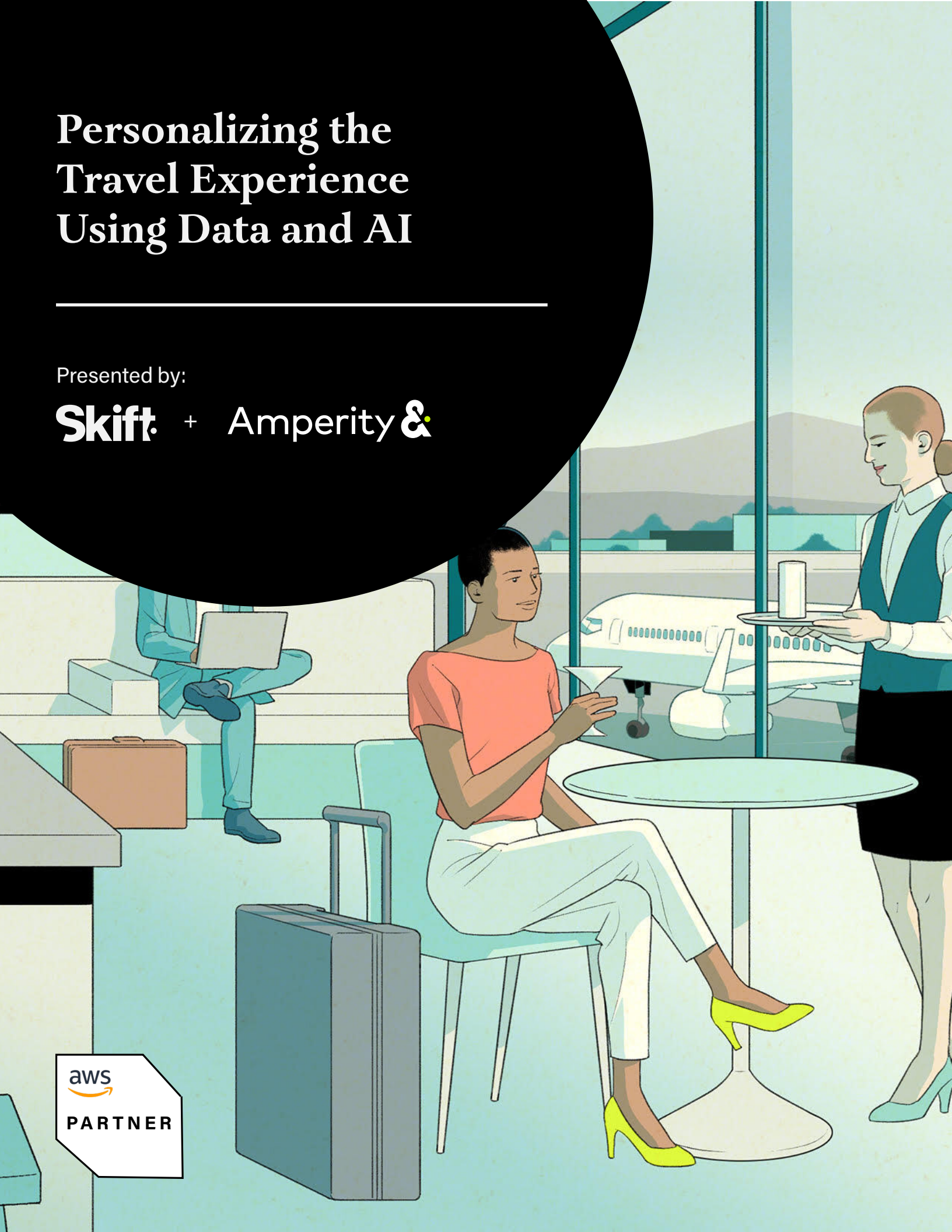# Personalizing the Travel Experience Using Data and AI

Presented by:

Skift + **Amperity&**

aws PARTNER

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Executive Summary

Amid the ongoing shift toward digital experiences in travel, brands have had to adapt and innovate their strategies around customer data and loyalty.

Historically, loyalty programs have been the most effective way for companies to corral their best customers and keep them in their ecosystems. On one hand, travel and hospitality brands are simplifying their loyalty programs because tiers and status levels have become overwhelming. At the same time, marketing is getting infinitely more complex as brands try and stay top of mind, especially with leisure travelers. Loyalty programs focused on lifestyle are becoming more common, which require an intimate understanding of individual customers.

Travelers are now more likely to be loyal to brands that provide them with personalized experiences and effectively demonstrate an understanding of their needs, with or without "official" membership status. By leveraging artificial intelligence, especially new applications for generative AI, travel brands that use data to develop a unified view of the customer will be able to provide more personalization, deliver better service, and increase loyalty, leading to greater customer lifetime value.

In this report:

- How the concept of loyalty is changing in travel and hospitality

- Why travel brands should be focused on first-party customer data across all channels

- How to use a customer data platform to develop a unified view of each traveler

- How generative AI will drive personalization and real-time offers that increase traveler loyalty

- Case studies showcasing creative and effective uses of customer data in travel and hospitality

A Message From Amperity

Winning customer loyalty in the travel and hospitality business has always been involved, but recently it's also gotten really *complicated*. There are more channels to reach customers than there ever were before. There are more tools to coordinate in building your strategy. The third-party data sources brands once relied on to reach customers and measure results are becoming more expensive and less effective as cookies phase out and privacy regulations ramp up. There's the glittering promise of generative AI and the scramble to find a way to make it work for you. And amid all this, customer expectations for experiences that are smooth, memorable, and above all personalized have reached new heights.

Of course, new complexity brings new opportunities. How can you make the most of the evolving digital ecosystem to build traveler loyalty? By **starting with accurate, complete customer data**. Tech tools and AI initiatives demand high-quality data input — otherwise it's more garbage in, garbage out. But if you can harmonize all your data into a clean, privacy-conscious customer data foundation, you can serve up personalized interactions everywhere a customer goes. The travel and hospitality brands that are able to unify masses of data into a single asset — a foundation to power and tie together all their operations — are the ones that will thrive.

This will mean being able to take full advantage of the best-performing channels. It means using tools to their maximum potential and making good on the tech investment. It means elevating your game with generative AI. It means staying compliant with privacy rules. And it means being able to satisfy customer expectations so that you can build loyalty and drive business value. Put simply, it's **better data in, better results out**.

I'm so excited that Amperity is able to help brands achieve this vision by working with them to build a unified data foundation to power their business. And I'm thrilled to partner with Skift and AWS on this report to highlight the opportunities and share guidance on bringing it to life.

Happy travels!

Barry Padgett
CEO, Amperity

Amperity &
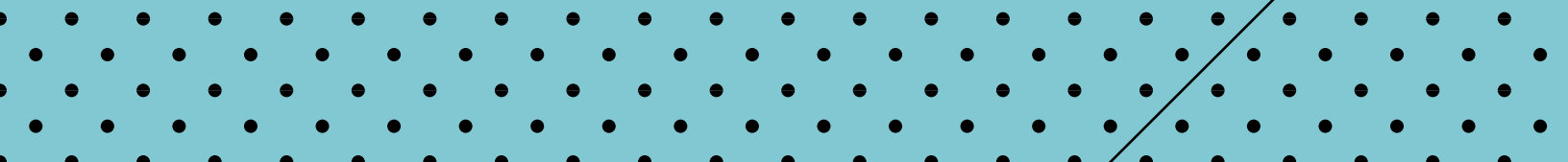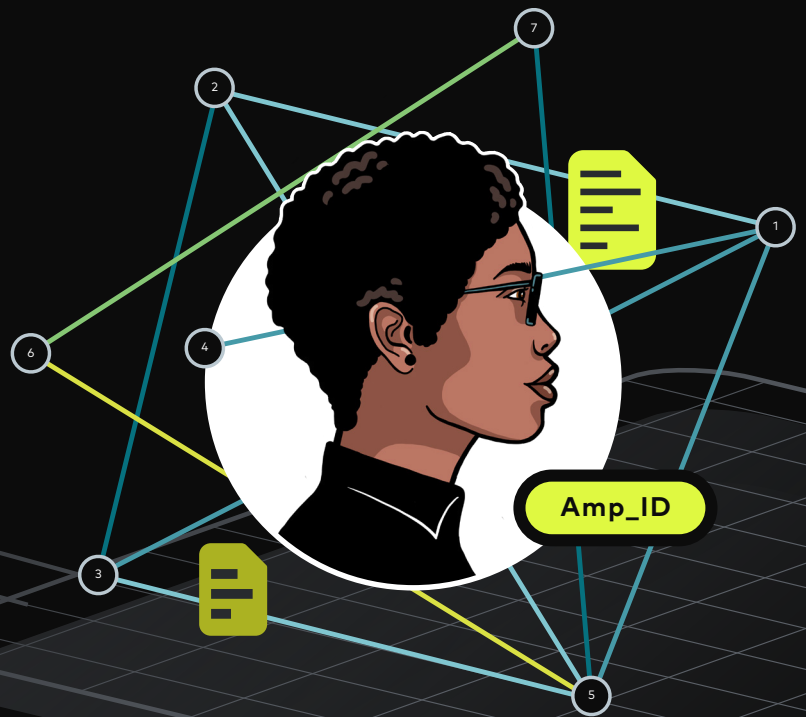
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- Accurate Identity & Household Graphs
- Flexibility and Control

About Skift and Amperity's "Customer Data Initiatives in the Travel Industry" Survey

Skift and Amperity partnered to conduct a research survey with travel and hospitality business leaders in IT, marketing, and analytics in February 2022. 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.

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

Photo by Mesut Kaya on Unsplash

Introduction: Rethinking Travel's Approach to Loyalty

The digital world has permanently changed the relationship between travel brands and their customers. Travelers are keenly conscious of the fact that they're providing brands with more and more data, and in most cases, they're willing to share it in exchange for unique, personalized experiences.

In step with this shift, the game is changing for travel loyalty. The traditional loyalty program model, on its own, appears to be failing to meet the demands of the next generation of travelers. For many travelers today, loyalty means much more than having a membership number or collecting points.

To reap the most benefits from a loyalty program, members often feel obligated to commit to one brand. The reality of their lives and personal preferences are often very different. Going all in with a brand makes sense for a traditional road warrior or a family whose primary vacation preference is

going to Disney World four times a year. But those types of behaviors are increasingly becoming outliers, and a majority of travelers want different experiences for different travel occasions with different travel companions in different types of destinations.

"Consumers' expectations for loyalty are changing in a number of ways," said Jason Perocho, vice president of product marketing at Amperity. "They now expect brands to streamline reward interactions, allowing them to earn and redeem rewards quickly and easily, while also offering a variety of reward options to choose from — not to mention exclusive, differentiated benefits in exchange for their spending."

For a peek into the balance travel brands are trying to strike, look no further than the recent updates to airline loyalty programs. These changes intend to recalibrate rewards so that elite

"Consumers' expectations for loyalty are changing in a number of ways. They now expect brands to streamline reward interactions, allowing them to earn and redeem rewards quickly and easily, while also offering a variety of reward options to choose from."

—Jason Perocho
Vice President of Product Marketing, Amperity

members will feel truly special, but the flipside of that choice may be that lower-tier members feel devalued, and therefore may not be as loyal to the brand.

"The future of loyalty, some experts predict, might not be allegiance to a single brand at all — but a 'pick your benefit' or an à la carte service that offers flexibility as a perk," wrote Victoria M. Walker in *The New York Times*. "Loyalty members who once stuck with one carrier to gain status and earn upgrades and other perks may no longer see a point in spending thousands of dollars to reach the next tier."

This seems to be the case with many younger travelers. A recent Morning Consult study found that just 46 percent of Gen Z travelers said that it was "absolutely certain" or "very likely" they would patronize hotel brands in whose loyalty programs they were already enrolled. Moreover, 33 percent said that they don't trust these brands, despite being members of the programs.

These trends underscore the opportunity for travel brands to benefit by taking an open-minded approach to customer acquisition and retention, focusing less on increasing loyalty membership for its own sake and more on earning travelers' trust and winning their loyalty on a more personal level.

33%
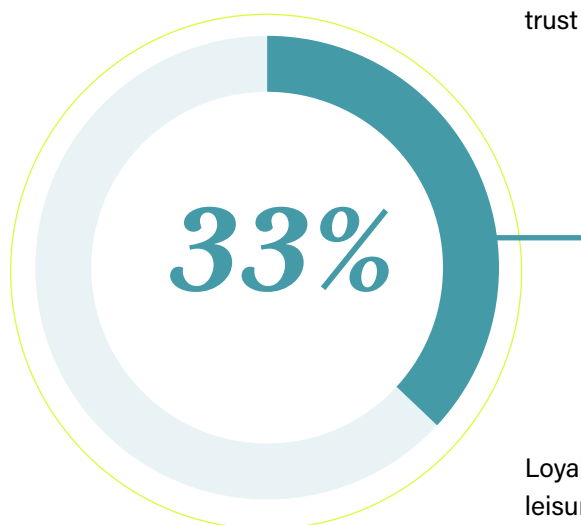
of Gen Z travelers said they don't trust brands even when they're already loyalty members

Loyalty programs are paying more attention to the less frequent leisure traveler, which requires staying top of mind through lifestyle marketing. Members still expect miles and points, but they also want recognition and experiences, which require an intimate understanding of who they are.

The old way of attempting personalization was just "guessing" at it. Brands would make broad assumptions: If guests were in one demographic, they might like what a brand has to offer other people in that cohort. In practice today, personalization means building a customer data strategy based on a

unified, cohesive view of every traveler who comes through their purchasing funnel.

This report will explore several key ways that travel brands can optimize their customer data initiatives to achieve these goals:

- **Build out first-party data collection.** Expanding privacy restrictions are making it harder to use data provided by third parties, which comprise a majority of the customer data travel brands have today. Brands that evolve their data strategies and focus on first-party data will have a huge opportunity to provide better service using information they've received directly from the customer.

- **Reach beyond loyalty members.** Combining data from loyalty programs with other sources helps to better understand each customer, effectively repositioning "loyalty" around the person instead of the program. By targeting customers with the greatest potential value — in the moment and over a lifetime, regardless of status — brands can start to formulate a more accurate foundation for their customer data and personalization strategies.

- **Build a unified view of the traveler.** Brands now have the ability to utilize platform technology that breaks down silos and collates data together into a unified view of each customer, which will enable them to develop detailed customer profiles and support personalization efforts.

- **Drive personalization to every customer touchpoint.** There is a huge opportunity to use customer data to customize experiences for travelers throughout their journeys — and today's consumers are clamoring for this. The next frontier will be using AI to learn what customers want and need without asking.

By leveraging new technologies powered by AI, travel brands will be able to create clear, holistic customer data strategies that enable them to build more direct, personal relationships with all of their customers, including those who are already in their loyalty programs and otherwise. Successful efforts to do so will lead to more bookings, additional cross-selling opportunities, and higher lifetime value.
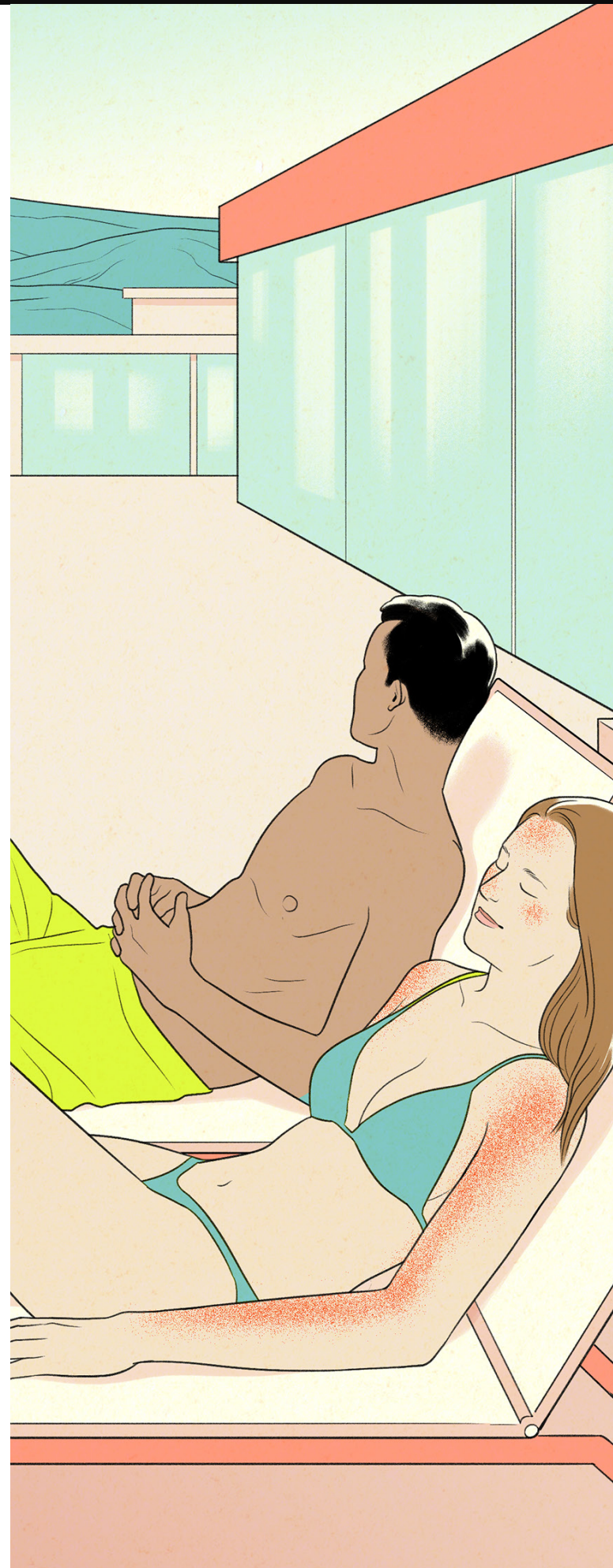
Controlling the Data Deluge

The amounts of customer data companies have at their disposal are simply staggering. Statista cited that more than 180 zetta-bytes of data will be created, captured, copied, and consumed worldwide by 2025, nearly a 3x increase from 64 zettabytes in 2020, which was already a 4x increase from 16 zettabytes in 2015.

When numbers reach that high, it's easy to abstract them. The bottom line is that these numbers will increase exponentially as cloud data storage continues to become more widely utilized, especially as companies use AI to collect, analyze, and activate information.

Travel brands are among the lucky ones, as their customers provide multitudes of high-quality, personally identifiable information (PII) when researching, booking, enjoying, and reviewing their travel experiences.

"The travel and hospitality industry is unique in two specific ways from a customer data perspective," said Steven Elinson, Director, AWS for Travel & Hospitality. "First, in many geographies, travel and hospitality brands are required by regulation to collect highly sensitive personal data, including passport information. Second, unlike other industries which may only have a single interaction with a guest, it is not uncommon for travel and hospitality brands to collect data at different stages of the journey. Data from the planning phase of the trip can be wildly different from the post-trip phase."

The trick, of course, is knowing which types of data to collect and how to funnel it to the right places to make it actionable. This section outlines three key areas where travel brands should be focusing their efforts to corral their customer data and put it to its best and highest use:

Volume of Data, Worldwide
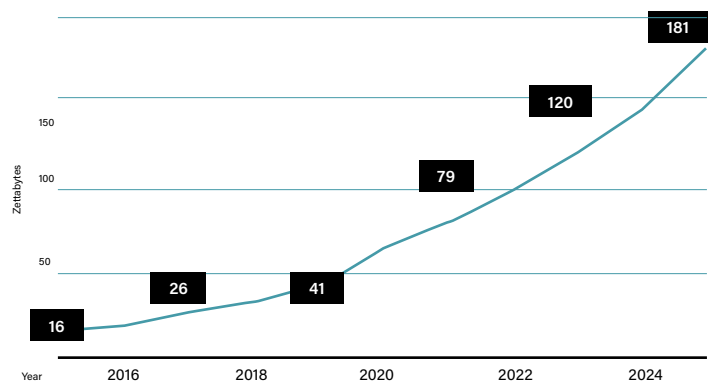
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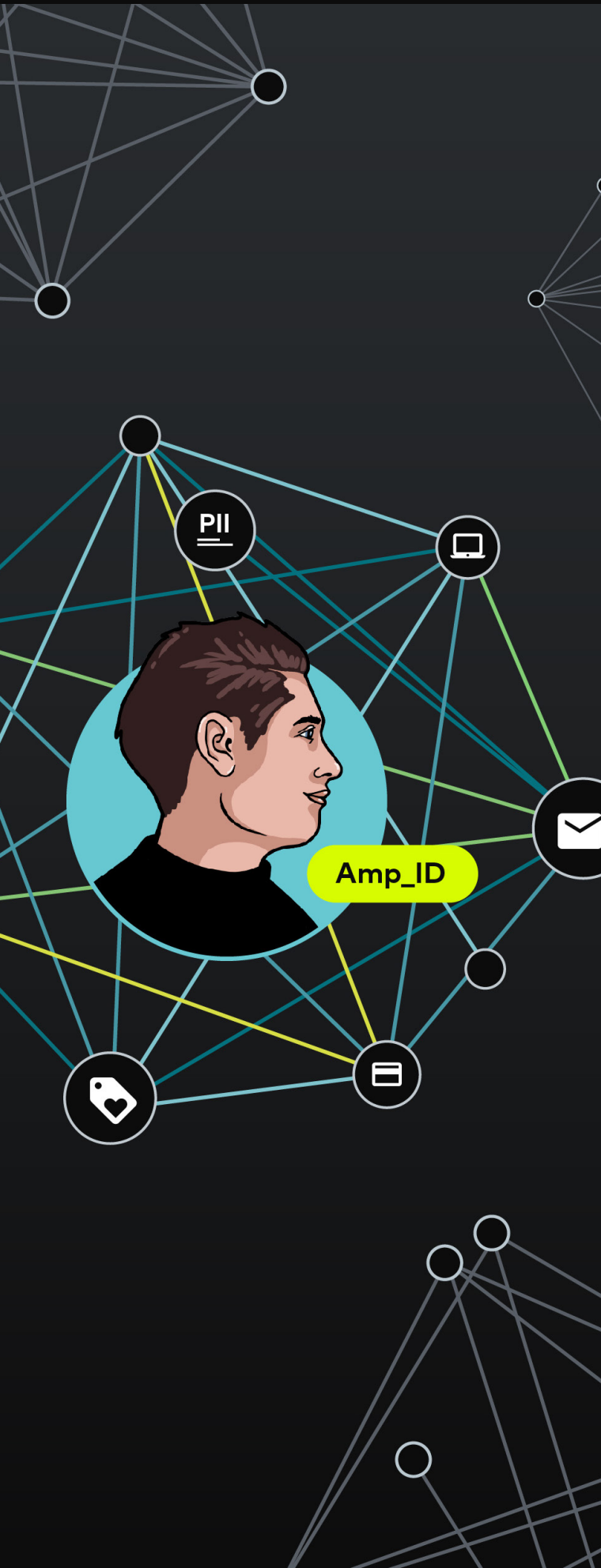
Pivot to First-Party Data

Established travel brands like hotels and airlines lagged digital start-ups in the early days of the internet boom, relinquishing customer data and customer service relationships 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 of ad personalization and the ability to measure marketing effectiveness, customer data from third parties will become less robust and accurate and therefore even more difficult to access, manage, and act upon.

By the Numbers

According to executives surveyed by Skift and Amperity, a majority of customer data is coming from third parties.

57%

of respondents reported that at least half of their customer data comes from third-party sources

34%

said they believed they were "very effective" in using third-party data to build customer profiles and relationships, showing that executives did not have high confidence in their ability to use that data

"The stakes on prioritizing first-party data have been raised in the past year due to changes in privacy regulations, such as GDPR and CCPA, regulations that make it more difficult for businesses to collect and use third-party data," said Amperity's Perocho. "As a result, businesses are increasingly relying on first-party data to understand and engage their customers."

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, direct 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.

"First-party data is important because it is owned and controlled by the business. This makes it more reliable and trustworthy than third-party data," said Perocho. "First-party data is also more ethical because it is data customers have agreed to share with the brand — future-proofing it from the privacy expectations consumers have. It is expected that brands will use the data to create more personalized experiences for customers."

"And remember, when customers give you their data, it's a gift," Perocho added. "So don't throw it away. Instead, take it beyond the trip and create a customer profile."

Here are some additional tips for travel brands to maximize first-party data:

- **Make it easy for customers to provide their data.** Offer customers value in exchange for their data, such as exclusive discounts or early access to new products.

- **Be transparent about how you collect and use customer data.** Make sure your customers understand what data you are collecting and how you will use it.

- **Give customers control over their data.** Allow customers to opt out of data collection and to request that their data be deleted.

- **Use first-party data to create personalized experiences for customers.** This could include sending targeted email campaigns, recommending products or services based on past purchases, or offering exclusive discounts to loyal customers.

Take Better Advantage of Loyalty Data

Loyalty information itself can't just be taken at face value. Most companies have fractured customer identities based on inconsistent and diverse identifiers (like emails, phone numbers, zip codes, and usernames), cobbled together from interactions in different channels, touchpoints, and devices. Therefore, assuming knowledge of people based solely upon behaviors in certain instances — when they travel for work, on their annual family vacation, or even as they peruse package getaways they never plan to take — leaves significant gaps in their overall customer profiles.

By the Numbers

While loyalty programs are low-hanging fruit for good customer data, relying on them solely leaves significant gaps in developing complete customer profiles.

70%
of executives said that at least half of their customers are already members of their loyalty programs

24%
of executives said they are "very confident" in their ability to access the member data they need to keep their customers

32%
of executives said their company does not have a loyalty program at all

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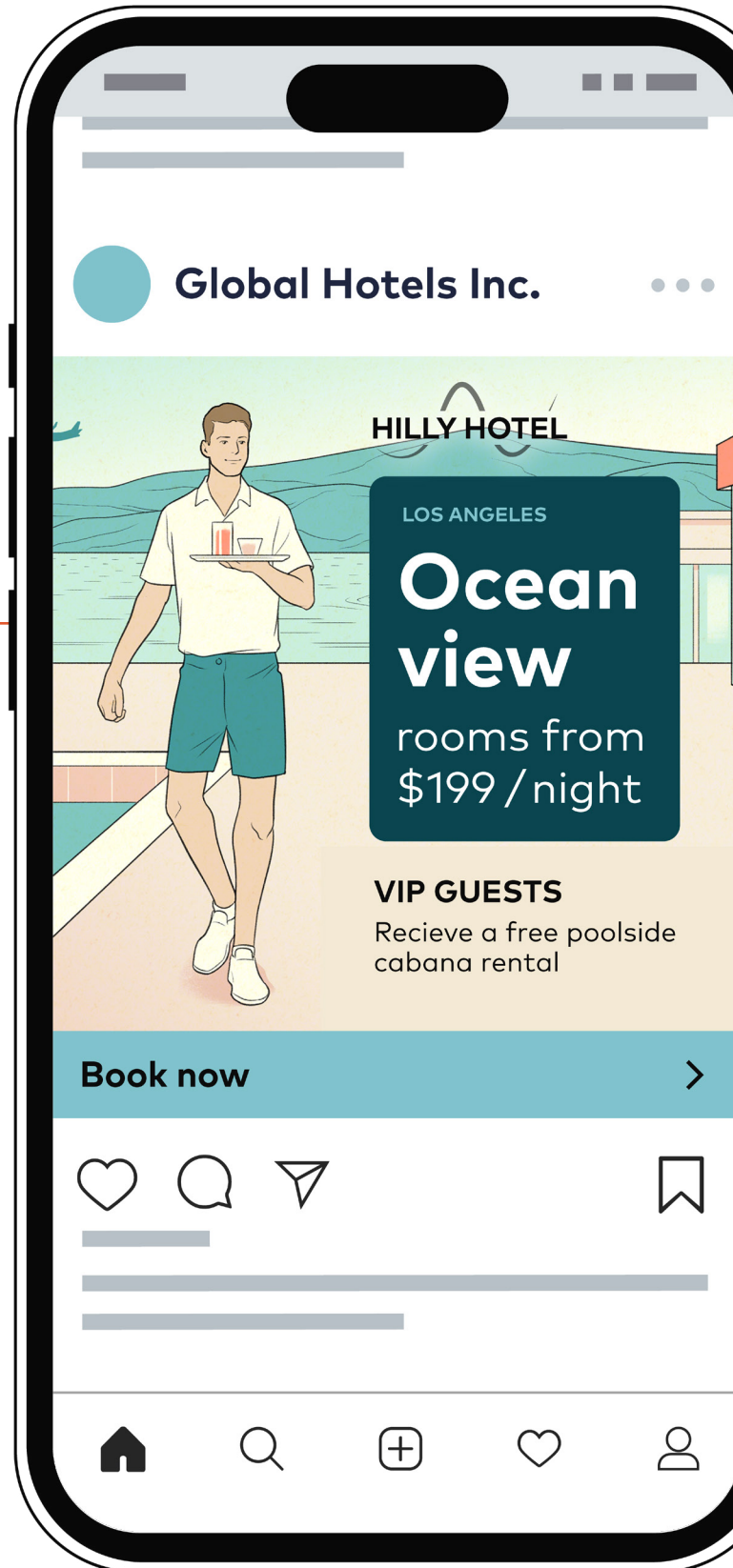
"The more a customer interacts, the more fragmented that identity becomes," said Matthew Biboud-Lubeck, vice president, EMEA, Amperity. "Systems that aren't equipped with the right intelligence will fail to identify the fact that Business Traveler Joe and Vacation Joe are the same person with different loyalty accounts. Without an accurate, unified view of the customer, brands run into downstream problems like poor personalization and inaccurate insights.

> *Loyalty programs remain a great way to build intimate relationships with an engaged and enthusiastic group, yet too narrow a focus on this strategy leaves out too many potential customers.*

Some companies may discover that a hyper-focus on acquiring frequent flyers or road warriors for a loyalty program at the expense of all the other customers who come through their system will continue to be the right approach. By widening their view, 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.

Here are three ways that companies can respond to changing perceptions of loyalty and leverage their programs to build a more holistic view of their customer base:

- **Diversify and simplify.** Offering a variety of ways to earn rewards, such as through bookings, credit card spending, and social media interaction, maximizes engagement opportunities. Travel brands can also make it easy for customers to redeem rewards by offering a variety of redemption options, such as discounts, free upgrades, and exclusive experiences.

- **Use customer data to build individualized journeys.** Brands have access to loyal customer preferences across a large set of interactions. They should use that information to serve up offers, upgrades, and rewards that are most valuable to that consumer.

- **Offer exclusive benefits.** Travel brands can offer exclusive benefits to loyal customers, such as early access to new products and services, discounts on exclusive experiences, and priority customer support.

Build a Unified View of the Traveler

With myriad sources of data and the proliferation of individual touchpoints during the customer journey, travel brands have been inundated by an influx of customer information. While that's a good thing, applying that data to provide personalized recommendations and service proves to be much more difficult.

To make better use of their customer data, travel brands have to refocus on collecting data beyond loyalty and owned reservations while focusing on the accuracy with which they are bringing together customer data records. This will allow them to create a unified view of each customer, in contrast to the fragmented identities they have in the raw data they're collecting.

"Identity resolution is a crucial step in using customer data," said Biboud-Lubeck. "All the other elements of personalizing marketing and service depend on first having a clear, coherent record for each customer."

> *"Managing customer data is not a new problem, but without common linking keys to connect data points from multiple sources, they struggle to get a clear view of their customers or personalize services and experiences"*
>
> *—Matthew Biboud-Lubeck*
> *Vice President, EMEA, Amperity*

The ability not only to collect data but also to process and distribute it to the right teams is also critical. Since data is coming from so many different sources, companies may feel confident that their data program is successful if they can bring all of that information into their system. But using it more effectively is much more complicated than just collecting it.

By the Numbers

Skift and Amperity data found that a minority of executives had the highest levels of confidence in their data programs.

41%
said they were "very confident" in their ability to understand individual customer identities based on the data they have

33%
said they were "ahead of the curve" when it comes to the maturity of their customer data initiatives

32%
of travel leaders said that they were "very satisfied" with the volume of the customer data they've collected

29%
said that they have high-quality data — defined in the survey as "complete and accurate customer data"

"The complex and multichannel nature of the customer journey in travel makes the industry unique from a customer data perspective," said Perocho. "Online travel agencies (OTAs), social media, and banking/credit card partners, in addition to loyalty programs, are just a few of the ways customers may interact in any given transaction. All of these different entry points make it difficult for brands to get a complete view of the customer."

Every trip has numerous contributing interactions — digital and in-person. 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 from multiple sources to create an individual identity for each customer and act on that information.

Here are three factors that will set an intelligent identity solution apart from the rest:

- **Complete data collection:** Powerful identity platforms have the ability to ingest customer data in its raw, native formats, regardless of the source. This eliminates the problem of data silos and the unnecessary need for reformatting and conversion, allowing brands to preserve the richness of their data coming directly from the customer.

- **Massive computing power:** Petabytes of data come through identity systems each day. Platforms must be built on a robust infrastructure, so brands can have the freedom to scale up or down according to their business needs.

- **Human-centric AI/ML identity resolution:** By harnessing AI-powered algorithms to establish identity matches, companies can make intelligent judgments and draw probable links between seemingly unrelated data sets and identifiers — just like a human would. Unlike traditional rules-based or deterministic approaches (i.e. based on exact matches) that tend to be rigid and limiting, probabilistic platforms allow brands to resolve identities at a much larger scale with the flexibility to update and adapt each time new data enters the system.

Photo by Jakob Owens on Unsplash

Q&A: What Is a CDP, and Why Should Travel Brands Be Using One?

A conversation with **Jason Perocho**,
Vice President of Product Marketing, Amperity

In today's fast-paced digital landscape where customer loyalty is up for grabs, travel and hospitality brands can utilize fast, powerful, and flexible customer data platforms (CDPs) to transform their end-to-end data management process.

A CDP is a software solution that helps businesses collect, unify, and activate customer data from all sources. This includes data from online and offline channels, such as websites, mobile apps, customer relationship management (CRM) systems, and loyalty programs. CDPs are becoming increasingly important as businesses strive to better understand and engage their customers.

Skift: How is a CDP different from customer analytics tools or personalization software that companies might be more familiar with?

Perocho: Customer analytics tools typically focus on helping businesses analyze their customer data to identify trends and patterns. Personalization software helps businesses deliver targeted experiences to their customers based on their individual preferences.

CDPs are different in that they provide a single platform for businesses to collect, unify, and activate all of their customer data. This makes it easier for businesses to get a complete view of their customers and to deliver personalized experiences across all channels. A CDP may offer some level of analytics and personalization tools inside their platform, but more likely, the unified data that they provide can be fed out to robust analytics and personalization tools to achieve better outcomes with both.

The primary job of a CDP is to do the heavy lifting of turning raw data into a 360-degree view of your customer. CDPs are a multiplier, making all of your downstream systems more effective by feeding them with better data. Analytics and personalization software need clean data to be effective.

Skift: How does a CDP help manage exponentially increasing volumes of customer data — from both online and offline sources?

Perocho: CDPs are designed to handle large volumes of data from a variety of sources. They can automatically ingest and normalize from different systems, making it easy for businesses to get a unified view of their customers. CDPs can also help businesses to manage their data compliance obligations.

Skift: How can a CDP help break down silos within an organization?

Perocho: CDPs can help to brek down silos within an organization by providing a shared understanding of your customers and where they are in their lifecycle with your company. This can help to improve collaboration and to ensure that all departments are working toward the same goals.

Skift: How can a CDP help create a unified view of each customer to develop better customer profiles and support personalization efforts?

Perocho: Humans are complex. CDPs help businesses unpack that complexity to understand how customers evolve with their brand, across brands, and in their personal lives. An example of this is how a CDP can make the hidden connection between building a family and changes in their purchasing patterns. Businesses should look to CDPs with extensive AI/ML in identity resolution and predictive modeling to develop detailed customer profiles and to support personalization efforts.

Case Study: Vail Resorts' Pillars for Personalization

With 41 ski resorts across four countries and three continents, all centrally managed out of its headquarters in Colorado, Vail Resorts has undertaken a monumental effort to reimagine its customer data strategy.

Growing from just 14 resorts several years ago, not to mention aggregating data from countless touchpoints online, on the mountain, and at the lodge, Vail's marketing and technology teams had to be diligent and deliberate in building a CDP, knowing that they were not going to be working with static assets.

"Growth of the business is fast, and it's hard to depend on long-range planning, especially when it happens through M&A," said Matt Reid, vice president of omnichannel marketing, Vail Resorts.

As a result, he said, the company set a path focused on what's always true:

- **Scalability:** Knowing the next acquisition is around the corner, and that likely means expanding to new markets, they needed data solutions that create efficiencies.

- **Agility:** Whether it's typical weather dynamics or the extreme example of the Covid-19 pandemic, they need reservations systems and marketing channels that are always prepared to respond quickly.

- **Seasonality:** Because the ski business isn't always on, there is a finite window of time every year where they have to clearly set out what they'll achieve. This ups the pressure to get it right the first time. If they miss their chance, they can't reset and just have to wait for next year.

In building out the strategy for their data program, Vail landed on three pillars that would be simple to understand for any marketer and follow a linear pattern. That way, when speaking across the organization, they'd be able to point to potential quick wins in each scenario, effectively helping them scale.

- **Enterprise data enablement:** Organizing data in a way that helps them better understand guests individually. That means they can start to personalize with more relevant offers and provide immediate value.

- **Omnichannel orchestration at scale:** The holy grail of building a single view of each customer and translating that to everywhere they interact. Today, that's heavy in direct channels and digital media and moving more into digital and apps. In the future, it will lean more into customer service.

- **Measurement and optimization:** Knowing what to understand about the performance of the business. This includes a number of investments to get out front of data deprecation and make sure the data is high quality.

"In all of these areas, in the short window we've been working with Amperity, we've been able to prove true financial lift," said Josh Hawkins, vice president of marketing technology at Vail Resorts. "As we look toward the future, we think about each of these swim lanes and what we want to understand. If you are successful in identity resolution, for example, you can move from a batch-based, trigger-specific campaign to more of an always-on, real-time, 'let's have a conversation' approach. In other words, it all ties back to the individual customer and getting to the right person with the right message at the right time."

Photo by Andrea Stark on Unsplash

Using AI to Personalize the Travel Experience

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.

According to a recent report from Skift and McKinsey, "the variety and volume of customer data that travel companies can capture has increased dramatically; new tools and technologies such as AI-powered assistants are only accelerating the trend."

The promise of being able to build a complete view of the customer by combining all possible data from those interactions has marketers salivating at the possibilities. However, the Skift and McKinsey report concludes, "The industry is reckoning with an important fact: some data points are more useful than others... [which] poses an interesting challenge: how to distinguish the signal from the noise?"

The answer — by using AI — is relatively simple in concept but much more complex in execution. AI is only as good as the data it's learning from, and only as useful as the decision-making power that it's given.

The vast majority of consumers have accepted the fact that by virtue of being online, they are giving up personal data. The flip side is that now they expect companies to use that data to

help improve their experience. The rise of AI in the public consciousness has only accelerated these preferences. Travelers no longer fear AI, they want companies to work faster and smarter to use it to the customer's advantage.

According to a 2022 survey of travelers worldwide, nearly 75 percent said they were either "very" or "somewhat" interested in AI that would analyze their data as a means to provide more personalized offers and customer service. Among those, approximately 30 percent said they're happy with whatever it takes to make their trip better. Perhaps more tellingly, about 45 percent said they were interested, but with the caveat that they are given the opportunity to consent for its use with the explicit purpose of using that data to present better offers and advertisements or provide more personalized service.

"Personalization must be a holistic experience throughout the entire customer journey from online booking to customer service," said Biboud-Lubeck. "However, the siloed nature of data and the lack of trust in its accuracy make it challenging to provide seamless personalization at each touchpoint. Bridging these gaps requires a comprehensive understanding of the customer journey and the ability to infuse data into the personalization process."

The introduction of AI in general, and now generative AI more specifically, has leveled the playing field for travel and hospitality companies. In the pre-internet days, the highest levels of service came from ultra-luxury, up-market brands that could afford to dedicate personal assistance for every individual need — the white-glove treatment, if you will. Now, at every level of hospitality, from budget to 7-star, brands can communicate on an individual level in ways that their customers feel most comfortable. That's not only creating better traveler satisfaction, it's driving innovation faster across the entire industry.

> *"Brands with a good data foundation will be able to use generative AI and create personalized experiences that will quickly become ubiquitous, and they'll shape customer expectations."*
>
> *—Joyce Gordon, Head of Generative AI, Amperity*

"I think we're going to see a lot of rapid innovation in the GenAI space over the next two years that maybe is faster than previous paradigm shifts we saw with internet, e-commerce, and mobile adoption."

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 their travels; 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. By using all the data they have at their disposal, especially first-party data, brands have the opportunity to build direct relationships with a much wider base of customers.

By the Numbers

40%
of executives were "very confident" in their ability to deliver personalized products, services, and messaging to their customers across the travel journey based on the data they have

41%
said they were "very confident" in their ability to "understand individual customer identities based on the data they have"

35%
said they were "very confident" in their ability to use customer data organization-wide

38%
were "very confident" they had the necessary technology/tools to deliver on customer data initiatives

"Brands can offer experiences that feel authentic if they use your first-party data," said Gordon. "For instance, if a brand has purchased all of this third-party data and I've never been to their site and now suddenly they know all of these things about me, that feels creepy. It's like the person you go on a date with who has stalked all of your social media. But if I've shared this information with you in the past — for bookings and for experiences where I know that information has been used — and if you use it well, it's almost a relief."

The conversational capabilities that generative AI enables will be an important game-changer. It's more natural to provide preferences in a back-and-forth dialogue than checking a bunch of boxes or filling out one-way, predetermined form fields. That said, Gordon warned that the No. 1 issue holding brands back in deploying generative AI-powered agents is in fact that data foundation. A virtual agent powered by ChatGPT might seem cool, but if it doesn't have any knowledge of the customer at the outset of a conversation, it's going to feel robotic.

"Better data means better results in the world of generative AI," Gordon said. "If you're in a conversation with a chatbot, it's actually more frustrating if it feels like you're talking to a human, but it doesn't have any of the personalization that a real travel agent would be able to provide."

In addition to customer service chatbots, which are the most common uses of generative AI today, here are several ways that generative AI will support the travel experience of the future:

- **Personalized booking:** Given a generative AI-powered chatbot assistant vs. an open-ended search bar or filtering tool, travelers can react conversationally to suggestions, feeding more data back to the booking engine to create better and more specific recommendations.

- **Ancillary offerings:** Suggest the right add-ons based on real-time interactions and past preferences. Traveling by yourself? Here's a deal including a massage. Going with your three kids? Pre-purchase those flight snacks.

- **Automated creative generation:** Of all the possible images and descriptive information a brand has on file, generative AI can respond to interactions with the user and serve up the options which will resonate best.

- **Customer insights and recommendations:** Understand patterns of actions customers typically take and give real-time recommendations for when customers want to redeem loyalty points, upgrade, etc.

- **Simplified technology:** The modes of how brands ask questions of their data itself will radically change, becoming more natural language-driven vs. code-based.

Q&A: How Can AI Help Travel Brands Build Better Customer Relationships?

A conversation with **Steven Elinson**, Director, AWS for Travel & Hospitality

Skift: How Is AI supporting customer data strategies and personalization?

Elinson: AI is critical in multiple ways. One, it can be used to de-duplicate customer profiles to ensure you have a unified view of your customers, which can then be used to segment customers, generate personalized offers and messaging, and provide tailored customer service. AI can also be used to personalize recommendations, imagery, or up-sell offers, as well as to automate and answer frequent traveler or guest customer service questions, or it can provide contact center agents with recommended actions.

Skift: How can AI help travel and hospitality brands build a unified view of the traveler?

Elinson: Classically, AI has been used to accelerate or augment data analysis, stitching together the unique and detailed profiles of individual guests/travelers to create a unified view of the customer. AI is not a new discipline but is perhaps one of the most rapidly advancing technologies. In its newest form, generative AI has the potential to revolutionize the way that travel and hospitality brands understand and serve their customers.

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

Elinson: By automating communications in a way that is personalized and relevant, brands are enhancing the customer experience, increasing customer loyalty, optimizing their operations, and driving profitable growth. One way they're doing this is through automation triggers. Some examples might be to send a communication at specific times in the guest/traveler

journey (e.g. hotel checkout) or driven by a real-time event (e.g. airport security lines are long, so we suggest you depart for the airport 20 minutes earlier than planned).

In addition, travelers are growing ever more comfortable texting with chatbots that enable contactless interactions, question-answering, and problem resolutions, which are powered by machine learning. An additional benefit of automating communications for guests is the ability for brands to free up their staff to focus on more complex tasks.

Skift: What are some examples of how travel companies are using customer data (and AI) to create personalized interactions at all stages of the journey?

Elinson: Accor is using technologies that are fully integrated on AWS to create an innovative customer service approach, provide personalized experiences, and identify potential members for its loyalty program. By migrating its databases and its infrastructure to the cloud, Accor's hospitality ambassadors can retrieve loyalty program information up to six times quicker than with the previous system. Accor has also improved its service response times and increased its visibility in order to adapt its customer service approach better.

For example, Accor can now identify which customers are visiting its hotels for the first time and which ones are returning customers. They can create customer profiles that include individual preferences such as drinks, favorite meals, and services required. In addition, Accor now uses AI to analyze conversations during a call to give agents recommendations for actions to take, which has directly led to a customer satisfaction rate of 97 percent.

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, e-commerce recommendation engines, and now generative AI, 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.

"Travel brands can use customer data to make better business decisions, such as optimizing their pricing strategies, developing new products and services, and targeting their marketing campaigns more effectively," said Amperity's Perocho. "This can lead to increased revenue and profitability."

The most exciting part of building a strong customer data strategy today is its potential for tomorrow. The physical and digital worlds are continuing to blur, and the ability to connect data intake and analysis to reflect this reality will give travel brands a significant advantage in their ability to serve their customers of the future.

"Imagine you're talking to the concierge at the hotel about your preferences, and you might articulate certain things that become part of your digital profile, even though it happened in the physical world," said Amperity's Gordon. "All of your interactions with the brand will seem very seamless and continuous. I think that's really the future."

About Skift

Skift is the largest industry intelligence platform, providing media, insights, and marketing to key sectors in travel. Through news, research, conferences, exclusive interviews, strategic sector-focused newsletters, and more, Skift deciphers and defines the global 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 Accor, Dubai Tourism, AWS, Expedia, Allianz Partners, and many more to help brands solve problems, create unforgettable moments, and communicate big ideas through content, research, and event activations.

Visit skiftx.com to learn more or email skiftx@skift.com.

About Amperity

Amperity delivers the customer data confidence brands need to unlock growth. We start by helping customer-centric brands build the vital, first-party, unified customer data foundation required to truly know their customers. Our unparalleled, innovative solution stitches together every type of rich, customer data across multiple, disparate sources using patented AI and ML methods. Diverse teams, including Marketing, Analytics, and IT, can easily use this accurate, trusted profile foundation to discover insights, create high-value segments, analyze business results and fuel tools that deliver personalized, customer experiences turning data into business impact.

Learn more at amperity.com.

About AWS

Travel and hospitality companies around the globe are reshaping the way we experience the world using Amazon Web Services, Inc. (AWS), the most comprehensive and broadly adopted cloud. Offering industry-specific services, solutions, experts, and vetted partners, AWS for Travel and Hospitality helps customers of all sizes enhance the traveler and guest experience while improving operational efficiency.

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