

Tips to improve travel marketing effectiveness

A strategic marketing guide



Introduction

In today's economic climate, where spend on discretionary items is being squeezed, organisations in the travel sector are finding it increasingly difficult to fill seats, hotel rooms and cabins.

This challenge is only set to increase as more direct offering and niche players emerge via the web.

Only those travel brands that understand their customers are

likely to be successful and buck the trend by not having to discount their offering. Yet all have a fundamental problem – limited information on customers (passengers and guests) and what travel companies do have is mainly based on transactional data - see list below.

Many travel organisations have a desire to be more creative in developing their direct communications, yet the reality is that activity is focussed more on achieving bookings than developing

relevance to the customer – i.e. they are sales focused (or product focused) and not customer focused. The impact of decision making based solely on achieving bookings is that customers are often over contacted, which damages reputation and brand equity and ironically results in a declining performance over time.

So if you're responsible for planning campaigns here are some tips on how you can improve performance.

Transactional data:



Where they live and their contact information



How much they spend on a holiday



What services they initially purchased



The size and make up of the party travelling



What channels they used to book the trip



1. Create a genuine single view of customer data



Do you have an accurate Single Customer View, including engagement across on and offline channels?

2. Ensure your internal data is best of breed



Although it is a basic data management principle, data quality is quite fundamental to how accurate your reporting, insight and decision making is.

5. Develop a robust campaign planning framework



A robust planning framework must be adopted in order to maximise opportunities and ensure that there is a good return on investment.

5 tips to improve travel marketing effectiveness

4. Enhance internal insight with external data



Although internal insight will enable individuals planning campaigns to understand where the value is and where potential value may be found – an enhanced picture can be created by using external data.

3. Invest in insight



The key challenge facing those planning campaigns in the travel sector is deciding how to switch from an acquisition led approach to a programme based on understanding previous customer behaviour.

1. Create a genuine single view of customer data

Do you have an accurate Single Customer View, including engagement across on and offline channels?

Having a single view of customer behaviour is essential to develop more relevant and engaging relationships with customers. If you do not have this then any current planning framework, reporting and insight will be inaccurate and you'll have gaps in understanding genuine behaviour.

Ensure you investigate ways in which you can pull data together from all potential sources where an individual engages with your organisation.

Without this it is difficult to accurately understand the nature and stage of a customer's relationship with your organisation. For example, can you accurately identify if it's a new customer or a returning customer? How you engage with each is likely to be different – but you can only do that if you can identify them from your database and campaign management system.

If you do not have a Single Customer View such a project is likely to require some investment. You are going to be asked to justify investment in it and to help you here we have summarised the key benefits of a SCV. It will help:

- Maximise campaign efficiencies by accurately identifying poor targeting decisions
- Improve insight, such as which customers are the most valuable to your organisation
- Understand what the key engagement dynamics that increase customer value are
- Enable development of campaigns based on time and event triggers
- Provide a stable base to create and measure campaign performance
- Deliver a framework to accurately measure data quality and highlight any data gaps for insight

2. Ensure your internal data is best of breed



Although it is a basic data management principle, data quality is quite fundamental to how accurate your reporting, insight and decision making is.

So firstly ask yourself is my data clean? Are your campaigns just suppressed or is the information on deceased and goneaways flagged on your database? If the current process is to suppress at point of campaign you will need to get this information on to your database to have an accurate and up to date view of your supporter base. Do you have a routine data quality process to cleanse and infill any missing or outdated information? If not, set these up using external reference data as infills. How robust is your data capture processes? Are you using every relevant opportunity to capture customer and traveller information? Do you allow them to select their preferences, e.g. which channel to contact them through or which content or news they are more interested in hearing about?

And finally are you using ALL relevant internal data? For instance, are you feeding e-mail engagement data back to your database? If you can access this information it can be used to analyse and understand how engagement relates to sales. More advanced data feeds would include web behavioural data or feeds from contact centres.

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3. Invest in insight

The key challenge facing those planning campaigns in the travel sector is deciding how to switch from an acquisition led approach to a programme based on understanding previous customer behaviour.

Insight based planning needs to be adopted, this would allow campaign planners to make recommendations based on insights (rather than hunches) and will reduce the risk associated with new approaches, by adopting a test and learn programme.

Therefore invest in getting access to some quality analytical resource that can generate insight into your customer behaviour at a strategic level, rather than just looking at tactical initiatives or campaign responsiveness.

Having access to this resource will enable you to know:

- Where the value is in your customer base
- Where there is potential to develop more profitable propositions
- Where customer behaviour has changed and what triggered this
- Whether different travel destinations attract different types of customers
- Which channels are attracting customers most effectively

By adopting this approach communication planning is based on where value can be created or where efficiencies can be made. This will save money and in a climate where budget needs to be stretched to deliver maximum return, investing in insight will help justifying amendments to the marketing programme.

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4. Enhance internal insight with external data

Although internal insight will enable individuals planning campaigns to understand where the value is and where potential value may be found – an enhanced picture can be created by using external data.


External data will enable planners to ascertain if there is greater potential from customers because they provide information on an individual's potential wealth, or attitudes. So for example, take a customer who has placed a booking for an all inclusive holiday; external data on lifestyle or income can help you decide whether to target them with a car hire message or a travel insurance message.

Where external data can really add value to the process of planning communications is during the phase between booking and the actual holiday date. At this stage, internal transactional and behavioural data is limited. Using insights from existing customers profiled against external variables allows you to predict new customer behaviours or potential value. It allows targeted messages to be used even at this early stage of the relationship.

Utilising external data enables organisations to fast track customers on to communication programmes to drive improved profitability, but also quickly identify those customers whose value may be relatively low.

This enables budget to be deployed to the best chances of success, welcome programmes to be streamlined thus increasing the chances of retention based on individual circumstances.

External data also enables you to assess the level of potential in the market so that targeted acquisition strategies can be put in place to attract new customers, or a new audience if that fits in line with your marketing strategy.



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5. Develop a robust campaign planning framework



A robust planning framework must be adopted in order to maximise opportunities and ensure that there is a good return on investment.

An effective campaign planning process enables the sharing of information and learnings/insight (and does not have to be repeated), it creates buy in, allows alternative strategies and tactics to be evaluated and it facilitates continual monitoring of performance. The framework should include all relevant individuals and agencies responsible for campaigns.

Central to the concept of effective campaign planning is a test and learn methodology, with control group creation so that you can understand how to best execute customer communications; this removes the guesswork in the evaluation of overall performance.

It allows the roll-out of strategies that provide the most return, and avoids the risk of implementing expensive mistakes that will negatively impact performance.

The key to an effective test and learn approach is to test the factors that make the biggest improvement in performance. Many organisations claim to do testing – but the question you need to ask yourself or your team is “are you testing the big things” or is it just copy changes in text? By implementing a planning framework you need to ask what am I testing and what level of improvement will it deliver? This can only be achieved with investment in a database and insight as recommended above.

Some of the benefits of adopting a rigorous planning methodology are:

- Data gaps for effective marketing are easily identified
- Insight projects can be prioritised based on maximum value to the business
- Business processes which are failing are identified for improvement
- Clear requirements for communications are agreed
- Realistic KPIs can be implemented for campaigns
- A review of previous performance can be logged so that learning does not have to be repeated and the focus is on improving performance

So in summary by making your data best of breed, investing in insight, appending external data and implementing a rigorous planning methodology, you will be able to make more effective decisions on where to deploy budget and generate the highest level of return. But more importantly you will be able to develop more relevant communications to customers which will engender the brand and enhance the chance of a long term relationship.

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