Voyages Extraordinaires.

A data driven guide to the future of travel.

Introduction

The travel industry is experiencing disruption in the sector at unprecedented levels, yet most decisions are still based on anecdote and gut. The travel sector is unique in having a lot of ready pooled data from the booking data available from the GDS network which can tell us a huge amount of what we need to know about the market, yet this is still underutilised.

In the face of so much uncertainty and disruption across the world it has never been more important to understand the market. It would be easy for companies to blame any shortcomings on political turmoil and uncertainty – but it is even more essential to understand the customers within it.

What's been happening?

In the past year alone a lot has changed. For instance, the chart below gives you a glimpse into the uncertainty in the market for Family holiday bookings. Whilst things are starting to get back to a more even keel it's easy to see why in the first few months of the year the travel industry was losing its nerve.

This change is multi-faceted, not only are families booking much later than usual – likely due to Brexit uncertainties – but their preferences are also shifting more firmly away from non-EU countries.

But those families, and Brexit, are not even half of the story for the Travel sector. On top of the political-economic uncertainties there are shifting tastes (an ironically constant feature in the sector) and the rise of new players that are slowly and steadily disintermediating the market.

As one headline explained "Google spent years on a secret plan to dominate this $830 billion industry, and nobody even noticed". A couple of years ago, an outside analysis suggested that travel accounted for about 15% of Google's overall revenue, and that its individual travel related offerings would be worth $100bn as a standalone business – more than competitors like Priceline at the time.

Since then, Google has been consolidating many of its various travel offerings together into a single interface, and it's considerably more than just the sum of its parts. It all now sits under the collective name 'Trips', the same as the travel app google first introduced almost three years ago, and it's an intuitive way to organise all of your research and reservations for any one trip in a single place, all accessible on any device.

And it's not just Google disrupting the industry, though the other new entrants of course do not have the global presence and weight that Google brings. One thing that unites many of them though is their use of machine learning and artificial intelligence to optimise their customer offering.

These new entrants force the hand of existing players, the choice is simple: adapt or fail.

How can the travel industry keep up?

We believe it is time for the Travel industry to take a leaf out of one of the sectors' founding fathers: Jules Verne.

Voyages Extraordinaires was the brain child of Jules Verne, a series of scrupulously researched adventure novels that inspired generations to travel, including Journey to the Centre of the Earth (1864), *Twenty Thousand Leagues Under the Sea* (1870) and *Around The World in Eighty Days* (1873).

Closely related to Jules Verne's science-fiction reputation is the often-repeated claim that he was a "prophet" of scientific progress, and that many of his novels involve elements of technology that were fantastic for his day but later became commonplace. Verne flatly denied that he was a futuristic prophet, saying that any connection between scientific developments and his work was "mere coincidence" and attributing his indisputable scientific accuracy to his extensive research: "even before I began writing stories, I always took numerous notes out of every book, newspaper, magazine, or scientific report that I came across."

It's clear to us that the sector is still not doing anything like enough with data and many businesses are sleep walking into a new world order. While the new entrants to the market may not have the name recognition or customer trust yet, it won't take long for word to spread of their superior customer experience and offering.

Hunch decisions are no longer good enough. Data is essential to drive responses to world events and a changing customer landscape. There is no single expert in the field who is now capable of making good decisions if they are not driven by the collective wisdom of the industry's data. The pace and scale of change in the industry means sector experience is no longer enough.

It is critical to move beyond the simple to/from/date search and instead towards fully understanding someone's travel preferences in all different contexts (a customer is not looking for the same sort of holiday on a romantic break with their partner as a family trip with two young children), and having a "deep search" capability to prove near perfect traveller-journey matching.

The capabilities of AI and Machine Learning now make this possible.

With the world being so mobile, a lot of people – at least in the west – could be considered "well-travelled". It means it is increasingly difficult to come up with new, exciting destinations. Search data acts as a leading indicator of where the travel and tourism industry needs to focus on next. Better yet, by using advanced machine learning techniques we can predict what the demand for certain types of destinations is likely to be.

For online travel agencies to win they need to show their customers that their individual desires are understood so they can be treated personally and provided with relevant choices through their journey so that they can have the buying and travel experience they deserve. This needs to be applied across the customer journey, from the point of inspiration through to post-trip so that at each stage the customer is inspired, engaged and excited.

For GDSs, helping agencies to build their brand and attain customer loyalty, (whilst innovating and differentiating so they are providing value to their suppliers and travellers), giving the platform to compete against the global and complete globally will distinguish them in the market and ensure they add real value to agencies.

At Beyond Analysis we are already doing this now across a number of key points of the travel journey. Using Machine Learning we are enabling personalisation in travel at scale, developing analytic applications that help agents know when the best time to market their products are, pitch the right trips and packages to customers, enable customers and agents to make better decisions about the best time to buy to get the best deal and more.

Customer First

At the heart of this essential innovation is understanding who your customers are and what that means about their travel needs.

This personalisation in travel means finding the patterns in data to uncover the personalities of the consumer – even when you might not have any personal information about the individual[1].

Using market data and machine learning we can uncover who the traveller is. By combining fares, searches and bookings data we can uncover and stitch together the patterns to build rich persona dynamics that capture not just the where, when and why, but also the why. This enables greater personalisation for each traveller and trip.

The blind spot that we face is with customers who don't have any transactional history with you, but by looking at their intent and the metrics they have searched for you can then use analytical techniques applied to the market data to match them to existing personas and provide a personalised product offering.

At it's most basic level, personas can tell you key features of couple trips, business trips and family holidays, but the variety and ability to personalise within these is unlimited.

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[1] This can all be done at an aggregate level, without identifying a customer.

Knowing these personas allows us to discover the patterns that relate to different customers and these can be used as the foundation to a whole number of analytical applications across the customer journey. Millions of customer trips and experiences can be analysed, grouped into distinctive personas, and turned into powerful insights, across the entire journey, to tailor the ultimate experience.

All this at the fingertips of a booking agent.

The Points of Gravity

We no longer need to put up with uncertainty in how we choose to spend marketing and media budgets. Knowing search and bookings trends by traveller persona allows us to understand when to start and stop marketing to each customer type and destination.

The same goes for conversion from browsing to booking. We know enough about traveller personas and how they differ that we can use the search criteria they enter to predict their persona and make sure we present them with relevant search results and packages. This saves them time, simplifies the process, and builds confidence in the travel agents ability to help the customer select the right holiday, ultimately delivering enhanced value.

There are five key interaction points for a customer, and personalisation can enhance each one:

Inspire

When a customer is just beginning their thinking around a trip there is an opportunity to inspire where to go next. We can tailor the right experiences to go with their destination and we know when the best time to market is to drive conversions, optimise marketing spend and reduce waste.

Think of it as moving from "annoying marketing" to "constructive marketing" where we shift from tracking customer behaviour (a practice which makes most consumers uncomfortable) to forecasting their needs (an outcome that most customers value) and simultaneously helping businesses better meet their needs.

Shop & Book

As a customer is exploring options and booking we can understand, based on matching personas, the best options and deals for each customer, and recommend the best dates to go with those, which helps deliver pricing confidence to the customer.

We are making businesses faster and leaner by giving them the right tools (think intelligent reporting in a post-excel report world) so that they can respond to their customers needs in time.

Pre-Trip

After a customer has booked, but before they travel, we can contact the customer and target the best options and add-ons. This is about designing the best experience for the customer, at the best price, not about upselling.

In-Trip

While a customer is travelling we can push relevant notifications throughout their schedule that help make their experience even more special, while finding the right balance between enhancing and intruding.

Post-Trip

When a customer returns they are likely to be thinking about their next adventure, this is an ideal time to offer inspiration and incentives for their next trip, that can be uniquely tailored to consider what they have just done without suggesting an exact replica.

Conclusion

With the travel industry in flux, and new entrants making the most of this situation by utilising available data and technology, those in the business have an uphill battle to climb. However the data and technology is not exclusive to the new disruptors of the industry, and nor is it impossible for existing organisations to compete on a level playing field.

Complete personalisation is essential to driving the change. By understanding that each booking is happening under different context and desires, even across the same customer's lifetime, means that travel companies have the opportunity to create the ultimate customer experience throughout the booking process, holiday and beyond.

This is all happening already. This isn't the futuristic stuff of Jules Verne, it is now, today, and the opportunities are endless.