frequent skier a discounted ski resort package or a music enthusiast a deal during a famous music festival.

Loyalty Programs

3

- **Tiered Rewards:** Offer rewards based on the customer's loyalty tier, ensuring that the most loyal customers get the best rewards.
- **Personalised Redemption Options:** Allow customers to redeem points/miles in ways that are most relevant to them, such as spa treatments, adventure activities, or special seating.
- **Birthday/Anniversary Specials:** Offer discounts or specials on these special days.
- **Exclusive Experiences:** For top-tier members, offer experiences like a private tour, a gourmet dinner, or early check-ins.

According to Deloitte, 72% of hospitality leaders in Europe and the UK expect customer loyalty to be a key driver of growth in 2023, followed by customer experience (69%) and innovation (67%)

4

Communication

- **Tailored Email Marketing:** Use data analytics to segment the audience and send relevant travel tips, destination highlights, or special offers.
- **Chatbots and Virtual Assistants:** Use AI-driven chatbots to provide personalised travel advice, booking assistance, and customer service based on individual preferences and history.

Feedback and Continuous Improvement

5

- Collect feedback post-travel and use this to further refine and personalise offers and experiences for the customer.
- Analyse customer data regularly to understand changing preferences or trends.

6

Integrate with Other Services

- Partner with restaurants, local attractions, and other services to offer personalised packages or recommendations based on the customer's preferences.

Incorporating these strategies can help enhance the overall customer experience. However, it's crucial to always respect data privacy regulations and ensure customers' personal information is handled with care.

Getting it Right.

By delivering great CX, the impact is more than just to the bottom line, we see benefits for both the consumer and for the organisation.

- **Bring back the magic of travel**

We create memorable and meaningful experiences for our customers that go beyond their expectations and build an emotional connection. This can help them differentiate a brand from the competition, increase customer loyalty and advocacy, and restore the joy of travel.

- **Shape customer decision journeys**

Marketers influence and guide customers' decision journeys, such as by offering personalised recommendations, simplifying booking processes and providing flexible options. This can help brands gain a competitive edge, increase conversions and retention, and reduce customer churn.

- **Increase customer engagement**

We build and maintain long-term relationships with customers based on mutual value and trust. Brands need to increase customer engagement by using experiential marketing techniques, such as storytelling and gamification, creating new ways that the customers can be part of the organisation.

- **Mitigate risk and increase efficiencies**

We use data to mitigate risk and increase efficiencies, such as forecasting demand and supply, detecting fraud and anomalies or automating processes and tasks. This can help improve marketing performance, quality, and reliability, whilst also enabling brands to deliver more.

- **Predict industry trends**

We use analytics to predict industry trends, such as demand, supply, pricing and seasonality and use them to optimise operations, inventory, marketing, and pricing strategies. This enables brands to put in place activities that will lead to closer bonds with customers.

The 2023 Top Hospitality Industry Trends by EHL Insights highlight that customers request both extreme personalisation and unique experiences, and that travel guilt is a new phenomenon that affects travellers who are concerned about the environmental and social impact of their trips.

... but the bottom line is important!!

Get more revenue from each customer!

We use these new insights, and engagements, to increase revenue from each customer, through cross-selling, up-selling or bundling, based on customer data, such as value, potential, and needs. This helps us increase customer lifetime value and profitability, whilst also understanding more about the way they engage.



It's not all sunshine & pina colada's.

Digital adoption and competition

The industry is becoming increasingly digitised, with consumers using online platforms and channels to research, book, and share their travel experiences. This creates both opportunities and threats for marketers, who need to leverage data, analytics, personalisation, automation, and omnichannel strategies to reach and engage their target audiences. There's also fierce competition from online travel agencies, aggregators, meta-search engines, and direct-to-consumer brands, who often have lower costs and higher margins.

Customer expectations and loyalty

The industry is highly customer-centric, and consumers continue to have high expectations for their travel experiences. They demand convenience, flexibility, safety, sustainability, authenticity, and personalisation from their travel providers. They also have more choices and information than ever before, which makes them less loyal and more price sensitive. We need to understand their customer journeys and pain points and deliver value propositions that differentiate from the competitors. We also need to build trust and loyalty by providing consistent and seamless experiences across all touchpoints.

Environmental and social responsibility

The industry is facing increasing pressure from consumers, governments, regulators, and stakeholders to reduce its environmental impact and contribute to social causes. Consumers are becoming more aware and conscious of the environmental and social implications of their travel choices, and they expect their travel providers to share their values and commitments. Brands need to communicate their sustainability initiatives and goals, as well as their corporate social responsibility efforts, in a transparent and authentic way. Marketing strategies also need to be aligned with international goals and policies on climate change.



Whether it's more tailored products, greater digital parity with analog services, or faster turnaround, customer expectations of what great Customer Experience looks like have shifted significantly, say McKinsey.

Tourism trends in 2023 point more toward a shift to conscious travel, where tourists look at their trips in a more holistic way. This includes traveling during off-peak seasons or to emerging destinations, making informed decisions about the businesses they support while traveling, and finding sustainable transportation methods.

Regulatory compliance

The industry is subject to various laws and regulations that affect its operations and marketing activities. These include data privacy and security laws, such as the General Data Protection Regulation in Europe; consumer protection laws, such as the Package Travel Directive in Europe; health and safety regulations; taxation laws, such as the digital services tax in some countries; antitrust laws, such as the investigations into Google's dominance in online travel; and geopolitical issues, such as Brexit or trade wars. Brands need to comply with these laws and regulations while maintaining competitiveness and innovation.

Losing customers to competitors

Customers have more choices and higher expectations than ever before, and they are willing to switch to other providers if they are not satisfied with the CX they receive. Travel, tourism, hospitality, and airlines businesses that do not embrace CX may lose customers to competitors who offer better, more consistent, and more personalised CX across products, services, and digital channels. As marketers, we need to understand what we do badly, as well as what works well, to minimise that risk.

Missing out on new opportunities

Customers are looking for more than just transactions, they are looking for experiences that enrich their lives, connect them with others, and align with their values. Brands that do not embrace CX may miss out on new opportunities to create and deliver innovative and differentiated experiences that attract and retain customers, especially millennials who tend to value experiences more than material goods.

Failing to adapt to changing customer needs

Customers' needs and preferences are constantly evolving, especially in the wake of the COVID-19 pandemic, which has changed how people travel, where they travel, and why they travel. Organisations that do not embrace CX, and fail to adapt to changing customer needs and expectations, such as safety, sustainability, flexibility and convenience lose their relevance and trust in the market.

Central to delivering an unparalleled traveller experience are the “5 Core Principles of CX.” The journey of a traveller, from ideation to realisation, hinges on a clear vision and is furthered by meticulous operational execution. Data serves as a compass, guiding businesses to forge deeper connections, while the human touch remains the quintessence of memorable travel experiences. The integration of technology, particularly marketing automation and data management, equips businesses to meet the sophisticated expectations of today’s traveller.

However, understanding the modern traveller’s psyche is paramount. As the travel landscape diversifies, it’s crucial for marketers to discern the aspirations of various customer segments, from solo backpackers to business travellers. Through customer personas, segmentation, and targeted campaigns, businesses can speak directly to these distinct needs, ensuring resonance. Automation not only enables scalable personalisation but also catalyses operational efficiency. Yet, the efficacy of these strategies hinges on real-time feedback, ensuring that offerings align with, if not exceed, evolving traveller expectations.

The industry, however, grapples with profound challenges. From staff shortages impacting service quality to intensifying digital competition, businesses must navigate these complexities. Additionally, in an era where customer loyalty is fickle, brands must consistently deliver on heightened expectations. Aligning with values such as environmental sustainability and social responsibility is no longer a choice but a necessity. Regulatory compliance adds another layer of intricacy, necessitating a careful balance between adherence and innovation.

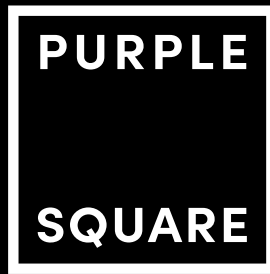
In essence, the world of travel is teetering between unparalleled opportunities and substantial challenges. Businesses that embrace a holistic approach to customer experience, remain agile, and prioritise sustainability and social responsibility are best poised to thrive in this dynamic landscape.



About the author. ■

Andrew Addison

With over 25 years of experience defining and delivering CX and marketing technology solutions for mid-market and enterprise marketing organisations around the world, Andrew has seen time and again what works and what doesn't, whether it is operations, strategy, data, people or technology. When founding Purple Square, his objective was to create an organisation that not only provided clients, partners and vendors with a highly experienced and capable team that delivered successful technology projects time and again, but also one that worked closely in partnership with our clients for the long term, to deliver their Customer Experience strategies and growth. When he's not working, he still enjoys tinkering with technology but spends most of his free time with his family, playing golf (badly), brewing beer (pretty well), watching rugby and visiting Italy whenever he can!



About Purple Square CX

We are a Customer Experience Advisory that offers a diverse range of services aimed at enhancing customer interactions for businesses.

Our expertise lies in three key areas:

1. CX Advice and Strategy
2. Marketing Automation
3. Customer Data Platforms (CDPs)

Our team comprises CX strategists, architects, engineers, developers and builders, all focused on delivering against the 5 Core Principles of CX: Strategy, Operations, People, Data and Technology.

We build long term partnerships with our clients, that deliver their Customer Experience goals, both short-term and long into the future.

www.purplesquarecx.com