Taking the leap.

The new reality of travel and hospitality customer experience.
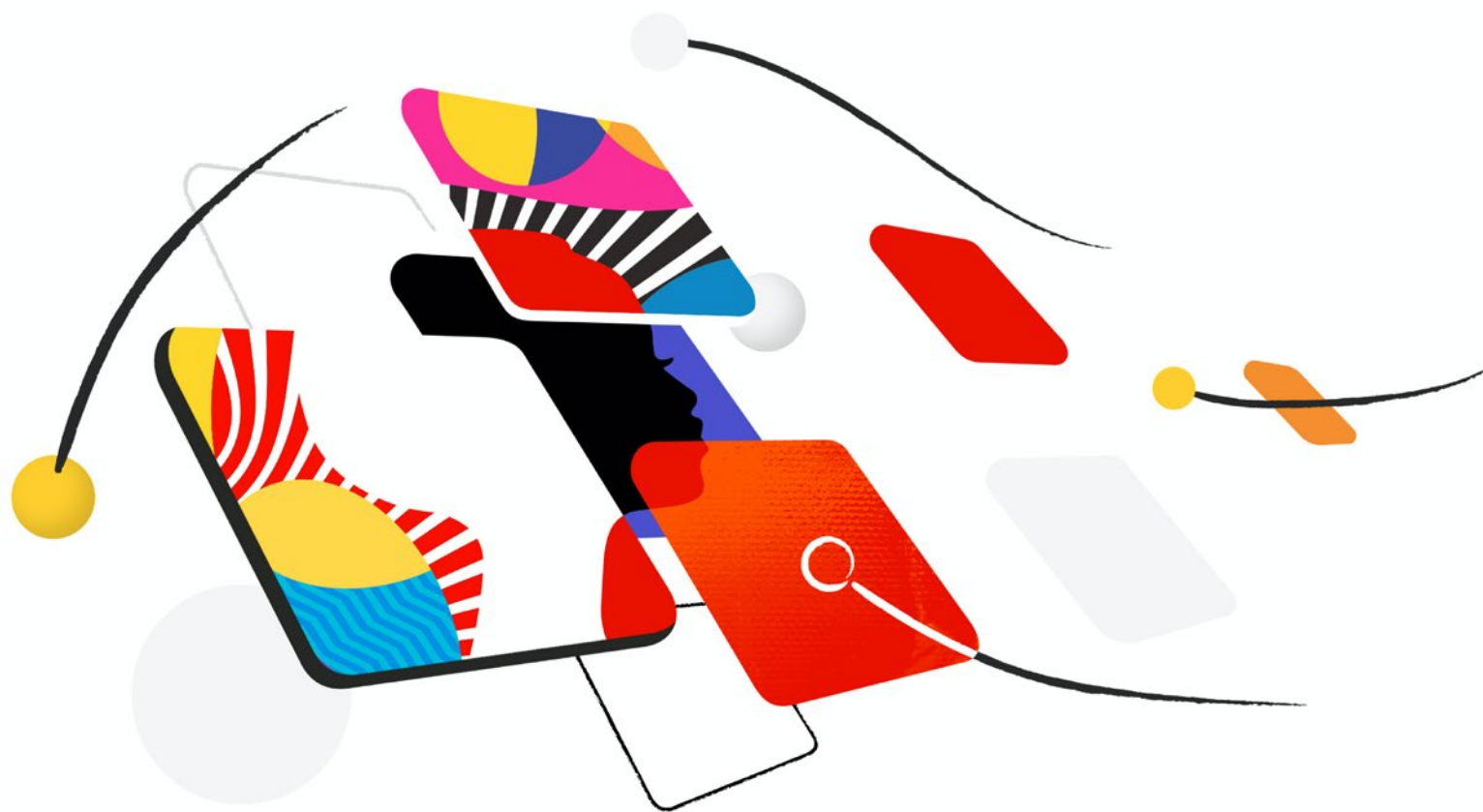
Table of contents

The gap

Travel and hospitality is experience-driven in its bones, it always has been. But when over half of customer interactions are through digital channels, and only 17% of companies describe themselves as 'very advanced' in customer experience (CX)[1], are the remaining 83% still truly "experience-driven"?

As travel and hospitality companies emerge from the restrictions of the pandemic, more and more are realising that getting back to business isn't as simple as reopening. In fact, thriving in Travel and Hospitality now depends on the ability to meet customers' new, Covid-accelerated digital expectations.

In the time these travel and hospitality businesses have been away, a gap has opened up between their existing Customer Experience capabilities and their customers' expectations: 65% of hospitality and travel organisations agree that customer expectations are now further ahead than their current digital capabilities[1]. They now face the challenge of finding a bridge across this CX gap—because being an experience-driven firm is no longer a luxury—it's a business imperative.[2]

"

Digital transformation is a cornerstone to our business. Adobe's tools save employees a lot of time in their day-to-day tasks, giving us more bandwidth to dig deeper into business topics and create a better experience for our customers.

Michael Heilmann

Associate Director Process Excellence, Global Regulatory and Affairs
Lufthansa AirPlus Servicekarten GmbH

The far side: the post-COVID customer

On one side of the gap, we have a company's current customer experience capabilities, limited at best and actively harmful to the brand at worse, and on the other lies the new reality of digital customer expectations in hospitality and travel. Customers' digital journeys have accelerated ahead during the COVID-19 pandemic through a digitalisation driven by a number of factors; from contactless and app payments to reduce physical interaction to the effective prohibition of face-to-face meeting in settings ranging from banks to airport terminals.

We have witnessed several new behaviours from customers engaging with travel and hospitality which can be liked directly to the Covid-19 pandemic:

Unpredictable travel preferences:
Over the short term,—and compared with pre-pandemic standards—customers will behave unpredictably due to a combination of health fears and the financial pressures of Covid-induced recessions. This means many customers will seek out short-haul, non-urban holidays and stay-cations—with searches for 'staycation' rising by 511.11% in June 2020.[3]

New values and habits dictating buying decisions:
People can learn and adapt to new digital experiences quickly—far quicker than businesses can rollout initiatives—and throughout the pandemic, they did. These new habits and values can go from hygiene (contactless payment ordering options) to cancellation policies and refunds offered.

You are now measured against the top digital performers:
McKinsey & Company found that the COVID-19 pandemic shifted digitisation forward by seven years.[4]
And this is represented by customers' lower tolerance for friction in the buyer journey. With apps and online experiences becoming an everyday occurrence, your online experience will be judged by your customers most familiar experience—the Ubers and Deliveroos of this world.

> " Adobe is constantly setting the bar higher for analytics and personalisation success. With Adobe Experience Cloud, we can do more to orchestrate better experiences for tens of millions of customers.

Stuart Irvine

Analytics and Optimisation Lead
Heathrow Airport

The space between

Changing customer behaviour and expectations are the driving force widening this gap. With these changes becoming part of the post-pandemic 'new normal', it is vital to find out what makes up this gap—and what these new behaviours mean for travel and hospitality companies.

In the restaurant industry three key trends are shaping the restaurant of the future.

1 Firstly, **ultimate convenience**. Consumers are demanding convenience above all, this means drive-through, takeout, and delivery are crucial.

2 Secondly, **seamless digital experiences**. Today's consumers demand digital engagement from restaurants, with technology options that recognise them and know their preferences.

3 And finally, **heightened safety in the wake of COVID-19**. Remote work models and crowd avoidance are reshaping people's dining habits.

The travel industry's recovery cycle is behind but looking to return to normal as soon as possible. However, with customers becoming less predictable and with higher CX expectations, loyalties may be waning.

One negative experience can be all it takes for previously loyal customers to stray to a new provider. Now is the time for companies who have maintained their satisfaction and performance levels to reprioritise CX and gain an even greater competitive advantage, mopping up this wave of dissatisfied customers.

With regards to ferries and trains—as passengers return, they will likely expect operators to match the onboard experience they receive in the air or by rail/bus. Reliable Wi-Fi connectivity creates an opportunity to enhance and monetise the customer experience, while reinforcing customer loyalty.[6]

Crossing the gap

There are a number of challenges facing travel and hospitality companies who wish to take the digital leap. After all, to succeed in crafting customer experiences that rise to meet new demands, companies need to not only understand their customers intimately and in real-time, but they must also anticipate their every need.

There are three key areas businesses can focus on to successfully bridge the gap—and attract and retaining new customers:

Becoming experience-driven.
This transformation is no easy feat. It requires a continued commitment and investment in CX across a company's people, processes, and technology.

72%
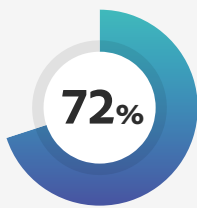
Dealing with fragmented technologies and workflows.
72% of companies report that they have the deep understanding of the customer insights required to meet their customer's evolving needs.[1] But this doesn't directly translate into great experiences. Because travel and hospitality companies tend to adopt traditional and market-driven strategies, this leads to piecemeal adoption of Martech tools, and ultimately fragmented systems that don't fully utilise their customer data.

73%
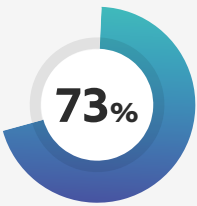
In fact, 73% of companies 'agree' or 'strongly agree' that they have a fragmented approach to marketing and customer experience technology.[1] Without a centralised platform, companies are unable to truly understand and action their customer behaviour. Not because they lack the data—but because the truth is lost in the fragmented process.

Proving personalisation.
The inability to integrate fragmented sources of data is one of the leading roadblocks of proving ROI. Like most transformation initiatives, personalisation fails to work without the proper resources and aligned processes to support it. Regardless of this, 89% of organisations don't have a unified view of their personalisation performance, and 79% haven't aligned incentives to enable personalization.[7]

How it's done

The Heathrow case study

One of the world's busiest airports,[8] Heathrow airport was looking to transform customer experience with a more personalised, one-on-one service and wanted to increase revenue by promoting products and services before, during and after travel. They did both of these things with an integrated, end-to-end experience—interacting with customers over web, mobile and in-airport platform.

Using the tools available in the Adobe solutions—the Experience Cloud—Heathrow pulled together data from across mobile, websites and other channels to give insight into digital engagement and build detailed customer profiles. This data was used to optimise CX throughout the customer's journey through the airport.

Ultimately, Heathrow saw 60% higher average spend per customer with targeted offers, 25% email click-through rates while improving email open rates, and more personal experiences for 78M travellers.

The Center Parcs case study

Before coming to Adobe, Center Parcs's website infrastructure was unoptimised—a common occurrence. It was more than 15 years old and built on an even older booking system. Centre Parcs also relied on an externally-hosted database that often took more than 24 hours to complete essential data processes.

Center Parcs was looking to enhance CX by modernising their website with a personalised guest portal and journeys, replace Waterfall methodology with Agile to work faster and break down siloes, and keep guests up to date with the latest COVID-19 guidance and booking flexibility.

Thanks to the Adobe Experience Cloud, all of these things were achieved. Additionally coding and campaign creation was brought in-house, supported by Adobe Consulting. Thanks to its transformation, Centre Parcs had the tools in place to adjust to the realities of COVID-19, giving guests much-needed flexibility and helpful information to help them book with confidencemuch-needed flexibility and helpful information to help them book with confidence.

"

Technology is often described as a means to an end, but in the case of Adobe, their technology and expertise have been worth their weight in gold.

Elena Ragone Marriott

Head of Digital and Media
Centre Parcs UK

Leaping forward

Catching up to your customers' new expectations is now an imperative, and it's hard enough on its own—your technology shouldn't be making it harder.

The Adobe Experience Cloud is a collection of applications and services specifically designed for unmatched customer experiences, offering comprehensive tools for travel and hospitality companies to gain insights and create content, build engagement, and more.

Modern customers are seeking ultimate convenience, seamless digital experiences and heightened safety in the wake of COVID-19. The Adobe Experience Cloud makes it easy to not only meet but surpass their expectations—helping brands ride the wave of customers returning to travel and hospitality in their own personal style.

With these tools at their disposal, businesses can unify CX across all channels, analyse online and off-line behaviour to get a full picture of the customer journey, unlock collaboration and productivity to achieve operational agility, activate real-time customer profiles for instant personalisation—and much more.

"

One of the biggest achievements of Adobe Experience Manager is how we can create one website structure that we can scale across markets and deliver tailored experiences to different types of travellers.

Alessandro Casellato

eCommerce and Digital Director, Global and Strategic Marketing
Costa Crociere

Find out more.

To find out more about how The Adobe Experience Cloud transforms customer experience, visit business.adobe.com/uk/solutions/industries/travel-hospitality.html

Sources

1   Econsultancy: Travel & Hospitality in Focus 2021 Digital Trends

2   Forrester: The Business Impact of Investing In Experience

3   Statista: Holiday-related search terms with the highest year-over-year growth following the COVID-19 lockdown in the United Kingdom (UK) in July 2020

4   How COVID-19 has pushed companies over the technology tipping point—and transformed business forever

5   The restaurant of the future—Engaging the next-generation consumer

6   Inmarsat: Research Report: The global status of ferry digitalisation

7   Failure to Scale: The State of Personalization in Retail and Travel Industry Perspectives July 2021

8   ACI World data reveals COVID-19's impact on world's busiest airports