Amplience

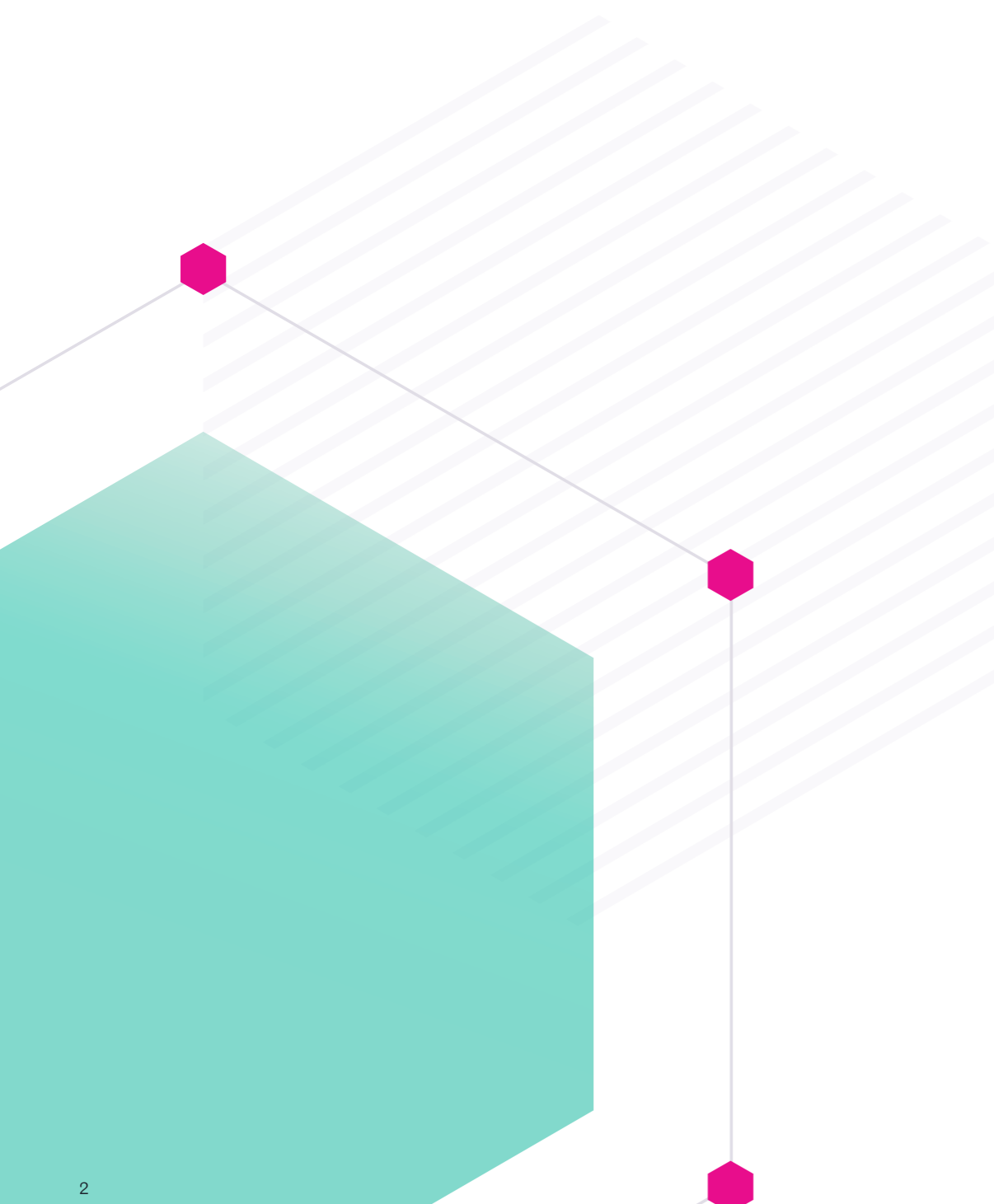# IS TRAVEL
THE NEW RETAIL?

Why Powerful Digital
Experiences Are Your Ticket
to Beating the Competition

Contents

Introduction:

Turbulence Ahead

Travel wasn't the only industry to take some knocks in the past few years, but it arguably had it worse than most.

W here the retail sector could reinvent itself as 'digital-first' through new services like eCommerce, curbside pickup or re-purposing physical stores as socially distanced distribution centers, the travel sector, by its nature, relies on physical footfall. As the worst of the pandemic gradually faded and people re-emerged to take their place in the global community again, the travel industry saw an enormous spike in demand and money spent.

In the first quarter of 2022, all markets – Europe even more so than others – were nearing pre-pandemic levels of flying on the back of pent-up demand, according to **Investec's Aviation Market Snapshot.**

You only have to look at the news to see queues of people at airports, fully packed cruise ships and beaches crowded with tourists all over the world. Travel is back. And in many ways nothing has changed.

But in other ways, everything has.

Whether it's a result of two years of lockdowns or a natural progression to more digitally connected world, consumers are now seeking more meaningful and personalized experiences when they travel. Concepts like 'bleasure', for example, where business travelers tag leisure trips onto their plans, are growing in popularity.

One in three UK employees are now inviting partners and families along on their business trip so they can enjoy a weekend mini-break and quality time together, according to **research by Hilton Honors Platinum Visa.**

Consumers are also becoming more informed and empowered. With the seemingly infinite amount of content and information travelers have at their fingertips, it's easier than ever to do their own research online, wherever they are. From travel and ancillaries to excursions and experiences, they can find the best deals themselves rather than relying on a travel agent or other third party to do it for them.

These things, among others, are making the travel industry much more competitive. And to make matters worse, a lot of skilled talent has drained from the workforce and companies during the Covid-19 crisis, with many organizations struggling to replace it fast enough.

In short: business is booming, but so are the challenges.

To overcome these industry shifts and succeed in the digital-first era, travel firms need to adapt to changing consumer behavior and exceed their customers' expectations. How? By taking a leaf from retailers' books when it comes to digital content, customer journeys and eCommerce experiences.

Culture and process will be at the heart of achieving that change, but it's technology that will ultimately make it possible.

In this guide we're going to explore what those technological changes look like, why they're going to give travel brands an unfair advantage in the current market and how you can make a success of these new approaches.

From Change Comes Opportunity

Before we can understand *how* to overcome the current challenges in the travel industry (and make the most of the many opportunities, too) we first have to fully understand *what* is happening in this sector right now and *why*.

Some of the world's major flag carriers and national airlines needed huge injections of capital to stay afloat. Quantas, for example, received **a $2 billion bailout** from the Australian government, while UK airlines were **asking for a collective £7.5 billion** back at the start of the crisis in March 2020.

They were truly uncertain times, resulting in thousands of furloughed staff. Half of the UK's aviation and tourism staff were **still on furlough by September 2021**. Today, two in five UK airport workers are **thinking of quitting** due to pay and stress levels, among other reasons.

So what does all this mean for your customer experience?

Evolving Expectations

In short: it means you need to do more with less. But that's not all.

While travel firms have suffered the consequences of the pandemic and other factors internally these past few years, that time has also seen a significant change in customer behavior and expectations. The way we interact with brands and buy things online has fundamentally changed. And so have the expectations consumers have when it comes to the quality of those digital experiences.

Travel brands face an interesting inflection point when it comes to the end-to-end experience they're offering consumers. It's not enough to just do what you were doing in 2019 and rely on a rebound in traveler numbers. This is a unique opportunity to embrace a faster, frictionless and more connected digital experience.

> "The pandemic has brought changes to the way we live and work. Some of those changes are likely to continue to affect travel once the health crisis subsides."
>
> *- 2022 Deloitte travel outlook*

The Road (and Air and Sea) Ahead

Despite the seemingly grave outlook we touched on earlier in this guide, the future is beginning to look a whole lot brighter for travel firms.

Ryanair, Europe's largest airline by passenger numbers, recently **increased its passenger targets**, adding more than a million extra seats across 20 UK airports. And in March this year it's passenger numbers were higher than pre-pandemic levels.

And it's not just Ryanair seeing an uplift. **Data from IATA and Eurocontrol** suggests a growing recovery for airlines across Europe, with many approaching pre-pandemic levels of capacity and demand. EasyJet, IAG and Lufthansa all planned to fly at or near their pre-pandemic European capacity peak during the summer.

Cruise passenger levels are also expected to hit 2019 levels **by the end of 2023**, creating a much needed boost to the travel and tourism sector across the world.

And people's willingness to travel has increased significantly compared to last year, with levels often **higher than in 2019**. There are some regional differences, of course. While North Atlantic and European markets continue to strengthen, demand in Asia is lagging behind due to stricter Covid government policies, particularly in China.

US airlines are facing greater long-term challenges with staffing levels compared to some other regions, with some being forced to scale back capacity expansion as a result. But overall it needn't be a time of crisis for the travel sector – quite the opposite. There are many opportunities for brands to take advantage of, and the ones that adopt the right strategy now (underpinned by the right technology) will do extremely well in the coming months and years.

But what do those opportunities look like? What do they mean for brands like yours? And how can you make the most of them?

Chapter Summary

- Demand for travel is booming, but staff shortages and changing customer expectations are putting brands under more and more pressure to adapt the way they deliver digital experiences

- It's no longer enough to simply do what you did in 2019 – consumers want seamless, joined up experiences between every physical and digital touchpoints

- There are huge opportunities for brands who can get those experiences right, which means making the right strategy and technology decisions now

The Art of Selling Experiences

In the previous chapter we talked about the rising importance of great experiences.

A huge part of that experience lies in the content you serve your customers (and potential customers) as they go through each stage of their buying journey. In each of those connected moments you have the opportunity to create more value for the customer and therefore more revenue for your business. With the right approach, travel brands can connect with passengers on a deeper level, engaging interest, emotion, memories, presence and so much more. The buyer, in some circumstances, is buying an experience that will change their lives.

The digital experience can no longer be about selling the flights or the boat ride or the train ticket. It's about all the enhancements you can offer at the right time, in the right moment, with multiple chances to make additional revenue once the consumer is on that (literal and metaphorical) journey. In many ways travel is just like retail. The difference, of course, lies in the level of complexity.

From a content perspective, retailers might have thousands of products and millions of images. But ultimately they just need to show an online visitor the right content at the right time, orchestrating those critical moments to maximize conversions and sales. Travel brands, however, are dealing with multiple different elements that make up the overall travel experience, from research to booking to car hire, hotels, insurance, add-ons, ancillaries and more. This makes it a much more complex experience to manage.

The real value for travel brands lies in bringing all those elements together and making it all feel quick, easy and seamless for any customer. Many of the leading brands have already realized this, of course. And easyJet's **recent partnership with dnata** is evidence of that.

> According to the press release announcing the move, "dnata will work closely with easyJet and leading technology providers to deliver a modern, technology-led program with customers front and center."

The key word to note in the above quote is 'technology' (it appears twice, in fact). You can have all the vision and ambition in the world, but the thing that will make or break these improved end-to-end customer experiences is the technology that underpins them. And that fact only becomes clearer when you look at the demographics driving the current boom.

Which Demographics Matter Most?

According to the 2022 Deloitte travel outlook, younger and wealthier travelers are leading the charge when it comes to the resurgence in demand.

45% of 18-34-year-olds surveyed said they currently had travel plans vs. only 36% of those over 55, while higher-income travelers are "coming back at a much faster pace than those in lower income brackets." And the difference on that latter point is clear: 53% of those earning $100,000 plan to travel vs. only 32% of those earning less than $50,000 – almost twice as likely. And 30% of those higher income travelers are spending more than they did before the pandemic.

Clearly there are opportunities here. And those opportunities lie in getting your digital experience right from the very first moment a potential traveler starts their research. Surprising and delighting your customers can't be done the same way it was in the past. Millennial and gen Z segments are typically digitally native and therefore expect your online content to be easy to find, consume and digest.

If this demographic is a key focus for your business, the best results will come from investing in capabilities that help you meet your customers in their channels at their level of digital demand. Get this wrong and prospects can easily shift to other travel brands offering better experiences.

Or even worse: it's a race to the bottom on price.

What About Personalization?

Whatever the demographics and whatever your industry, one thing is becoming increasingly important when it comes to pleasing consumers online: **personalization**.

75% of consumers are more likely to buy from brands that offer personalized digital experiences, according to a study by Yieldify.

And in another study by Salesforce, 97% of marketers reported an improvement in business results due to personalization.

Personalization and connecting on a 1-to-1 basis will be a significant plus for travel marketeers. Analyzing intent-based data based on individual traits and preferences will allow travel brands to deepen their relevance to consumers.

This starts from the moment they start researching their holiday and carries on throughout pre-booking, booking, pre-departure, airport, security and all the way through their holiday until they get home.

If you know that somebody has a preference for a certain type of art or entertainment, for example, you can recommend a city break that will cater for those interests.

Curating experiences from your own brand and creating ecosystems of partnerships you can resell as ancillaries will ensure the right offers are always within the swipe of an app. Every touchpoint is relevant and contextual to their preferences, location, purchasing history and so on. By doing so you're making the sometimes complex and not intuitive process of researching and booking a holiday a whole lot easier and more enjoyable.

From a technology perspective, a recent Accenture report explored how NFTs can play an exciting role in moving travel loyalty programs beyond the same-old discount offers with features like first access to new products, surprise gifts, special in-person events or exclusive products.

Ultimately the brands that manage to create those differentiated experiences are going to do very well out of the current travel boom. But success relies on putting the right technologies and approaches in place. So how do you go about doing that? And what do those technologies and approaches look like?

In the next chapter we'll answer these questions and more.

Chapter Summary

- Travel brands can get ahead by taking inspiration from retailers, serving relevant content and offers at every step of the research, buying and post-purchase process

- Younger people and wealthier people are the two leading demographics when it comes to the current travel boom

- Personalization is critically important and will be a key factor in driving long-term customer loyalty in travel, but it relies on the right technology and data
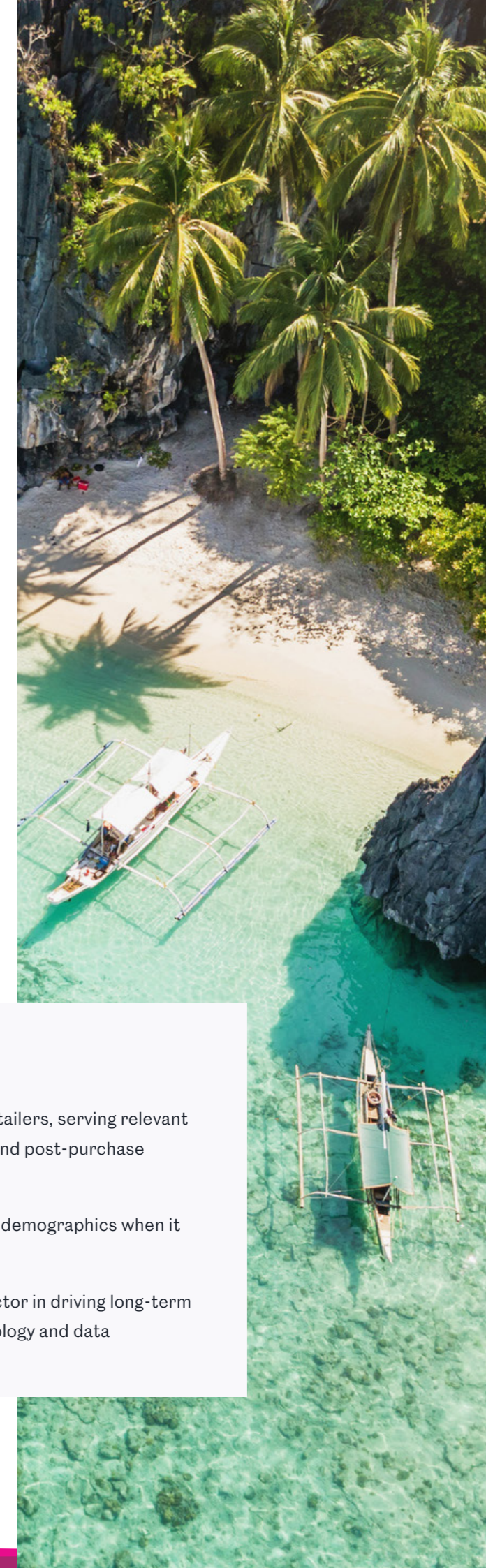
How to Make It All Happen

We've talked about the current landscape in the travel sector, the challenges and opportunities that travel brands are currently facing and how to navigate them the right way. But how do you make it all possible? The answer lies in your underlying infrastructure: the technology that enables your digital content and eCommerce experience. Traditional monolithic platforms weren't built to let you evolve and adapt your experiences at the current rate of customer behavior change. Nor will allow you to embrace a composable commerce approach (see below for more on this), bringing together all the different tools you need in one place – the best possible tools for the job – and allowing them to work together seamlessly.

With the rise of a headless architecture – where the presentation layer, i.e. your web pages, apps and so on are detached from the backend functionality – you can break away from that slow, expensive and inflexible infrastructure and create experiences the way retailers do, using APIs (application programming interfaces) to control each part of the experience individually without having to get stuck into the backend and rely on developers.

This means travel companies can behave like retailers, creating a super-responsive, super-fast, carefully curated experience from end-to-end, using real customer data. So as they move through the purchasing journey you can always present the next best offer or outcome at the best point of engagement.

The result is a consistently brilliant brand experience through the entire customer journey, whether it's on mobile apps, your website, the seatback screen or anywhere else. Everything is connected. Everything works together. And customer satisfaction and conversions increase as a result.

But what exactly is headless? And what does composable commerce mean?

Introducing Headless and Composable Commerce

Unlike the all-in-one monolithic content platforms, a composable commerce approach is about bringing the best of different technologies and applications together in one place, all working as one to suit your specific needs. Think about it like an orchestra. If all the different technologies and applications are the instruments, composable commerce is the conductor, bringing the best musicians in the world together and making them play in time (and in tune) together.

THE RESULT?

- **Change and scale a lot faster:** frontends and backends don't need to be tied together, meaning response times remain high during high traffic periods and you can test and iterate more often with less risk.

- **Capitalize on new opportunities:** with no platform lock-in, you can bring together vendors you know and trust and take advantage of new experiential technology.

- **Better, easier personalization wherever your customers are:** composable commerce allows you to easily incorporate a whole range of personalized and contextualized content, products, search results. Anything you want, wherever you want it.

- **More freedom to innovate:** focus on any capability that you know will drive value for your business, from further integration of data and analytics to streamlining payment and shipping options.

- **Launch new content quicker:** composable commerce allows you to iterate more. There's no more waiting around with long release times. It's a much more rapid test and launch process that means you can learn quickly but also see value quickly.

(Scalable Digital Experiences)
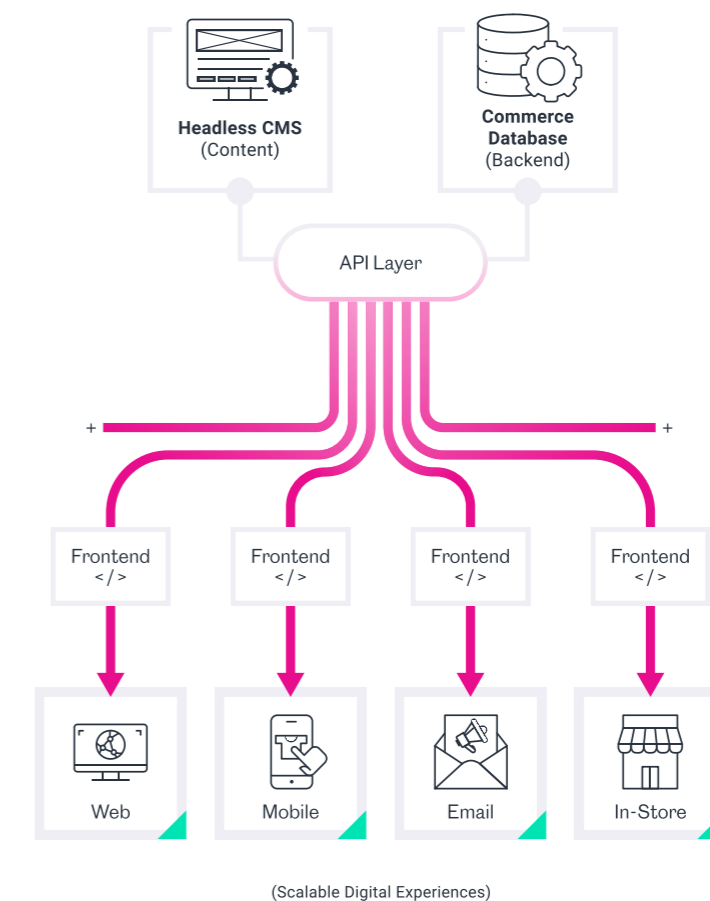
Real-World Examples of Headless Success

Multibillion Dollar UK Department Store

- Moved from monolith to headless
- 8x more deployments per year
- Boosted revenue faster
- No longer had change freezes during holiday periods


Natura & Co

- Moved to Salesforce for flexible and scalable headless commerce
- Built an API-led live shopping app in three weeks
- 100% increase in conversion rate during live shopping event
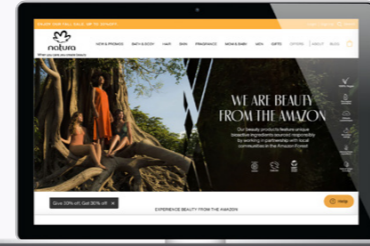
Liberty London

- Integrated Amplience Headless CMS with Salesforce Commerce Cloud
- 66% reduction in content production time
- Asset management streamlining led to major boost in SEO and mobile traffic
- Acceleration of conversion growth especially in overseas markets
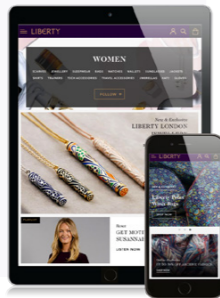
Traeger Grills

- Moved to headless for commerce experiences
- Site loads 2x faster
- Site conversion increase
- Daily web releases instead of quarterly
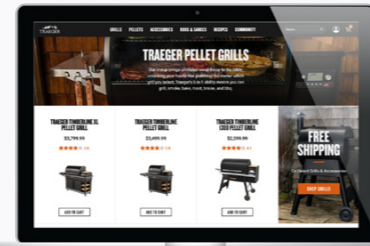
Chapter Summary

- Traditional monolithic platforms weren't built to let you evolve and adapt digital experiences at speed – for that you need a composable approach, enabled by headless technology
- The composable approach allows you to bring the best of different technologies and applications together in one place, all working as one to suit your specific needs
- This allows you to behave like a retailer does: changing and scaling much faster, personalizing content more effectively and launching campaigns quicker to capitalize on new opportunities
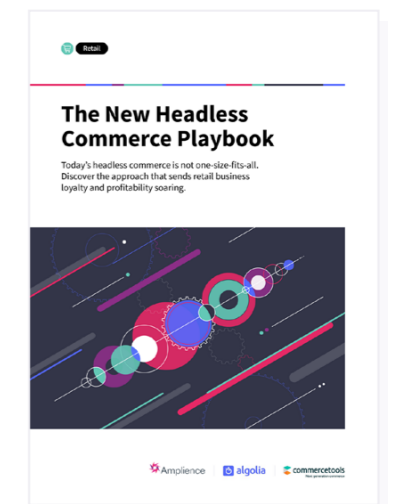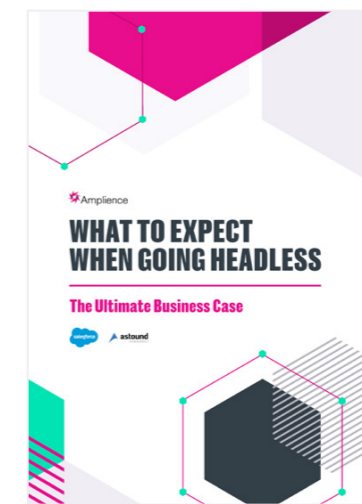
Next Steps

Ready to take the heavy lifting out of digital content and transform your eCommerce experience?

Get in touch with our specialist team today.
contact@amplience.com or visiting amplience.com

Want to Learn More About Composable Commerce and Headless?

Check Out These Additional Resources

Amplience is a commerce experience platform that takes the heavy lifting out of digital content, giving your technical and marketing teams the freedom to create digital experiences without limits. The platform's MACH Alliance-certified architecture delivers maximum speed, agility and scalability.

More than 400 of the world's leading brands use Amplience, including Crate & Barrel, Traeger Grills, Ulta Beauty, Coach, OTTO Group, GAP, Currys, Argos and The Very Group.

Amplience has 200 global employees and has raised $180 million from investors, including Farview Equity Partners, Sixth Street and Octopus Ventures.

Visit **www.amplience.com** for more information.

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