HOW DATA PARTNERSHIPS CAN SPEED UP RECOVERY IN TRAVEL

In partnership with acxiom.

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About this report

How Data Partnerships Can Speed Up Recovery In Travel

A PhocusWire Report in partnership with Acxiom.
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COVID-19 has disrupted the prized relationships travel brands have spent years building with their customers. And, while travel has largely been paused, and understandably so, as we hopefully prepare to turn the corner toward recovery, it is time for travel companies to reinvigorate their customer relationships.

As travelers begin to once again pack their bags, it’s not only necessary to keep them informed and safe, but also to know more about them and to keep them engaged through relevance and personalization in all messaging.

So how can travel companies accelerate their recovery? In short: by using data to understand their customers.

But, other questions need answering, such as understanding which customers are ready to return to travel. What information do customers need to feel comfortable? How can loyalty programs change to be more relevant in today’s travel climate? What is the best way to reach their customers in meaningful ways? Which promotions will have the most impact?

It all comes down to relevance.

Data can fuel growth for travel companies when it is leveraged to create more personalized and contextually relevant customer experiences. While you can gain insights using your data (and that is the best place to start), there are some key incremental benefits to combining your data with data from one or more complementary brands. Together, you can create collaborative data insights to fuel relevant offers, which means more opportunity for market expansion and loyalty development. This combining of two or more brands’ data can help you understand more about customers’ behaviors and interests and provide new insights that you otherwise would not have access to. For example, during the pandemic stay-at-home order, people shopped online even more than before. Learning about how that behavior shifted for complementary brands might yield new insights into how best to message and interact. Done right, customer data collaboration with other brands will help create insights.

In 1950 there were 25 million international tourist visits, rising to 166 million in 1970 and 435 million in 1990. By 2019 it had reached 1.5 billion. This exponential growth in travel is one of the definitive stories of the modern era.

“Global tourism hits record highs - but who goes where on holiday?” The Guardian
that enable you to stand out in the sea of sameness and earn your customers’ attention, and ultimately their travel spend.

Travel brands have a unique opportunity to combine their data with other brands’ data in a collaborative data hub environment, as the list of complementary brands and industries is long. Airlines, hotels, car services, food and beverage, entertainment, consumer goods, financial services and retail are just a few complementary industries. When working together, two or more brands can explore co-marketing audiences, co-marketing measurement for insights, partner data collaboration hubs, and media exchanges. These activities all offer unique opportunities, but it’s important to approach them with the utmost attention to data protection regulations and privacy practices, as we all want to ensure that the customer’s trust is never breached.

**Painting all the dots**

Think of customer data hub collaborations as art similar to pointillism, the dot painting technique developed by Georges Seurat and Paul Signac in the 1880s. Each brand can contribute a few dots of data to the complete picture. As partners are added that have a different view of their customers — a different relationship with them — the painting grows from dots to a clearer outline and ultimately to a rich, colorful image. You need different brands contributing fresh data and information. Otherwise, it’s just a random collection of dots.

In this white paper, we will explore several opportunities for data-powered partnerships in travel that are designed to help you accelerate your path to recovery and plan for even better days ahead.
Loyalty

How do we paint a rich picture of travel loyalty?

Traditionally, travel companies have collaborated with other travel companies to combine their customer data for analyses, promotions and rewards. For example, an airline and hotel brand collaborated on a joint rewards program for top customers, which encouraged additional bookings for both. Neither brand wanted to turn over its customer data to the other brand, so they engaged a neutral third party, Axiom, to do the data matching and analysis. Axiom supported this customer data collaboration by conducting ongoing audience overlap analysis, helping both brands identify their target audience for special offers and messaging. Because Axiom sat in the middle, the brands were able to safely and accurately gain critical customer insights, while protecting the privacy of each brand’s customers and their data.

As travelers look to re-engage in new ways because of the COVID-19 pandemic, now may be a good time to explore potential customer data partnerships that can contribute to a fuller picture of the traveler and the travel landscape.

“Travel brands could use collaborative data insights to understand customers better and keep them informed with personally relevant, up-to-the-minute information about the places they are planning to travel once restrictions are lifted.”

Michele Fitzpatrick, retail and consumer industry strategy consultant at Axiom, suggests.

“They can bring in contextually relevant incentives for reservations for future trips, including offers and deals for advanced booking,” she says.

“And keep them informed about the safety measures that matter most to them on a timely basis.”

It’s always been important for brands to personalize their campaigns, but it’s even more so now when customers need brands to be empathic, on-message, and relevant to them. For customers who are high-level frequent flyers, for example, knowing that the airline has extended their status during this travel slump is personally relevant. Knowing which special accommodations are being made to keep them safe and help them confidently return to traveling again will also be important. Additionally, receiving communications and offers that reflect their individual travel preferences and desires will be even more meaningful. That’s where data collaboration can play a critical role. Bringing two or more brands’ data together helps create deeper insights about these travelers that can be used to make communications and offers more personally and contextually relevant.
“Creating joint reward programs for top customers of each loyalty program has proven to be very successful for retention and has increased stickiness for brands looking to know their customers better by partnering with one another,” says Vicki Duhon, senior client managing director at Axiom.

“An example of this would be a joint program between a major hotel brand and a major airline. We’ve managed many of these types of data collaboration programs and have found them to be very successful for both brands in understanding things like share of wallet. By combining the customer data from the hotel and the airline to determine each customer’s share of wallet for each, the brands gain extremely valuable insights about their customers that can be used to create targeted campaigns and offers. This helps improve their respective share of their customers’ travel spend.”

**Optimize operations**

**How can we paint a clearer picture of recovery?**

It will be more critical than ever for travel companies to optimize their operations as they recover from the coronavirus crisis. Data sharing can help with that, too. For example, using operations overlap analysis, Axiom helped a major airline identify the optimum regional partner for leisure and business routes, and provided insights on various calculations on spend, the number of times traveled and type of journey (business vs. leisure). By combining the data to understand more about where their customers travel most, the major airline can now make better-informed decisions about which regional airlines to partner with and which routes are most critical to add.
“This is really a case of one plus one equals three. By combining two companies’ data, a more complete view of the customer is created,” says Belinda Stilwell, senior client managing director at Acxiom.

“And sometimes what we’ve seen is that one partner has data that is incomplete. Maybe they have only captured a name and an email address or a name and a physical address. That makes matching difficult. Acxiom can append an email address to a name and postal address to help marry up the data for partner collaboration. They can then also use that cleansed data to update their internal systems to enhance customer identity resolution for use in personalization, customer experience, and measurement.”

Return to profitability

How can partnerships enrich the new landscape we paint for travel?

Another form of collaboration is called a partner hub, which is built by engaging a neutral third party to bring together customer-level data from multiple travel and non-travel brands into one data set that each of the brands can leverage and utilize for analysis and campaigning. A critical component of the partner data hub is to have “privacy by design” built in. This enables each brand to deliver on the privacy commitments it has made to its customers, honor privacy regulations and protect each brand’s proprietary data.

35% of people are open to a holiday this year, but they want to wait a while until the situation develops, while almost as many have ruled it out entirely.

Acxiom Survey Data, May 2020.
Domestic travel should return to normal levels a year earlier than international travel, and just under half of those surveyed are planning on taking a domestic trip this year.

Acxiom Survey Data, May 2020.

By implementing a “privacy by design” partner hub for customer data, travel brands can understand and increase their share of customers’ wallets. They can also create unique offers based on combined data. In other words, multiple brands can identify and reach frequent travelers, and perhaps even new prospects, with contextually relevant and personalized campaigns.

All partners benefit from deeper insights into their customers by sharing loyalty scores, transaction history, conversion channel data, past campaign performance, and similar details in a safe haven, “privacy by design” environment managed by an expert third party like Acxiom.

Together, the brands can maximize the performance of marketing and advertising and inform message sequencing and messaging into appropriate channels, resulting in greater conversions and a more informed and productive media mix.

“*In addition to helping inform campaigns, overlaying partner customer data provides the potential to identify strengths and weaknesses with many aspects of each company’s offerings,*” Duhon says.

“*It could be particularly useful at the market level. When you know where your customers are traveling, and especially when they’re not traveling with you, it gives you a greater understanding of what might be causing you to miss out on portions of that customer’s business, and even more so, it might give you the insight to learn how to correct that.*”

Another opportunity shared data provides is the chance to analyze and evaluate the value of a market in the future. This includes an airline leveraging small commuter jet booking data to explore whether a regional jet service would thrive on a particular route, or a hotel using data from a ride-sharing app to determine where to build a new hotel. Combining your customer data with non-competitive brands’ data can provide the business intelligence needed to inform key strategic business decisions and gain competitive advantage.

COVID-19 recovery

How can we paint all the dots of customer sentiment?

Partner hubs can also facilitate communications with customers as travel re-starts, including alleviating concerns over the safety of travel.

“*My airline and hotel clients have been sending messaging on safety measures and sanitization steps they are taking at all the touchpoints of the trip,*” Duhon says.

“*If you fly with an airline and book your trip from the...*”
Looking ahead to next year, 40% of people surveyed have said they are waiting to see how the pandemic develops before booking any travel.

Acxiom Survey Data, May 2020.

airport to the hotel, including a ride share service, the sanitation messages that they are sending jointly through the hub could help alleviate customers’ uncertainty and doubts.*

Another application has been to evaluate the state of the market, to identify those customers who are most likely to return to travel sooner and incentivize them to do so.

“We’ve done a study with our analytics team, combining partner data with an airline’s customers, to evaluate whether COVID-19 has affected their travelers more, or less, or about the same as the general population,” Stilwell says.

“When we look at the country, and the world, opening up, not all markets are opening at the same time. For an extended period, we’re going to see a state of disruption. There’s important information to be derived from looking at combined data, to determine which markets to open up and where to pull back. There’s never been a better time to know your customer.”

Building trust

How can we paint a picture that inspires confidence?

Entering a data-sharing partnership is like any other relationship; it requires trust. A neutral third party facilitating data integration can help.

“We could call ourselves Switzerland,” Duhon says. “We handle our clients’ customer data in a privacy-compliant, safe haven manner. Their business - and ours - depends on us getting that right.”

Axiom can also be an ally in protecting and preserving brands’ reputation.
"A company’s customer data asset is one of its most valuable resources. Customer trust is built over time and must be earned. If you have any slip-ups, they can become a big black eye. Having a neutral third party that is skilled at navigating the regulations and expertly handling customer-level data gives travel brands peace of mind," Stiwell says.

"By having Axiom as a neutral third party expert, both partners can be much more comfortable sharing data. We are not skewing data to favor any particular outcome, and we are providing results. It’s the best possible solution for travel brands."

**Data hygiene and policy trends**

Before launching or joining a partner hub for data exchange, organizations need to have clear terms, standards, and guidelines that can build and sustain trust as the relationship progresses.

Leslie Price, senior manager of product on privacy by design, and Izabela Hansmann, principal product director for solutions at Axiom, share insights from their experience in establishing and managing these data hub relationships.

"Most of the clients we work with have good regulatory groups in-house," Price explains. "You need a really active communication system set up so there is good interaction between the product team, the marketing team, and the legal team."

Price suggests that companies conduct regular desktop drills to address data privacy policy and regulatory changes, ensuring the hub framework remains robust and current.

"You have to monitor what is going on, which data regulations are coming, and how regulations are changing to address data privacy concerns," she says.

"You need an understanding of how regulations get translated into policy and ultimately into practice."

Axiom is actively engaged in tracking and informing changing global regulations and can function as an advisor to its clients as needed. It can also serve as an independent arbiter between partners, ensuring all participants in a hub understand privacy policy and compliance.

"When it comes to data privacy, one of the things we are looking at when putting solutions together is providing a data privacy assessment to ensure the data you bring in is managed and shared correctly, meets your data terms and conditions published to customers, where you clearly express that data is going to be used in a certain way," Hansmann explains.

"A privacy assessment is a very important step for anyone considering a data collaboration. You want to ensure you take every step to meet the different laws governing different companies and territories. You want to work with your privacy team very closely and work with a neutral organization that can provide guidance where needed. Every data collaboration and data partnership is different. When facilitating new partnerships, we review the use cases for data exchange and review partners’ terms and conditions to be sure that those use cases are allowed in accordance with the law."

One of the advantages of working with a data facilitator like Axiom to create partner hubs is that all participants have the added reassurance of an objective, independent, third party whose principal interest is ensuring the success of all partners.

"We’re only going to work with partners that are abiding by those data privacy laws," Price says.

But it’s also important to have clearly defined contracts to define the parameters of the partner data hub — including expressly defined aims and use cases for the data exchange — before creating a partner data hub or adding members.

"We would definitely say that crossing your Ts and dotting your Is, when it comes to data privacy, is more important today than it ever has been before," Price says.

"You can’t do business on a handshake or because you like someone. You want to work with a partner with which you can be confident of harmonization, compatibility and consistency. You want to ensure that its data collection processes are consistent with how you are doing them and is privacy-compliant."
Best practices for building trust

It’s also important that partners in the customer data hub establish and retain trust with their customers through transparency, choice and opt-out options.


“As partners combining their data and working together, you want to make sure you have consistent and privacy-minded practice when it comes to handling data from and about your customers.”

When evaluating new partners to join the partner data hub, participants should evaluate whether the new partner company shares those values. Acxiom can evaluate how participating companies manage their data policies to ensure their data gathering and data management practices are consistent and sound.

“It’s no longer appropriate to look at a partner on a brand level,” Price says.

“You have to look at their consumer privacy data flow. What they say they’re going to do with the customer-level data. And the precautions they take to keep it safe.”

“When you are thinking about customer data hub partnerships specifically, you need clear rules of engagement from the start,” Hansmann says.

“You have to make certain decisions on which brands are going to be allowed in a customer data hub, which kinds of data will be shared with whom, what the flow of customer-level data is, and how the data flows in and out of the hub.”

Hansmann suggests being upfront with potential customer data hub partners about the standards required to participate in the partnership.
Parting ways without losing value

The aim is always for partner customer data hubs to add value for each participant, so they endure. It’s important to clearly define that value and to establish both an entrance and exit strategy.

“I think you need to know upfront how you are going to introduce new customer data partners for different use cases,” Hansmann says.

“It is very important to think through the different use cases and be transparent about the joint benefit partners have from entering the partnership. The reasons partners may leave a customer data hub is that they don’t see a benefit. There will always be new use cases and new data generated. You need flexibility and need to be very transparent with everyone in the customer data hub.”

When adding new customer data partners, it’s important to define how that new entry will enhance the collaboration for all participants.

“I’d want to know how I am differentiated,” Price says.

“What are the consumer groups that are accessed? What is the benefit and value of each participation? Having a customer data hub can give you good functionality, but you want to make sure you can show your differentiation and your value.”

Like portfolios, partner customer data hubs also benefit from diversification. The data collaboration of brands in different sectors of an industry, and related industries, can be greatly beneficial. Not just airline and hotel collaborations, or airline and banking, but think of incorporating lifestyle brands and retailers, as well as destinations and entertainment brands. In this way, the fresh insights each brand might contribute to their relationship with the customer can become increasingly valuable for planning personalization campaigns.
"You want to make sure you do not have one partner that provides 90% of the value to the customer data hub," Hansmann says.

"All brands must benefit from data collaboration."

The COVID-19 pandemic has been tragic for many around the world and has forced companies in all sectors to reconsider “business as usual.” With better insights into their relationships with customers and prospects, and those groups’ travel needs, the travel sector has an opportunity to forge more meaningful relationships with their loyal customers and identify new market opportunities.

“A lot of brands are being creative on how they can bring benefits to their customers. It’s really on the rise because many brands are trying to be creative and are looking for joint benefits from customer data collaboration. I think that the COVID-19 pandemic made these ideas even stronger for many travel organizations,” Hansmann says.

"With the economic downturn, many travel companies are looking outward more to see how they can connect and leverage customer insights, to cut through the clutter," Price says.

Paint a better landscape for the future

Now is an ideal time for brands to paint a better landscape for the future by becoming more personally relevant to their customers. Learn how, by combining customer data sets from different brands, you can gain more intelligence about your customers’ travel needs, offer more relevant messages, and forge more meaningful and loyal relationships.

To Learn More
VISIT: www.acxiom.com
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We Adhere to all Industry Guidelines and Global Laws

How Data Partnerships Can Speed Up Recovery in Travel
The partner customer data hub checklist

There are many factors to consider when setting up a customer data partner hub. Here are some of the key questions to ask:

- How many and which kinds of customer data partners will you want to be part of the solution?
- Which partners are permitted access to which data?
- How is customer data transferred safely and securely between partners? Will you need a neutral hosting option?
- What insights are you trying to derive about your customers?
- Will you be using the customer data hub just for analysis or will you want it to feed into a larger marketing solution?
- Will international customer data be involved, and how will you adhere to local regulations?
- Will you do your own data analysis or will you want a third party to analyze it for you?
- What type of users at each company should get access to what data?
- Can you use a partner customer data hub to monetize your data to help pay for the solution?
- Can you combine all the partners’ data to identify customers’ travel journey, and understand:
  - What’s important to them
  - How and when they plan and book travel
  - How they feel about your brand
  - How you can win more of their business
  - How you can delight them in their travel experience
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Acxiom provides the data and technology foundation for the world’s best marketers. We enable people-based marketing everywhere through a simple, open approach to connecting systems and data to drive better customer experiences for people and greater ROI for business.

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