

A stylized, geometric silhouette of an airplane in flight, angled upwards from the bottom left towards the top right. The silhouette is composed of several flat, colored shapes: a dark grey fuselage, a light pink wing, a dark grey tail, and a light pink tail fin. The background features a large orange circle on the left, a black circular area on the top right containing text, and a green circular area at the bottom left. The entire background is overlaid with a pattern of small, semi-transparent circles in various colors.

# REIMAGINING THE TRAVELER JOURNEY:

How Brands Are Using  
Customer Data to  
Drive Growth

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Presented by

**Skift** + Amperity &

The AWS Partner logo, which consists of the lowercase letters "aws" in a sans-serif font, a small orange arrow pointing to the right, and the word "PARTNER" in all caps below it, all contained within a white rectangular box with a slightly irregular, torn-edge appearance.

aws  
PARTNER

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## ABOUT SKIFT

Skift is the largest industry intelligence platform providing media, insights, and marketing to key sectors of travel. Skift deciphers and defines trends for global CEOs and CMOs across the travel industry through a combination of news, research, conferences, and marketing services.

## ABOUT SKIFTX

SkiftX is Skift's in-house content studio. SkiftX produced this report in partnership with Amperity.

## ABOUT AMPERITY

Amperity's mission is to help companies use data to serve their customers. The company has revolutionized the way brands identify, understand, and connect with their customers by leveraging AI to deliver a comprehensive and actionable Customer 360.

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# EXECUTIVE SUMMARY

The digital world has permanently changed the relationship between travel brands and their customers. As digital interactions during the traveler journey continue to increase, the ability for brands to use the vast troves of customer data available to deliver unique, personalized experiences has increased the pressure to meet enhanced guest expectations.

By leveraging customer data gathered through the combination of digital and in-person interactions, travel brands are able to create better advertising, provide more targeted offers, and respond to customer experiences in real time. These efforts can lead to greater loyalty, more bookings, additional cross-selling opportunities, and higher lifetime value.

To anyone working in the travel business over the past few years, these trends are no surprise. Travel was one of the first industries to shift booking and e-commerce online in the early 2000s, and established players in the industry have mounds of data to work with based on decades of digital interactions and transactions. However, leveraging that data — along with the mind-bogglingly large amounts of information being created each day — is becoming an increasingly difficult task.

Established travel providers lagged digital start-ups in the early days of the internet boom, relinquishing customer touchpoints (and their associated data) to online travel agencies and other third parties. Accelerated by the 2008 financial crisis, the hyper-competitive market for online travel deals fragmented loyalty among consumers and complicated brands' ability to connect with their customers directly. And now, with the decline of third-party cookies, which have been a key enabler for ad personalization and the ability to measure marketing effectiveness, customer data from third parties will become even more difficult to access, manage, and act upon — and keep secure.

Collectively, these trends have created an urgent imperative for travel companies to prioritize a first-party data strategy focused on building more direct digital relationships with their customers.

To solve this increasingly complex conundrum, travel and hospitality brands must ask themselves the following questions:

- What is the real value of our customer data — on a holistic and an individual level — and how can we bring it all together?
- What are the different touchpoints for each of our customers, and how should we select which customer segments are the right ones to target?
- How can cloud technology help us effectively optimize and integrate our customer data resources within the organization so that every department that needs them is working from the same playbook to meet customer demands, drive results, and scale our business?
- What tools can help aggregate and activate our customer data to create truly personalized experiences?

In this report, travel and hospitality companies will learn how to answer these questions for themselves, empowering them to build a customer data strategy that ensures they've identified the right customers and are collecting the right data, managing it in the right way, and activating it at the right time — with the speed and agility they need to provide the personalized customer experiences increasingly in demand from today's travelers.



## EXECUTIVE LETTER

The past few years have changed the relationships travel brands share with their customers. As face-to-face interactions diminish in favor of digital touchpoints, people expect elegant, personalized experiences. Using customer data to deliver unique and tailored communications will greatly improve the way brands interact directly with customers as they plan and begin their travel journeys.

Continual reinvention and sophisticated customer experiences are essential to the travel and hospitality industries. By leveraging customer data, travel brands can create better advertising, deploy targeted offers, and respond to customer experiences, all in real time as decisions are being made, often on the go.

By offering high-quality digital experiences, brands will increase touchpoints across the omnichannel, ensure loyalty, increase bookings, improve cross-selling, and give customers good reason to attach specific value to the brand experience. These trends have made it imperative for travel companies to prioritize customer data strategies and build relationships directly with customers.

In collaboration with Amazon Web Services (AWS), we are excited to release this report created by Skift. Through this report, together we are empowering brands to build excellent customer data strategies by collecting, managing and using specific data, and helping them deploy elegant, cross-channel customer experiences required by today's travelers.

Amperity supports travel and hospitality brands worldwide, helping them become more agile and resilient. We partnered closely with Skift to deeply understand and showcase the inspiring efforts and contributions that drive customer-centric operations for today's leading travel and hospitality organizations, including several of our joint Amperity and AWS customers such as Wyndham Hotels & Resorts, Alaska Airlines, and many more. The report provides critical insights garnered from executives worldwide to help organizations evaluate and prioritize powerful digital transformations, build their customer engagement stack, and innovate the next wave in superior customer communications in the travel and hospitality industry.

We're excited to see where the road takes us.

Sincerely,  
Barry Padgett  
CEO, Amperity



***Barry Padgett***  
CEO  
***Amperity***

# "Amperity has made us more data-driven in *everything* we do."



**WYNDHAM**  
HOTELS & RESORTS

**A comprehensive approach to a Customer Data Platform drives the best outcomes for customers, employees, and brands.**

"Our day-to-day has changed dramatically since implementing Amperity. It's made it so much easier to be data-driven in everything we do. Within a month of implementation, we had 90% of our digital media dollars deployed against Amperity audiences. And in some cases we saw results literally overnight. In some campaigns we saw double-digit increases in ROAS, click-through rate, and conversion rate."

Danielle Harvey, Vice President,  
Customer Intelligence & Media at Wyndham  
Hotels & Resorts

**Amperity &**

*The Enterprise CDP  
for Customer-Centric Brands*

# INTRODUCTION



The proliferation of digital channels has already changed traveler behavior over the past two decades. And in the past two years, the fact that digital interactions encompassed a vast majority of customer service opportunities — from inspiration to the in-person experience — highlighted the industry’s ill-preparedness to manage the influx of customer data available at their fingertips.

As the traveling majority returns to the road, the skies, and the seas in 2022, the industry has an important opportunity to cultivate and maintain personal connections through a keen understanding of how to use the data customers provide to them.

## Back to Business, But Not As Usual

Excitement for the return of travel is palpable. In February 2022, according to the [Skift U.S. Travel Tracker](#), 32 percent of U.S. travelers said they planned to increase their travel spending in the next 12 months, in comparison to 16 percent who said they planned to decrease their spending levels in that time frame. Notably, these figures were nearly identical to February 2020, the first time in the past two years that they have been so closely aligned to pre-pandemic numbers.

Another piece of good news — at least for the short-term recovery — is that pent-up demand from the pandemic is leading people to travel longer and spend more, a concept that's become known as "revenge travel". According to a 2021 survey from [360 Market Reach](#), 40 percent of consumers said they planned to spend more on their next trip than they would have been comfortable spending in the past. Travelers ages 18 to 34 said they planned to spend up to 50 percent more on average.

Despite travelers' willingness to spend more, market fundamentals continue to be unpredictable. While hotel reservations reached 94 percent of 2019 levels in February 2022, according to the [Skift Travel Health Index](#), data from Sojern showed that travel intent — or searches for future hotel status — were just 51 percent of 2019 levels.

Consumers are also booking closer to the time of travel. According to data from Hotelbeds, in January 2020, the percentage of bookings made within one week of travel was 15 percent, compared to 40 percent for more than 90 days. By February 2022, travelers booked about 30 percent of reservations fewer than seven days in advance, and just 24 percent occurred more than 90 days out.

"New bookings were higher than searches for much of 2021, and we saw this for both hotels and flights," said Wouter Geerts, director, [Skift Research](#). "The most reasonable explanation for this is that people are exploring and 'dreaming' less about future trips. The decision-making process has shortened, as have booking windows, with consumers more focused in their travel booking. The

number of available flight and hotel options has also been reduced due to the pandemic, meaning there is a reduced need and desire to explore different options before making a booking."

As travel brands strategize to capture resurgent demand, they will have to throw out their historical playbooks. The window of opportunity is smaller, and the competition will be fierce. Success hinges on brands' ability to accurately predict their customers' behavior and provide offers at the right moment. Though the concept sounds simple, making it work is easier said than done.

"Understanding the customer at the speed of a business is really hard right now," said Matthew Biboud-Lubeck, head of product marketing, Amperity. "It's taking brands weeks at a time to ask a very narrow set of questions of their data because of the way that it's organized — or not — and the way that it's integrated — or not."

## Pressing "Reset" on Traveler Loyalty Strategies

Travel loyalty is at an inflection point as well. As Covid upset the routines of many would-be loyal travelers, the next several years will yield huge opportunities to win market share. For example, as of July 2021, contributions to overall bookings from both the Marriott brand and Holiday Inn's global loyalty programs declined 7 percent from 2019, and Hilton's contributions from all brands systemwide were

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It's taking brands weeks at a time to ask a very narrow set of questions of their data because of the way that it's organized — or not — and the way that it's integrated — or not.

-Matthew Biboud-Lubeck, head of product marketing, Amperity

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down 4 percent, according to the [Skift Research Global Travel Outlook 2022](#).

What's more, the traditional loyalty model appears to be failing to meet the demands of the next generation of travelers. A recent [Morning Consult](#) study found that just 46 percent of Gen Z travelers were "absolutely certain" or "very likely" to purchase from hotel brands in whose loyalty programs they were already enrolled. Moreover, 33 percent said that they don't trust these brands. It's worth restating: These are card-carrying members who are unsure whether they will patronize the brand or whether they trust it.

There's also a larger societal shift reflecting the emphasis on [customer-centric marketing](#) — one that was happening long before Covid but has since accelerated. Similar to the sentiment driving the "Great Resignation," consumers are realizing that loyalty programs have traditionally been about the brand and not about them. In order to reap the benefits, they have to be exclusive. Now, as consumers are readjusting their priorities, they're untethering from loyalty programs, and companies have to adjust.

Brands stand to benefit if they take an open-minded approach to customer acquisition and retention, focusing less on how to increase loyalty membership for its own sake and more on earning travelers' trust and winning their loyalty in a broader sense.

"Customer-centricity is not the idea of being centered around 'the customer' in some faceless, nameless, generic way," [wrote Peter Fader](#), the Frances and Pei-Yuan Chia Professor of Marketing at The Wharton School of the University of Pennsylvania. "It's about gaining a strategic advantage by focusing on the right customer. And then to have the insight, the courage, the ability, and the corporate alignment to prioritize those customers over the others."

With expanding access to customer data, brands now can combine loyalty data with traveler habits outside these networks. They can now better understand customers across all the activities they engage in as they move through different life stages, effectively repositioning "loyalty"

around the person vs. the program. By targeting customers who have the greatest potential value — in the moment and over a lifetime, regardless of "status" — brands can start to formulate a clearer foundation for their customer data and personalization strategies.

## Customer Data Activation at the Speed of Cloud

Successfully delivering on travelers' expectations will require a balanced cocktail of targeted data collection, governance, analysis, access, and distribution. A customer data platform (better known as a CDP) that provides a complete view of each individual customer, based on all of the data they provide over time across a variety of touchpoints, is the key to unlocking mutually beneficial relationships with travelers in the digital age.

"Guests expect companies to use the data they give them, but those pieces are often in different systems and not spread like butter across the journey," said Jeanne Jones, vice president, community and customer marketing, Amperity. "There's an opportunity for travel brands to build upon what they already have and infuse it with something better, a connected system that serves up customer data in the context of how they're doing business."

The concept of "big data" is outdated. It doesn't matter how much data you have — it matters that you can use the data you have. Cloud-based platforms provide a centralized resource to manage and activate data insights, and brands that understand how to integrate customer data with speed and agility will be able to deliver a better experience throughout the travel journey.

With travel demand still in flux, brands are in a prime position to take advantage of the current environment. Now is the time to focus on a customer data program that gives them the ability to disseminate and distribute information throughout their organization to create unmatched travel experiences for their customers and drive previously untapped business growth. ♦

# ABOUT AMPERITY AND SKIFT'S SURVEY: "CUSTOMER DATA INITIATIVES IN THE TRAVEL INDUSTRY"



As travel and hospitality companies design their strategic roadmaps, they face a consistent challenge to understand customer data and use it to improve the guest experience. This report is designed to give professionals in the industry the knowledge to build and improve upon customer data platforms to gain a full, 360-degree picture of travelers who pass through their ecosystems. The ability to identify unique touchpoints for each traveler is the key to personalizing customer journeys that unlock long-term loyalty and customer lifetime value.

Amperity and Skift partnered together in February 2022 to survey travel business leaders in IT, marketing, and analytics to set a baseline for this discussion. Key themes included:

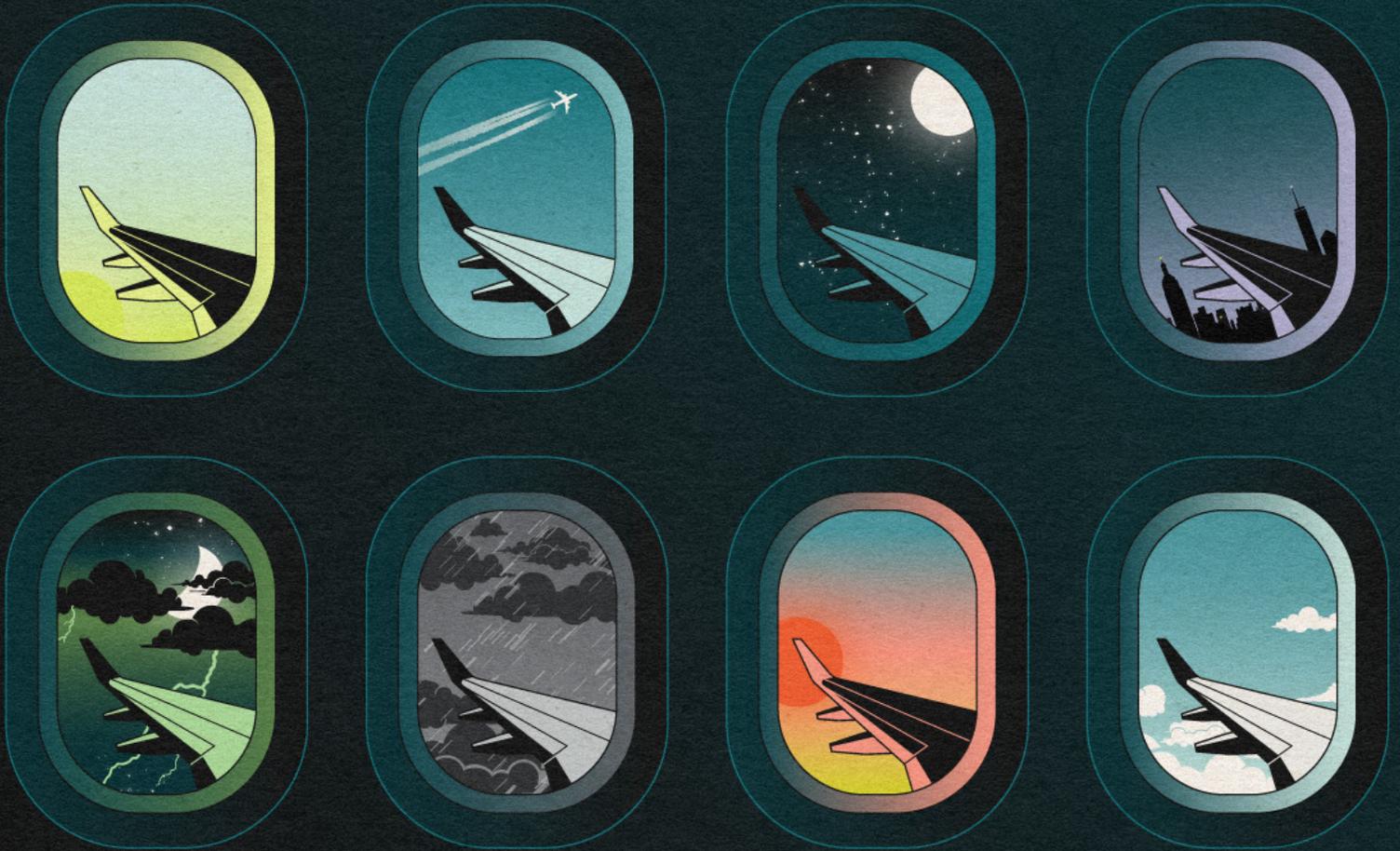
- How customer data informs business strategy
- How they are capturing customer data
- Their confidence level in their ability to use data effectively — including both loyalty and third-party data
- The technological capabilities they've implemented, are planning to implement, or need to improve
- Which departments are responsible for data collection, distribution, and activation
- How far along they are on executing key customer data initiatives



The survey yielded responses from 286 travel and hospitality decision makers (manager level and above) in the U.S. and Canada, capturing common objectives and challenges across customer data programs in the industry. Unless otherwise noted, the data cited in charts and graphs throughout this report are sourced from this survey.

Contextualizing the survey results with in-depth analysis, and augmenting the research with executive interviews and detailed case studies, this report will illustrate how the game has changed for traveler personalization and customer service and how travel and hospitality companies can build a clean, coordinated, accessible customer data platform in the cloud that empowers them to serve changing consumer needs. ♦

# BUILDING A FOUNDATION TO UNLOCK TRAVELER INSIGHTS



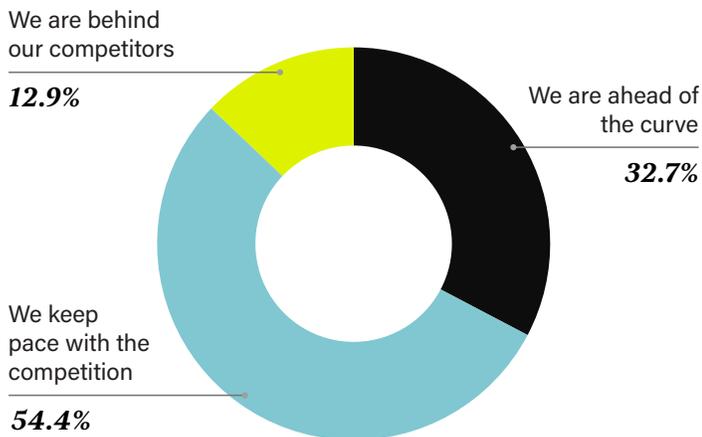
Traveler satisfaction is becoming increasingly dependent on brands' ability to provide a personalized experience for each individual — from the time they start researching a trip until the time they leave a review.

Especially given the proliferation of digital touchpoints during the traveler journey, travel brands have been inundated by an influx of customer information in recent years — and that's a good thing. There's no question that this exponential increase in customer data has become integral in deepening customer knowledge, providing more personalized travel experiences, driving loyalty, and increasing customer lifetime value.

"Travel companies, more so than other industries, are very lucky in that they get a lot of really solid, personally identifiable information [PII] from their guests," said Jones.

Starting from that solid base, the industry feels confident it's on the right path, according to Amperity and Skift's survey. Nearly one-third (32.7 percent) of travel leaders said that they were "ahead of the curve" with respect to the maturity and success of their customer data initiatives. Another 54.4 percent considered themselves to be keeping pace with their competition. Only about 13 percent of companies said they felt behind the curve.

### Overall, how would you rate the maturity and success of your customer data initiatives?



Respondents to the survey also reported a high level of confidence in their customer data acquisition. Nearly one-third (31.5 percent) of travel leaders said that they believed they had all the customer data they need, and 29.3 percent said that they have high-quality data — defined in the survey as “complete and accurate customer data.”

Pulling the cover back ever-so-slightly on the general survey results suggested that some companies may be succumbing to the broader misconception that a lot of data means good data — the idea that collecting as much customer information as possible is the key to unlocking insights. In reality, good data acquisition and quality intake is the key to opening the front door to a house that has different keys for every room, each full of unpacked boxes.

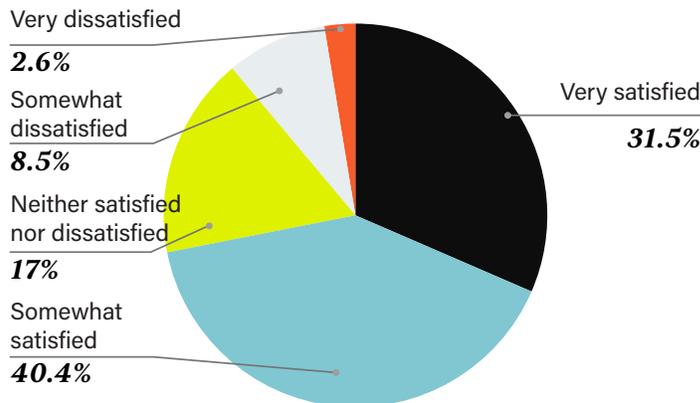
For example, one executive noted that the company has been keeping track of customer experiences from check-in to check-out and working around that to refine its services, while another is using low-code platforms to construct algorithms to target specific customer transactions. A third identified weaknesses and strengths in company messaging. A fourth said they have been developing programs to target specific sales to specific customers, which “has been working well and customers seem to be responding positively to it.”

The ability not only to collect data but also to process and distribute it to the right teams is critical when working with

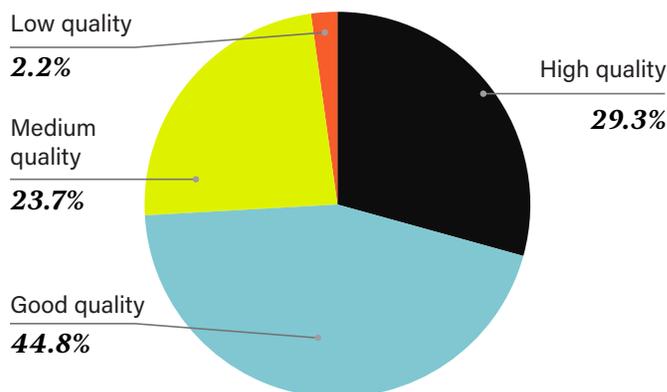
the massive volumes of data that travel companies need to understand their customers’ behaviors and preferences. Since data is coming from so many different sources, companies may feel confident that their data program is successful if they’re able to bring all of that information into their system. But that’s when the work just begins.

“Companies often equate unifying customer data with just putting it all in one place, and the fact is that that’s one step of a very complex set of processes,” said Caleb Benningfield, principal solution architect, Amperity. “You have to then take it and standardize it, and you have to resolve [customer] identity from different silos, and you have to then populate that identity back out to all the behaviors and roll that into a single view.”

### How satisfied are you with the AMOUNT of customer data you are collecting?



### How would you describe the QUALITY of the customer data you are currently able to access and analyze?

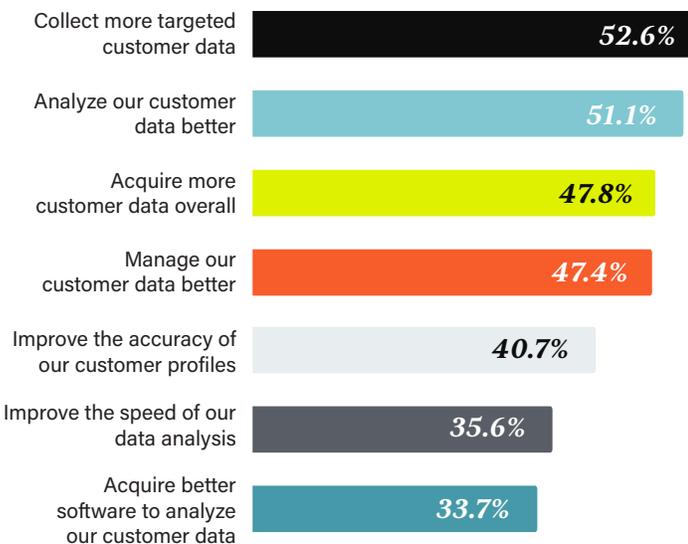


Typically, Benningfield noted, companies will try to build systems themselves, investing “incredible amounts of engineering time” by storing the data in a warehouse and then also purchasing generic tools that help them copy the data into another system where they can process it and gain insights from it. That requires time, money, and human capital for a system that’s complicated and has a ton of moving parts that don’t always work well together.

## The Power of a Unified Platform

A majority of travel executives noted that their top goals in the next two years are to collect more targeted customer data (52.6 percent) and analyze that data better (51.1 percent). Other key priorities include collecting more data overall (47.8 percent), as well as managing customer data better (47.4 percent).

### What are your top goals for customer data acquisition, analysis, and usage in 2022 and 2023?



There’s not a one-size-fits-all solution, which is why generic data storage and processing tools are so cumbersome. The question — which many organizations don’t want to ask — is

where to start with their customer data targeting. It doesn’t matter how good an idea, theory, or hypothesis is around how customer data can be used to improve the traveler experience, they have to put in the work to test and learn. If it looks like a months-long project to create a customized data model for one campaign — and possibly be proven wrong and have to start over — it’s understandable why some business leaders might feel paralyzed.

“There are a bunch of choices to make, and those choices change what data to start with,” said Biboud-Lubeck. “Use cases really influence what data you need to manage to get started, and revenue-driving use cases that require less change to the customer experience are the lowest lift. You usually get the highest outcome and return on that.”

Every travel journey has a lot of contributing interactions — digitally and in-person — meaning that travel companies are also in the business of microdata. The power of customer data comes together when travel companies can identify individual travelers’ preferences and behaviors across touchpoints, which requires a platform that can handle messy data coming from multiple sources to create an individual identity for each customer and act on that information.

A customer data platform (CDP) is a set of specialized tools that takes raw data, resolves the initial data set, and shaves months off of getting to the first version of an actionable customer data strategy.

In the travel and hospitality experience, there are infinite opportunities to connect with individual customers to provide value and offer ways not only to improve their current trip, but also to plant seeds for future business and a long-term relationship with that person. Travel companies have to face the fact that every person who interacts with them is not their best customer. While it’s a hard thing for many companies to internalize, the customer-centric approach that targets a smaller, far more engaged audience with higher potential lifetime value can ease the pressure on companies as they undertake an overhaul of their data program.

"It's important to have an accurate customer data foundation that's going to allow you to identify and segment the right customer audiences," said Stephen Lan, director, product marketing, Amperity. "You're not going to know the right

audience to target until you have a complete customer profile, so it's important to start by asking questions about what data and sources you need to drive your strategy and business objectives forward." ♦

## ASK AN EXPERT

### *Why Do I Need a Customer Data Platform (CDP)?*

with Caleb Benningfield, principal solution architect, Amperity

**SkiftX:** *How is a CDP different from the customer analytics tools or personalization software I'm using today?*

**Benningfield:** A lot of analytics tools have IT working in one set and your business and marketing teams working on a totally different set of tools. That creates silos. A CDP should be able to take source data in its raw form and create a bridge from where you manage that data to the analytics and marketing side.

**SkiftX:** *How does a CDP help manage the increasing volume of customer information coming into our databases?*

**Benningfield:** A CDP makes it faster and safer to make changes versus having to build and strap together different applications. Most enterprise companies that I've worked with just don't make changes because it's too complicated. That's how we end up with legacy systems that nobody modifies over time.

Instead of having to have a totally separate developer environment and then having to build your own tools to maintain or change elaborate testing workflows in order

to move between departments, a CDP can immediately measure impact and roll it back if you're wrong. As a result, you can make a change and see what the difference is.

**SkiftX:** *How can a CDP help us create better customer profiles and support our personalization efforts?*

**Benningfield:** Most systems work on rules-based algorithms, which have a ton of very obvious and open pitfalls. People have multiple emails, they change addresses, they may have multiple phone numbers, there are common life events like you get married and you change your last name. Being able to handle that well is complicated, and almost every rule-based algorithm out there will create a duplicate profile based on that kind of information.

Our CDP uses machine learning algorithms that score data on a scale between 0 and 5 along with other signals so you can, based on your use case, determine whether or not they actually should be the same person. Say you have three profiles — A and B do not have a link, but A and C have a link and B and C have a link, so you can determine that A and B actually do represent the same person even though that wouldn't pass muster in a traditional algorithm.

The result is you get less duplicate data, and the ability to generate these reliable IDs to develop better personalization has a direct tie to profitability. Say a traveler has two profiles — one spent \$500 and the other one spent \$500, but you actually have one customer who spent \$1,000. That might be the difference between a medium spender and a high spender, and you would offer them different products and potentially communicate via different ways.

# SOLVING THE PERSONALIZATION PROBLEM



In practice, individual travelers don't understand or experience the health of a company's data program. They care about finding the right information at the right time as they plan travel, they care about enjoying a seamless travel experience in the moment, and they want to be appreciated by companies they've patronized after a stay and in between trips.

A customer data strategy can't reach its potential if it's unable to give travel providers insights that can serve individual customers where they are in their time of need. In recent analyses on the looming post-pandemic travel

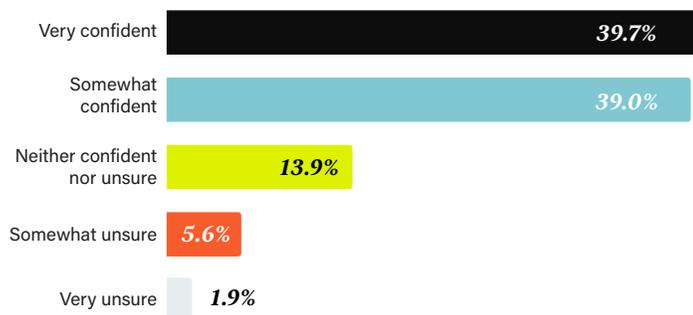
boom, [McKinsey consultants](#) summarized this imperative by saying that "travelers now need more, not less, assistance," and that "the next frontier of measurement is knowing what your customers want and need without asking."

Indeed, the [consultancy's research](#) showed that 71 percent of consumers expect personalized interactions based on their exposure to the possibilities of better, more targeted information across their e-commerce experiences. If that doesn't happen — or if the "personalized" information is incorrect or misinterpreted — 76 percent of consumers said they get frustrated.

This increases the pressure on companies to make sure not only that the information they collect is accurate, but also that what they serve back to their customers is on point.

Travel companies are attuned to the need for personalized service that extends beyond a smile at the front desk or a helping hand at the boarding door. According to Amperity and Skift's survey, 39.7 percent of respondents are "very" confident in their ability to deliver personalized products, services, and messaging to their customers across the travel journey.

### How confident are you in your ability to deliver personalized products, services, and messaging to individual customers based on the data you have?

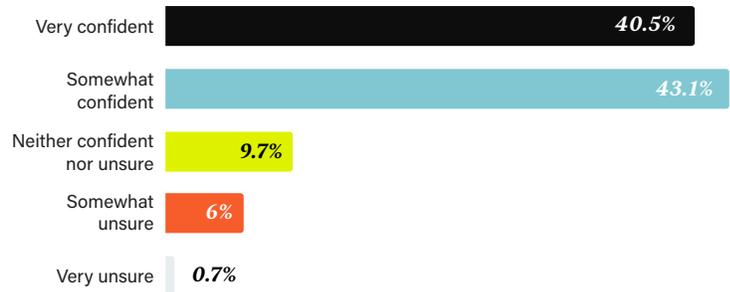


In practice, the success of travel brands' efforts hinges on whether or not a company's definition of personalization matches up with the customer's. At a broad level, personalization strategies are often built upon broad customer attributes rather than individual characteristics. For example, one respondent to the Amperity and Skift survey summarized recent initiatives: "I've used data to discover age and gender demographics and to market marketing initiatives to them."

That's a great start, but it's a long way from deep individual insights and delivering value to the customer. Another popular application of personalization is a hotel website that may prompt customers to indicate whether they're traveling for business or leisure. If potential travelers check the business box, they get put on a special track to look at options that would be best suited to a businessperson. These types of features improve relevance for any given customer, but they aren't strictly personalized to any individual traveler.

The billion-dollar question is how companies can compose a complete image of each traveler by synthesizing individual touchpoints.

### How confident are you in your ability to understand individual customer identities based on the data you have?



More than 40 percent of travel executives told Amperity and Skift that they were "very confident" in their ability to "understand individual customer identities based on the data they have." Meanwhile, [a Forrester study](#) suggested that "travel brands' identity resolution programs are the least mature."

The past two years have only accelerated the travel industry's urgency to solve these problems. People travel for different purposes essentially as different people, and it will never be easy for travel companies to resolve those identities. It will be harder still if they continue to treat customer sets as a monolith. Any gaps in customer data can have wide-ranging effects on individuals' experiences, which can quickly compound into broader customer dissatisfaction.

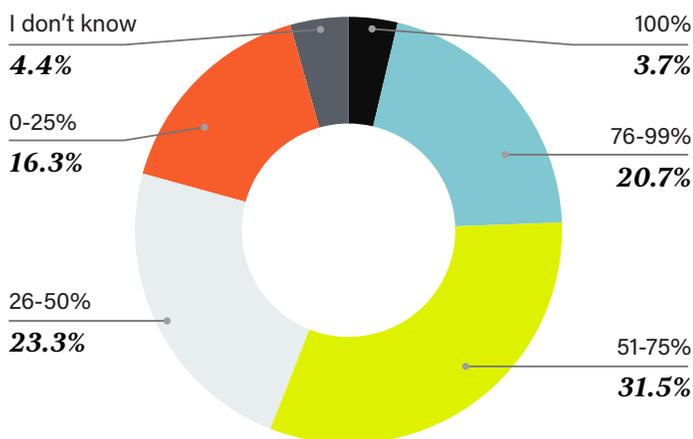
## Focusing on First-Party Data

Third-party data sources have become critical touchpoints in the traveler journey, since they capture much more information than transactional data or personal preferences shared during any given experience at a property or on a plane. Customer data based on online travel agency (OTA) transactions, general activity on social media platforms, Google research and inquiries, or recent reviews — not to mention, of course, loyalty member data with an online travel agency or tour operator, for example — is just a small sampling of the growing volumes of customer intelligence available.

According to travel executives surveyed by Amperity and Skift, a majority of customer data is coming from third parties. More than 55 percent of respondents reported that at least half of their customer data comes from third-party sources, and nearly one-quarter obtained at least 75 percent of their data from third parties.

At the same time, only about one-third (34.4 percent) of respondents said they were “very effective” in their ability to use third-party data to build customer profiles and relationships.

### What percentage of your customer data comes from third-party sources, such as online travel agencies (OTAs)?



“Online travel agencies can represent 50 or more percent of total bookings that are coming into a business,” said Biboud-Lubeck. “The question many brands still struggle with is how to do a better job of building relationships with customers that are coming in and engaging with them through both direct and then non-direct channels.”

Considering the volume of potential first-party data that’s available to travel companies — which would include any and all information a brand can collect first-hand, such as a website visit, online booking, social media interaction,

phone call, text message, email, on-property transaction, or of course, face-to-face interaction — it’s easy to understand why an overreliance on third-party data is unnecessary if brands have the system to support their own data collection and management efforts.

“Companies have historically used third-party cookies to help fill gaps in customer information — they would purchase data that they could match to their own,” said Jones. “Those are basically going away or gone away, and so now those gaps are back. There’s no way to fill them unless you’re using your own first-party data.”

In addition, third-party data is often of unknown quality. Data is customer relationship currency. Think about the difference between what you can learn about someone by talking to them in contrast to obtaining that information through someone else. Third-party data will always be part of the mix, but the more that companies can optimize first-party data, the more they can trust the source and act with confidence.

“When a customer has given you their first-party data, you are now responsible for what you do with that,” added Jones. “A lot of businesses are throwing it away, or it’s a one-and-done transaction based on the trip level. So I would say the first thing is you have to take that beyond the trip and actually create a customer profile. Don’t throw that away. It’s a gift, and you should treat it with respect and value.”

## A New Look at Loyalty

As the travel industry barrels ahead through 2022 into the unknown, loyalty programs will continue to be a key source of first-party data as a critical input for meeting customers’ needs. According to Amperity and Skift’s survey, loyalty programs contribute a majority of hospitality companies’ customers. Nearly 70 percent of travel executives said that at least half of their customers are members of their loyalty programs, and 67.1 percent said at least half their bookings revenue came from loyalty members.

## ASK AN EXPERT

### Why Is First-Party Data So Important?

with Caleb Benningfield, principal solution architect, and Matthew Biboud-Lubeck, head of product marketing, Amperity

#### *SkiftX: Why is first-party data a critical input for my customer data platform?*

**Benningfield:** First-party data is a form of direct trust between you and your customers. Third-party data is complex, and it's easy for companies to see the benefits of it without understanding what's actually happening. It's a risk to your brand to be over-reliant on data that you got without explicit consent from your customer.

#### *SkiftX: What channels and properties should I be focused on to ensure I'm getting the right data?*

**Benningfield:** First-party data is a great way for you to build a long-term, more trusted relationship with your customers. For example, investing in loyalty platforms gives you the opportunity to incentivize putting their information in your system, and that's usually the main path to create a clear incentive for your customers to give you their information. And then it creates sort of a virtuous cycle where they give you the information, you provide a better experience for them, and ideally they buy more.

With these kinds of numbers, it makes sense why travel companies are maintaining their focus on the low-hanging fruit. While these loyalty programs remain a great way to build intimate relationships with an engaged and enthusiastic set of customers, too narrow a focus on this strategy leaves out not only a significant portion of a brand's current customer base that may not be a part of the

#### *SkiftX: Why is it important to look beyond loyalty programs to collect first-party data?*

**Biboud-Lubeck:** The reality is that for a lot of brands, there's a huge group of customers who are not in the loyalty program but are meaningfully engaged with them. Oftentimes, brands aren't in any way invested in building a relationship back with these consumers to drive loyalty and repeat behaviors outside of the classic paradigm of the points program.

[Editor's note: About 30 percent of companies responding to the Amperity and Skift survey said less than half of their customers were in their loyalty program. And 32 percent of companies said they didn't have a loyalty program at all.]

I'll give you a personal example. Before Covid, I used to go to Las Vegas 10-plus times a year for conferences, or CES, and I probably spent \$10,000 a year there as a traveler. But because I don't game, in the casino data ecosystem, I'm considered a transient. Historically, there's been no relationship effort with consumers that are not gamers.

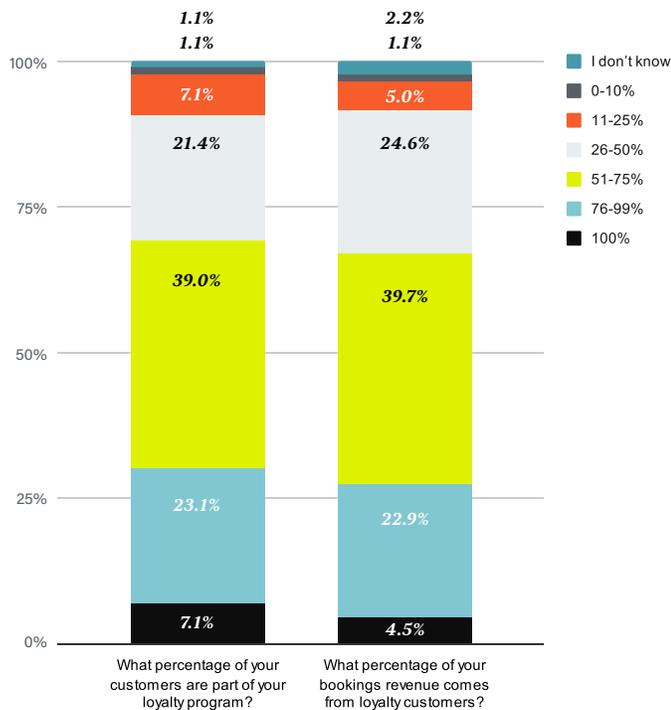
There are examples of that if you look across the industry. It's important for brands to think about building their customer 360, expanding their analytics, widening their marketing, and deepening their personalization efforts to be inclusive of loyalty and non-loyalty.

And it turns out that doing that work for non-loyalty is hugely incremental to the bottom line. If you add that on top of continuing to optimize a loyalty program, then you've got yourself a more interesting holistic strategy.

program, but also the untapped potential of travelers who have never purchased from them.

In addition, loyalty information itself can't just be taken at face value. Assuming knowledge of people based solely upon behaviors in certain instances — when they travel for work, or on their annual family vacation, or even as they

## Travel Loyalty Program Contributions to Overall Business



peruse package getaways they never plan to take — leaves significant gaps in their overall profiles.

In a recent blog post, [Amperity](#) captured this conundrum. “Customers share inconsistent and diverse identifiers (like emails, phone numbers, zip codes, usernames) as they interact with brands from different channels, touchpoints and devices,” Jones wrote in the post. “The more a customer interacts, the more fragmented that identity becomes. Systems that aren’t equipped with the right intelligence will fail to identify the fact that Business Traveler Joe and Vacation Joe are the same person with different loyalty accounts. Without an accurate, single view of the customer, brands run into downstream problems like poor personalization and inaccurate insights.”

For example, of executives who indicated their primary focus within their loyalty program was to retain customers, just 24.3 percent said they were “very” confident in accessing

the member data they need to keep them. This means that more than three-quarters of companies are unsure that they have the information they need to serve people who have already raised their hand as a loyal customer. It’s no wonder [brand trust and intent to purchase is declining](#).

Brands shouldn’t blame themselves completely for the challenges in processing all the data they can possibly access — but they should acknowledge if they’ve been doubling down on the old advertising model of trying to attract the widest audience possible.

“Businesses don’t have infinite amounts of budget available for marketing, so they really have to optimize their strategy across acquisition of new customers, retaining current ones, and growing existing customer lifetime value,” said Lan. “In order to answer that question, they really have to have a customer-centric mindset.”

In the same way that travelers may be overwhelmed by their infinite opportunities to find the travel experience of their dreams, in some ways it’s easier for a brand to be hyper-focused on acquiring frequent flyers or road warriors for a loyalty program at the expense of all the other customers who come through their system. Some companies may discover that will continue to be the right approach. Others may realize that they have a dedicated customer base that spans demographics, psychographics, or geographies outside of the loyalty program that they hadn’t been able to see previously.

Ultimately, the question of what data is the right data comes down to a simple exercise of what’s most important to the business. If that sounds simple, it is — at least as a starting point.

“A successful customer data program is all about determining what data is going to be most helpful for your use cases and making sure that data is available downstream,” said Jones. “A lot of times we start by asking if we can take what you’re doing now and make it better with complete, relevant data.”

## CASE STUDY

### *Pivoting Toward Personalization During the Pandemic*

Wyndham Hotels & Resorts worked with Amperity to start implementation of a new customer data platform in early 2020. With a little bit of luck on timing and a lot of hard work in the early days of the Covid pandemic, they were able to push through and launch in the middle of the year. That allowed them to shift and personalize messages to customers even though everything was changing so fast in that awfully challenging time.

#### **Key Strategies Employed:**

- Focusing on first-party data
- Connecting with non-loyalty members

"It's very important to us to understand first-party data because it tells us who our guest truly is. Our program allowed us to pivot our marketing really quickly to where we were not trying to create demand, but shifting to where demand existed."

— **Danielle Harvey**, vice president, customer intelligence and media, *Wyndham Hotels & Resorts*

Explore further with [Skift](#) and [Amperity](#)



# ACTIVATING CUSTOMER DATA WITH SPEED AND AGILITY



The “platform” aspect of the CDP equation requires the technological tools to ensure that these volumes of data can be consolidated efficiently, managed appropriately, analyzed effectively, and most importantly, distributed to the right people at the right time so that they can act on the information. Whether that’s a media buyer developing a targeted advertising campaign to inspire someone’s next trip or a front desk clerk at a boutique hotel welcoming a guest after an unexpected 30-hour layover, the future of customer service in the travel industry hinges on fast, accurate insights.

“To create more relevant and personalized marketing campaigns, the CDPs of today need to be tailored to an industry and ingest data that is to a large extent held captive

in legacy systems,” said Florian Tinnus, global lead, travel & hospitality partners, Amazon Web Services (AWS).

## In the Right Place, at the Right Time

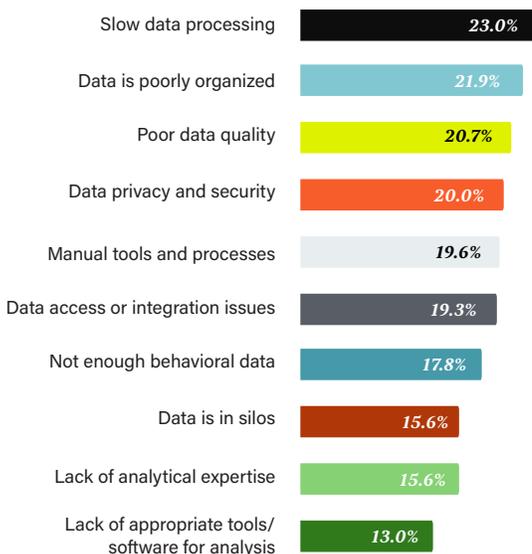
The complexity of gathering and synthesizing actionable customer data is holding the industry back from realizing many opportunities. According to Amperity and Skift’s survey, the most widely represented barriers to growth of travel industry customer data programs were slow data processing (23.0 percent), poor organization (21.9 percent), and poor data quality (20.7 percent).

Compounding these challenges, travel executives also reported that some of their biggest barriers to better customer experience initiatives included data access or integration issues, siloed data, lack of analytical expertise, and the lack of appropriate tools or software for analysis.

One executive even lamented that “other than gathering the data and categorizing it, we have done NOTHING with this data,” while yet another said, “we face challenges overall in organizing our data and deciding which is the most important.”

Tinnus’ experience corroborates these comments. “Most of our customer conversations start with, ‘I’m rich in data, but poor in insights. How can you help?’” he said.

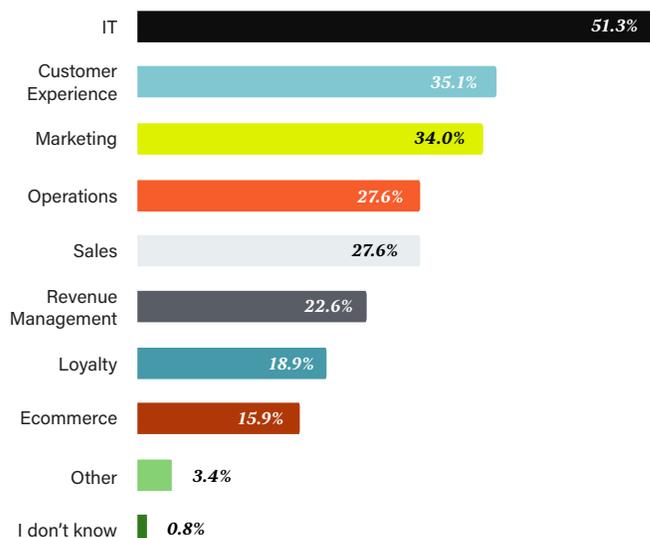
### Which of the following barriers pose the biggest challenge to your organization’s ability to capture, analyze, and use your customer data more effectively?



Considering the amount of customer data coming in and the importance of ensuring that it’s being managed appropriately, where this information lives can be as important as what it is or how it’s processed. Just over half (51.3 percent) of travel executives said that their information technology (IT) departments are primarily responsible for

analyzing and acting on customer data. And at least one-quarter to one-third said this information was the primary responsibility of customer experience, marketing, sales, and operations.

### Which department at your company is primarily responsible for analyzing and acting on customer data?



Ultimately, however, which is the “right” department to host customer data is immaterial if these departments are able to communicate the information openly with each other.

One of the unique opportunities for the travel industry is delivering the hoards of customer data across the organization so that it’s actionable in real time. Just 34.5 percent of travel executives expressed that they are “very” confident in their ability to use customer data organization-wide — for example, that would include teams at an airport/hotel desk, customer care, ecommerce/website, guest research and insights, loyalty, digital marketing/media, or analytics.

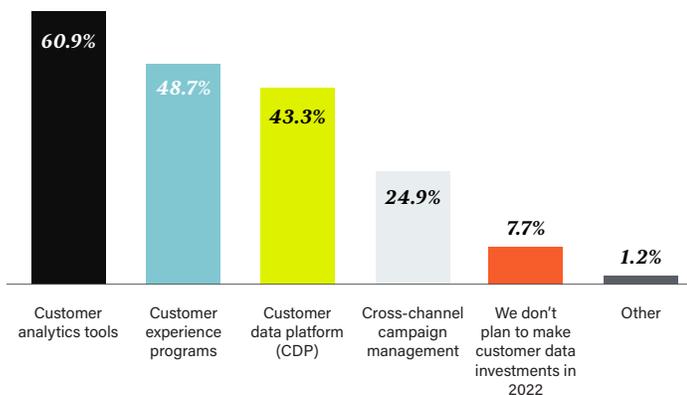
“Companies that are really pioneering in this area start by building a data-driven culture first, a culture that allows every frontline employee to make better decisions in terms of productivity and guest experience,” said Tinnus. “When you look at a cloud-based CDP, you have the data accessible and actionable. So you can, for example, get real-time guest

data on a tablet for housekeeping to plan their work, or you use it during the check-in process. It really helps to be able to make the data available and to provide that data in the moment somebody needs it.”

## Individual Insights at Scale

Travel companies’ customer data investments are geared toward cultivating better analysis and activation. More than 60 percent of travel executives said that they would invest in customer analytics tools in 2022, with nearly half (48.7 percent) expecting to invest in customer experience programs over the next 12 months. Meanwhile, 43.3 percent said they will apply funds toward building a customer data platform.

### Which of the following investments will you make in customer data technologies in the upcoming year?



“It’s not about changing your whole structure, and if any vendor comes in and expects you to rip and replace or re-architect your legacy system — there’s no way,” said Jones. “You need to bring in a CDP that is flexible enough and can work within your existing architecture and your existing tech stack from a data-in and data-out perspective.”

As an example, AWS created a demo setup for a large hotel chain on how to build a real-time digital guest experience using a CDP in five simple steps — in three to six weeks.

“Ten years earlier, you would need that time just to do your investigation,” said Tinnus. “Today you can experiment and start very fast.”

As companies look to architect a holistic customer data program that enables them to take advantage of personalization at scale, they have to start small — with each individual customer.

Nearly two-thirds (64.2 percent) of the respondents said they have a customer 360 — defined in the survey as “an initiative today to develop a complete view of each customer based on every interaction they have with your organization.” More than half (52.1 percent) said they were “very confident” in the initiative’s success.

However, individual self-assessments within the survey at times contradicted the optimistic sentiments in the broader data. For example, among travel executives who said their companies were “ahead of the curve” in customer data initiatives, one pointed to the fact that they’ve cobbled together the data they have and will be expanding it as a major key to their operations and success.

Another expanded upon a balancing act as old as technology itself: The best system in the world can only be useful if people are willing to engage with it.

“Over the past year, we have implemented a more ‘customer-360’ view into our processes to train our frontline staff and sales teams on how to use the data we have collected and trust the system,” the executive wrote. “For the most part, it has been a difficult journey due to substantial pushback by team members and Covid issues.”

Others noted that they “face challenges overall in organizing data and deciding which is the most important,” and that their “technologies can be somewhat dated, [requiring] an update to the latest in order to be prepared for the future.”

The technological capabilities to collect and analyze customer information have vastly improved, which ups the pressure for companies to act. But they often don’t know where to start or are unaware that more efficient solutions exist.

“I think we have to unlearn what traditionally a CDP has been as a marketing tool, and we have to come to the art of the possible,” said Tinnus. “The way I like to look at it is

A close-up photograph of a person's hand holding a red frequent flyer card. The card is the primary focus, with the name 'JANE MACK' and the title 'FREQUENT FLIER' printed on it. The background is softly blurred, showing a person in a white shirt and a laptop keyboard, suggesting a professional or travel-related setting.

the ability to create what I call a 'market of one.' This means not just personalized offers, but creating a whole traveler-centric front- and back-end operation of your business. That's the evolution you can unlock. You may not do it in one day, but that's where we see customers going with it."

Tinnus expanded on what he called the "shattered illusion of personalization." Personalization is more than sending an offer, even if it's a good offer. Most customers (and many brands) have run into the experience with a chatbot or an advertisement that recommends a flight, a room, or an experience that's unavailable or, in some cases, has already been purchased.

"I can't just send a voucher for our restaurant or for parking if the customer doesn't really know what to do with it. That's not very personal," he said. "That's why integration is so important — you need to be sure that you also deliver on what you offer and understand if it actually helped."

To illustrate, AWS worked with a hotel brand that wanted to improve how it interacted with guests at an individual property level and online. By leveraging data analytics from different sources, the brand was able to make guest data work in real time, enabling tailored recommendations and services unique to each guest. The brand has also been able to distinguish between leisure and business travelers, offer appropriate recommendations online, and cross-sell opportunities when guests arrive on property.

"In travel, orchestration helps organize the physical and the digital experience, and it improves the guest experience if you do it right," Tinnus said. "That really starts a flywheel from the .com or a call center, moving into the planning stage, onto the on-property systems during the stay, and then up to social media and loyalty post-trip."

## ASK AN EXPERT

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### *Why Is the Cloud Crucial for My Customer Data Strategy?*

with Florian Tinnus, global lead, travel & hospitality partners at Amazon Web Services (AWS)

**SkiftX:** *What is your perspective on the pace of cloud adoption and its relationship to CDPs in the travel market today?*

**Tinnus:** The short answer is it's still very early days. I think we're at about 5 percent full adoption in the travel industry. CDPs have been around for quite some time, but it's only been within the past few years that they've gotten a lot of attention from CMOs. There's a transformation from gathering data to using data for intelligence that is just now happening. We still have a lot to invent, but we've seen some great examples of customers that are already using this today.

**SkiftX:** *What are some of the reasons cloud technology is critical for building a comprehensive customer data platform?*

**Tinnus:** A modern-build CDP in the public cloud leverages all of the cloud's benefits, including agility and scalability. You only have to pay for what you need. You can experiment faster, and you can go global in minutes.

When it comes to analytics, customers have access to a more sophisticated set of machine learning tools that they can run with power, scale, and speed. Some CDPs even come with out-of-the-box, prepackaged machine learning

models that run analysis on channel preference, customer lifetime value, preferences, propensity to buy, etc.

**SkiftX:** *How can machine learning and advanced analytics models help me build a more comprehensive view of the traveler?*

**Tinnus:** With cloud-based CDPs that leverage ML and AI, you can transform marketing data faster and more efficiently. AI-powered identity resolution uses a machine learning model trained on billions of records that can resolve CDP customer identifiers, even when the data's inconsistent. That's the work these algorithms are doing for you — you don't have to write any rules and you can add data at any point in time.

Let's take a hotel chain, for example: They will ingest data from the guest reservation system, property management system, loyalty, point of sale, .com, and mobile applications. A CDP imports this data into a customer 360 profile — a complete view of the customer — and integrates this data in a way that allows you to engage with them and provide personalized offers.

**SkiftX:** *What are some ways I can automate communications to help us serve relevant information while continuing to feel personal on the customer's side?*

**Tinnus:** We have to look at each traveler as sort of a micro-market. The simple rule is that the best offers start with listening. Try to ingest more data sources and learn. That's where machine learning helps. Think of every imaginable transaction that you have done pre-trip and post-trip, and you compare that to others. Then you're able to take all that data and really create a learning model that makes the right recommendation.

## CASE STUDY

### *Breaking Down Data Barriers*

Like many travel companies, Alaska Airlines started its journey toward better customer personalization only to discover its customer data in silos, with reservations, loyalty, and mobile app all in separate places. Without cohesive data, the airline was unable to follow through on plans to improve its customer experience.

Yet, despite living in silos, Alaska's data was high quality, and its customer loyalty profiles were robust. By segmenting different customer attributes like route, aircraft type, and cabin seating, the team started to send pre-journey communications with various offers related to those attributes, such as cabin upgrades, choice of meal, loyalty program, and upgrade opportunities. In the heat of the pandemic, this included personalized messages relaying travel restrictions based on where the customer was traveling.

#### **Key Strategies Employed:**

- Combining data silos
- Cross-journey data applications

"We've learned that loyalty can't function in a silo. The airline's loyalty, marketing, storytelling, and revenue management sides of the business have really come together to holistically look at the customer data and insights at different stages of the funnel to stimulate demand and drive engagement. I'm really proud of where we've landed."

— **Elliott Pesut**, director of marketing, Alaska Airlines

Explore further with **Skift** and **Amperity**



# CONCLUSION

Whether or not they admit it — or fully understand what's happening — travelers are craving personalized, curated information at every turn. In the world of predictive search, social media feed algorithms, and e-commerce recommendation engines, the bar has been set extremely high for travel companies to step up and provide similar levels of service to meet the demands of their customers.

The good news for travel brands is that their customers are already willingly sharing detailed information about themselves. No matter how much a person regularly shops at a pet food store, they're not offering up intimate information about their day-to-day lives from work to family to individual wants and needs in the same way they will to enjoy a travel experience. With the tools available to aggregate and activate traveler information into a CDP, travel brands can create truly personalized relationships with their customers today.

Getting started is easier than it seems. Because there's so much data out there, there's a temptation to think big and try to boil the ocean. By starting with what they have, travel companies will realize they have a lot to work with.

"It's called hospitality because we are servicing human beings," said Jones. "If you know who your customer is, you can start asking what you need to know about them."

That starting point can be as simple as a name and an address, but it can also be something very unique to your business, like whether they're a member of a certain loyalty tier or they came in from a customer acquisition marketing campaign. From there, a customer-centric strategy aimed at perfecting personalization is inextricably tied to the ability to scale.

"To scale, you have to think about investing in technology that works with your existing systems," said Biboud-Lubeck. "And you want to add something that can anticipate the future needs of your business beyond what you're able to think about today really easily. Do you have a

system that's going to really integrate to more sophisticated workflows over time, whether it's analytics, whether it's activation, whether it's customer experience? Because if you don't, you're going to outgrow the platform."

Extracting the real value of customer data starts on an individual level and then becomes holistic. By worrying about what they don't have, travel companies often overlook the goldmines of information directly in front of them. There's so much potential that's being wasted on data acquisition for the sake of acquisition, rather than ingestion, integration, and activation.

As travel brands individually focus on first-party data and personalization, it's opening up exciting opportunities for the future as well. The travel journey doesn't start and end with a flight or a hotel stay or even a single trip. There are already alliance partnerships or brand agreements in place that could leverage the opportunity for customers to give permission for their data to be shared in exchange for valuable experiences that they might get. A partnership between an airline and a hotel chain, for example, could give them a chance to understand when someone has a trip booked and either doesn't have a flight or doesn't have a hotel and to offer them those services to create more of a full traveler experience.

"There are lots of exciting ways that travel brands can come together to create a more cohesive traveler journey, and I think it can be done in ways that are very transparent to the consumer," added Biboud-Lubeck. "There's no reason for the consumer not to want to opt in given the value available to return to the traveler."



## ABOUT SKIFT

Skift is the largest intelligence platform in travel, providing media, insights, and marketing to key sectors of the industry. Through daily news, research, podcasts, and Skift Global Forum conferences, Skift deciphers and defines the trends that matter to the marketers, strategists, and technologists shaping the industry.

SkiftX is Skift's in-house content marketing studio, working collaboratively with partners like Adobe, Airbnb, Hyatt, Lyft, Mastercard, and many more on custom projects to engage the world's largest audience of travel influencers and decision makers.

Visit [skiftx.com](https://skiftx.com) to learn more or email [skiftx@skift.com](mailto:skiftx@skift.com).

The Skift logo is rendered in a bold, black, sans-serif font. The letter 'i' is lowercase and features a solid black dot. The period at the end of the word is a solid black dot.

## ABOUT AMPERITY

Amperity's mission is to help companies use data to serve their customers. The company has revolutionized the way brands identify, understand, and connect with their customers by leveraging AI to deliver a comprehensive and actionable Customer 360.

Headquartered in Seattle with offices in New York City, Amperity is the leading Customer Data Platform provider that helps companies use data to improve marketing performance, build long-term customer loyalty and drive growth. Amperity's flagship enterprise CDP is used by many of the world's most loved brands, such as, Alaska Airlines, Crocs, Endeavour Drinks, Kendra Scott, Kroger, Lucky Brand, Planet Fitness, Seattle Sounders FC, Under Armour, Wyndham Hotels & Resorts and many more.

Visit [www.amperity.com](https://www.amperity.com) to learn more.

The Amperity & logo features the word "Amperity" in a bold, black, sans-serif font, followed by an ampersand symbol (&) that is stylized to resemble a location pin or a similar icon.