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**An HCL Technologies Company**

**Trends in Travel**

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**The Digital Changes to Watch For in 2019**

**WHITEPAPER**

**A Special White Paper Report on Digital Trends that Travel Leaders Will Need to Focus on in 2019 - Brought to You by PowerObjects and One Connected Community**

## Overview

Despite sluggish consumer spending in the UK throughout fourth quarter 2018, spending on hotels and holidays is seeing steady growth (+1.2% in October, +4.9% in November and +7.6% in December according to VISA's UK Consumer Spending Report).

However, with ever increasing competition and rising demands from the new mobile savvy, 'on-demand' consumer, there's no time for travel brands to be complacent. It's time to invest in modern technologies, data and personalisation strategies to create a digital experience so good it keeps customers coming back for more.

This whitepaper looks at three digital trends to help you put your customer centre stage for long-term profit growth in 2019 and beyond, focusing on a personalised data-relationship with your customer across all channels that drive profitability.

## Introduction

When it comes to industry pressures, it's an exciting and scary time to be in travel. The rapid digital transformation that businesses must constantly grapple with seems to move at a breakneck pace.

Travel consumers are quickly adopting new consumer technology, flitting from device to device and making it hard to keep-up, remain relevant, or offer a response to the latest craze. What's more, the pace seems only to be accelerating.

The end goal for travel and hospitality brands used to be securing a booking. Now, in an increasingly competitive market, many are placing a greater focus on securing the best all-round experience. Indeed, our latest research suggests differentiation through customer experience is the priority for many brands in the year ahead.

With more ways than ever to reach customers - across a bewildering set of marketing channels - leveraging the opportunity to build an experience that creates a lifelong connection with customers is the Holy Grail. But the constant change, and deciding which technologies to embrace, has so many industry executives constantly weighing-up where to place their bets.

Many travel brands are having to think outside-the-box and are investing heavily in additional resources. For example, American Airline's in-flight hackathon, Marriott's in-house Innovation Lab and new executive roles dedicated to exploring the latest technology such as Nordic Choice Hotels' 'Director of Future Business'.

The upside to all this disruption - and the need to make quick and sometimes painful adjustments - is the ability to enhance the experience of guests, earn their loyalty and find cheaper distribution channels. In this sense, despite all the headaches that come with it, the industry remains largely upbeat about the possibilities being opened-up by new digital technology.

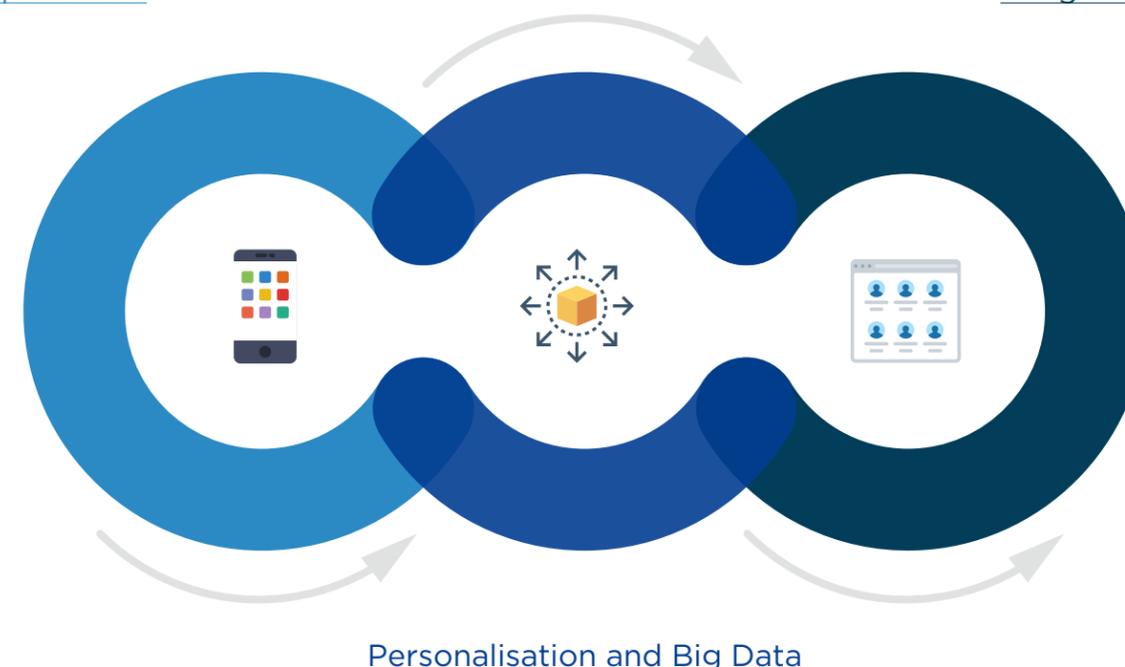
To truly capitalise in times of change, it's important to remember that focus must not only be given to the glamorous end of innovations, but also on the back-end that makes everything work. Ultimately, the goal is to understand customers, give them the experiences they want and keep those experiences consistent across all touch points (delivering excellence in every single interaction). The key then is to deliver technology and capabilities that can leverage the data intelligence for the different profiles of customers who are going to interact with it.

To stand-out in 2019, travel brands need to push the boundaries and adopt next-generation digital thinking, practices and technology.

While the latest crazes like voice search, Blockchain, AI and location data will no doubt provide opportunity for brands to improve customer experience - the over-arching priority looks to be delivering an all-round faster service (i.e. reducing the time between consumer desire and completed action). Here we look at three digital trends set to transform the world of travel this year:

### Mobile Experiences

### Integration of the IoT



## 1. Mobile Experiences

People today work and live across devices seamlessly throughout the day. Technology is an intrinsic part of most people's lives. They wake-up with a device in their hand and it remains with them on the move. Therefore, travel brands must reflect this.

Like many other industries, the rise of consumer technology (such as smartphone use and tablet) has had a marked impact on travel.

The percentage of travel bookings made with mobile devices is increasing sharply each year - in 2017, it surpassed 50% for the first time, and in 2018, it jumped to 57%. By the end of 2019, nearly two-thirds of all travel booking will be mobile.

It is perhaps unsurprising then, that with increased smartphone usage there is a greater opportunity to engage with consumers on the move and enhance their experience pre-trip, on-trip and post-trip.

With mobile-first brands continuing to grow, customers can do practically anything and everything on their phone, from checking in, to ordering room service, to unlocking the room door itself. In fact, it's possible to plan an entire trip—from booking to home again—without ever talking to a real human.

Major hotel brands such as Hilton, who invested heavily in their mobile app early are now reaping the rewards - receiving more than 25% of bookings in 2018 via its app.

Through connecting it with their Hilton Honours loyalty program, which has 66 million members worldwide, they allow customers to book rooms, access WiFi, unlock room doors and even accrue Hilton Honours Points. The app helps them to learn more about their customers (with a view to better meet customer demands and expectations), while guests receive a more personalised service - so it's a win-win.

In the airline industry, many airlines are waking-up to the fact that air travel is not just about travelling from A to B. Airline mobile apps not only drive loyalty but can be used to provide guidance at the airport, in-flight entertainment and more. Even without a mobile app until 2017, Virgin America was still able to provide an award winning mobile experience via its fully responsive mobile website and optimisation of physical and digital customer touch points.

When it comes to mobile, Google recommend travel brands look for 'micro-moments' to engage with travellers on the move - defined as the 'I-want-to-know, I-want-to-go, I-want-to-do or I-want-to-buy' moments. Mobile enables savvy travel brands to provide consumers with what they want, precisely when they want it.

That said, Google found that 94% of leisure travellers still switch between devices as they plan or book a trip (elongating the booking path). To help customers feel secure in their decision to book via mobile, offer assurances to customers via mobile, eliminate steps to book, implement one-click functionality and ensure your mobile site loads fast. Adapting the customer experience to mobile and personal technology will be a key characteristic of successful travel brands in 2019.

As Brian Hogg, Head of Digital Delivery at Thomas Cook, says: "The future of mobile in the industry needs to be simpler for the consumer. We need to deliver faster mobile experiences and more progressive hardware. The mix of using all the smart stuff that apps do today, i.e. swipe technology, and integrating that into our mobile experiences. It's about looking at where mobile technology is going and trying to get ahead."

At the same time, the experience economy has created an atmosphere that encourages and values experiences. Sharing travel experiences online and offline with family, friends and fellow travellers has become huge and much easier to do so than ever via mobile whilst on the move. Indeed, 52% of Facebook users admit to travel photos from friends and family influencing their travel decision making. Mobile is of course now a key component in amplifying and sharing the experience economy by offering guests a seamless experience from the beginning to the end of their trip.

## 2. Personalisation and Big Data

People are increasingly concerned with having unique, personalised travel experiences. Tapping into customer data helps brands to; promote customised offers by tracking preferences; and to create a picture of your customer's daily life. Digging even deeper into the right data can help marketers assess what their customers are looking for based on interests, demographic, budget range, and desired holiday destinations, giving brands an opportunity to create an all-round better experience for them.

Japan airlines (JAL) like many airlines understand the need to transform themselves to go beyond personalisation to really customise the traveller experience. With the help of technology and data they hope to have a better understanding of who the customer is, when they last booked, plus their seat and booking preferences.

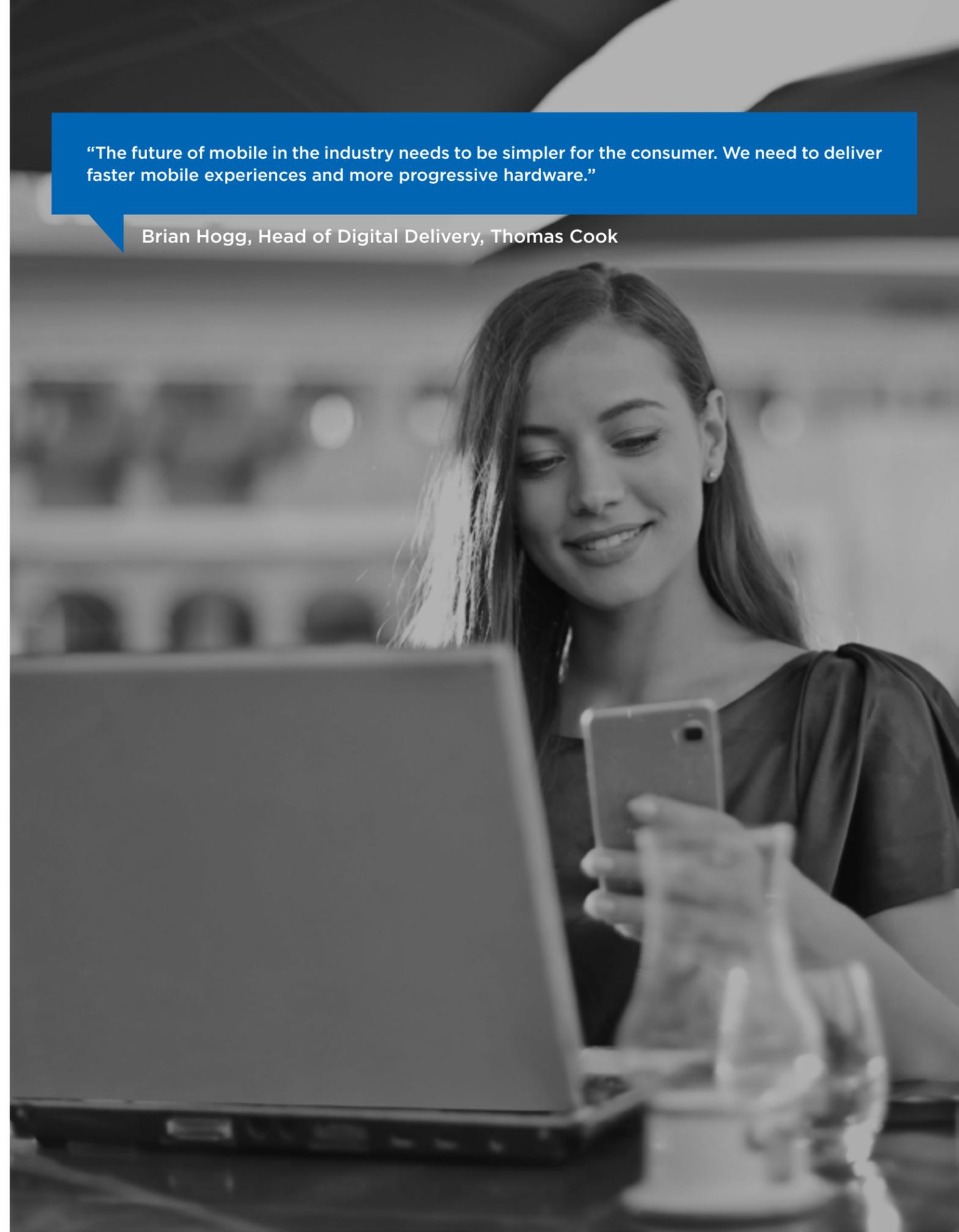
Standardisation initiatives such as NDC (New Distribution Capability) aim to open-up the industry to facilitate innovations. The NDC's primary purpose is to free-up legacy system constraints, but also to help facilitate innovations such as Blockchain technology and combining IoT with data to develop timely services to the customer in the physical and digital world.

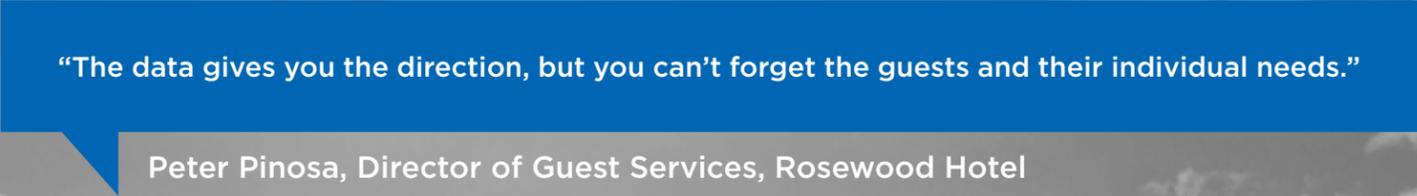
Learning that your customers prefer personalised itineraries to one-size-fits-all holidays should have a significant impact on the marketing messages you send them, directly impacting their likelihood to be receptive and, ideally, book. After all, the more you know about your guests, the more you can please them.

Airlines such as KLM were early movers in realising the need to provide a personalised service. Back in 2010, their 'KLM Surprise' campaign saw them use data insights from social media to learn more about the reasons for their traveller's trips. KLM then use this information to surprise customers at the airport with relevant gifts for their trip. For example, they gifted a traveller on route to Mexico to support a homeless charity with a personalised first aid kit. They continue to use such insights to go above and beyond customer expectations - a fantastic example for other airlines to follow.

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**Brian Hogg, Head of Digital Delivery, Thomas Cook**





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Peter Pinosa, Director of Guest Services, Rosewood Hotel

## 2. Personalisation and Big Data |continued|

Going the extra mile for customers, by making their digital experience with your brand personal and positive, could lead to great reviews either online or offline. So, it’s good news all-round.

We would be remiss not to mention the arrival of the General Data Protection Regulation (GDPR) in Europe in 2018. Many travel leaders are embracing the opportunity to clean out their data cobwebs, join the dots along their entire customer journey and get full 20:20 vision of how customers are interacting with them. With a capable customer data platform in place, progressive travel brands will do more than get their GDPR ducks in a row - they’ll be primed to deliver better, more personalised customer experiences, which should ultimately boost their bottom-line.

But data isn’t the only barrier to personalisation. Sometimes the human element is often the biggest roadblock. This is because personalisation efforts require a certain amount of sophistication on top of data and technology, meaning if teams lack time, skills, and enthusiasm - it is going to remain a big challenge.

As Peter Pinosa, Director of Guest Services, Rosewood Hotel, says: “The data gives you the direction, but you can’t forget the guests and their individual needs.”

Even when organisations might possess the ability to collect sufficient information on customers (across channels and devices) this data often remains siloed and therefore unused. It’s critical to have a single vision of what your brand’s digital presence is to look like. This requires collaboration across departments and ensuring that no one is operating solely within their own silo. Asking questions, seeking new ways to adjust, and paying attention to the needs of customers will yield the best results. Bringing together marketing personnel to share data and messages is an essential way to ensure that customers feel their interests are being looked after.

## 3. Integration of the IoT

As more and more devices get connected to the Internet of Things (IoT), it makes sense that the travel industry will begin to harness all that data to improve the customer experience.

For example, if a hotel brand can identify from data that a customer has visited their resort every year for the last three years, it can automatically send a message asking the guest if they’d like to make another booking this year. This saves your customer time and energy without ever lifting a finger. The same could be said by leveraging information about food selection, excursions, and room service - the opportunities for up-sells and offering better customer experiences are endless.

Many hotel brands are exploring how to improve the hotel guest room experience, for which IoT opens-up an exciting array of new customer touch points. Nordic Choice Hotels, for example, launched a partnership with Embed in 2018 to explore what the hotel room of the future might look like. Through using a single property - their Hobo hotel in Stockholm, they are able to invite some of the best minds in technology and design to collaborate.

“Together with other well-known companies and start-ups we can create a much better guest experience than if we try to do it ourselves. It will often be a much better solution and we can move faster if we start partnerships and co-operations with others,” says Christian Lunden, Director of Future Business, Nordic Choice Hotels.

The innovative hotel chain, which operates 195 properties in Scandinavia and The Baltics, is also experimenting with Blockchain to enable them to stimulate innovative solutions from start-ups to provide more choice to travellers, create new services for guests and drive revenue.

“2019 promises to be an exciting year for the travel and hospitality industry,” says John Doris, Travel and Hospitality Solution Specialist, PowerObjects. “We’re looking forward to playing our part by enabling brands to deliver real time, one to one personalisation, improve customer experience and build brand equity.”

## Conclusion

Differentiation through delivering positive customer experience is the key to success in 2019. The on-going evolution in customer expectations demands a more personalised and intelligent approach to creating good customer experience.

Digital is a means to bring immediacy, inspiration and personalisation. But to truly build a closer relationship with customers, brands first need to understand them better. Efficient data management (both behind the scenes and customer-facing) is the first step to deliver a seamless customer experience. While lots of things are possible, the real challenge is to understand the data behind it. There is a lot of talk about 'making it digital,' but the reality is it's the enterprise architecture behind it that travel brands must focus on. Without due consideration around the back-end systems, brands won't be able to get some of these great ideas off the ground.

For example, to execute the personalisation vision, travel brands must capture data at every touch point on the journey; understand that data through advanced analytics; and then act accordingly based on the insight. This requires investment in specialised databases, real time technology, powerful visualisation technology and analysts. It also requires that all departments set-up their business processes and empower all staff to capture, and act on, as much relevant data as possible. No doubt technology can help to create a differentiated experience, but the human touch still matters.

In this regard, the real challenge for travel brands in the year ahead is to better understand the customer – and then to execute the technical and organisational transformation needed to bring the customer experience vision to life. This will allow travel brands to successfully target customers in the moment at every touch point; boosting loyalty, direct channel bookings and ancillary revenues.

In summary, the future of travel brands lies in the ability to forge long-lasting and deeper connections with customers in a seamless, authentic and engaging manner. It means knowing guest preferences, and behaviour, with a much finer granularity than ever before, to better serve their needs. Those travel brands that take advantage of the technology and innovation to deliver better all-round experiences stand to gain improved revenue streams against competitors that don't.

## Final Thoughts

Life's rarely a beach in the travel industry. As customer expectations evolve and innovative technologies continue to disrupt and shape the way customers travel, competition for spend and loyalty is tougher than ever.

Successful brands must think like their guests. They must create seamless experiences that successfully fuse digital, mobile and physical interactions to keep customers engaged at all touch points. Stand out experiences are those that remove all problem solving for the guest and deliver a smooth journey from home to destination and back again.

And remember, while all the change can seem overwhelming, time-honoured principles still apply. Good customer service still matters. Travellers are always looking for a great experience and are willing to reward loyalty when they find it. No matter how much technology changes, there is still a lot to be said for the human touch.

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