



# Rethinking Travel Touchpoints in a Digital Age

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*Dylan Bolden*

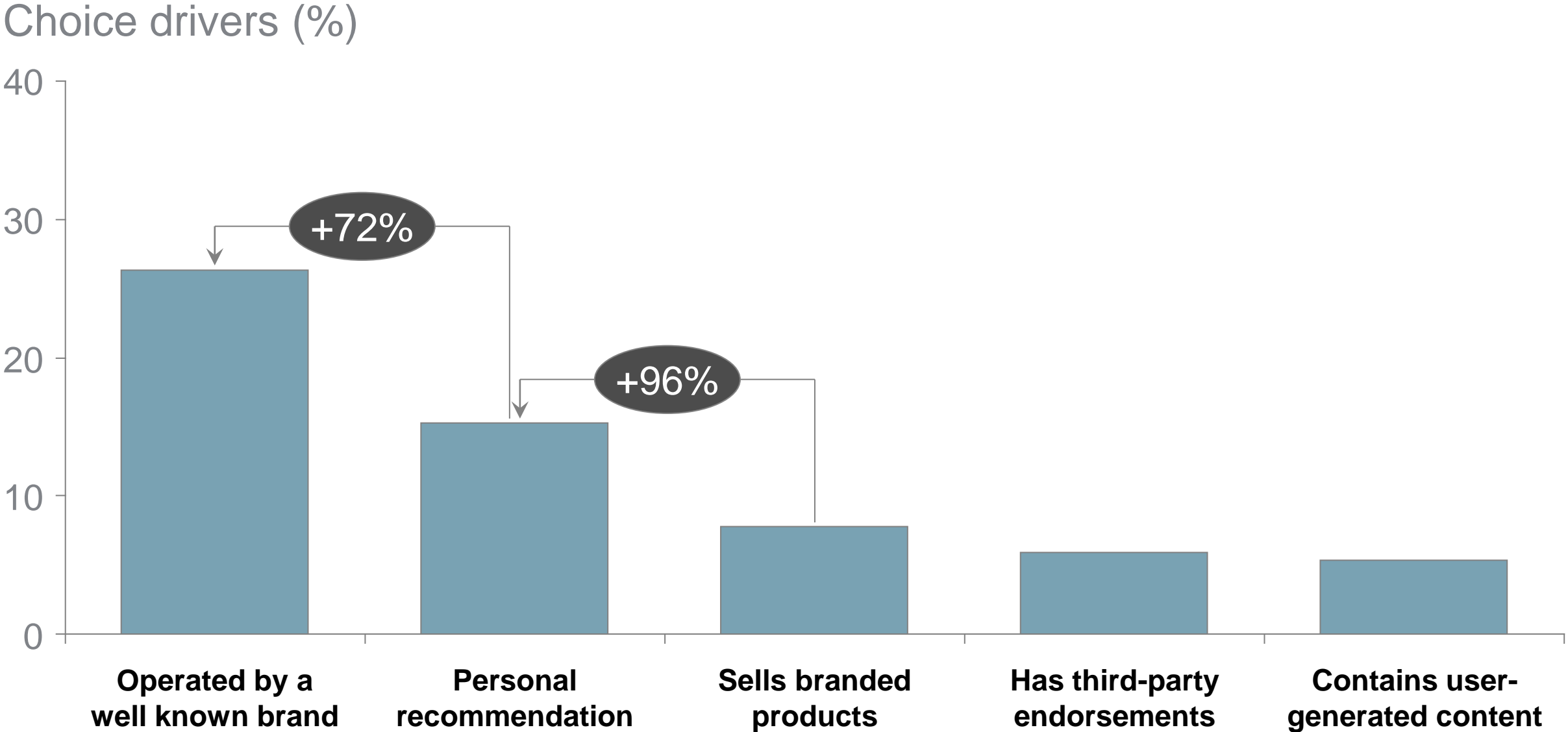
*Partner and Managing Director*

*The Boston Consulting Group*

In the past 50 years, the fundamental reasons for travel have not changed ...

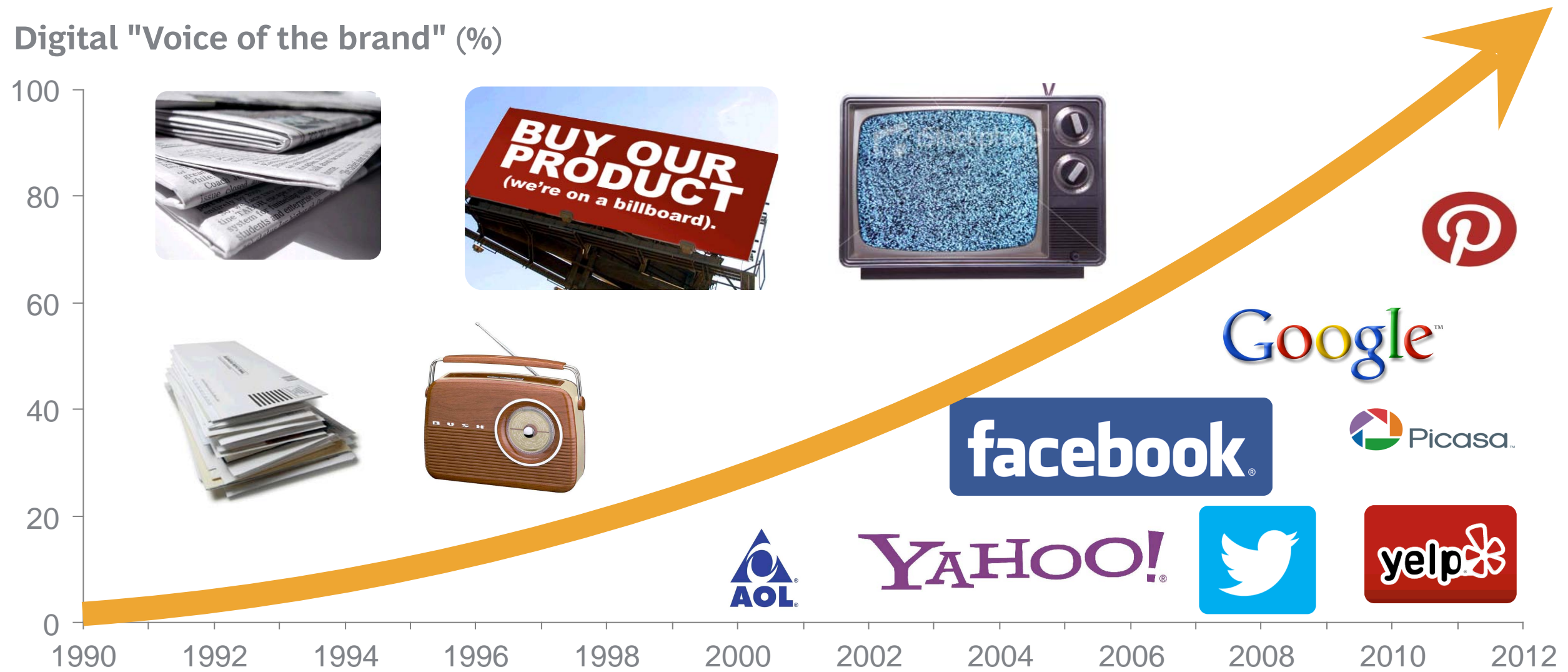


# And in this new digital age, brands are still the primary drivers of choice

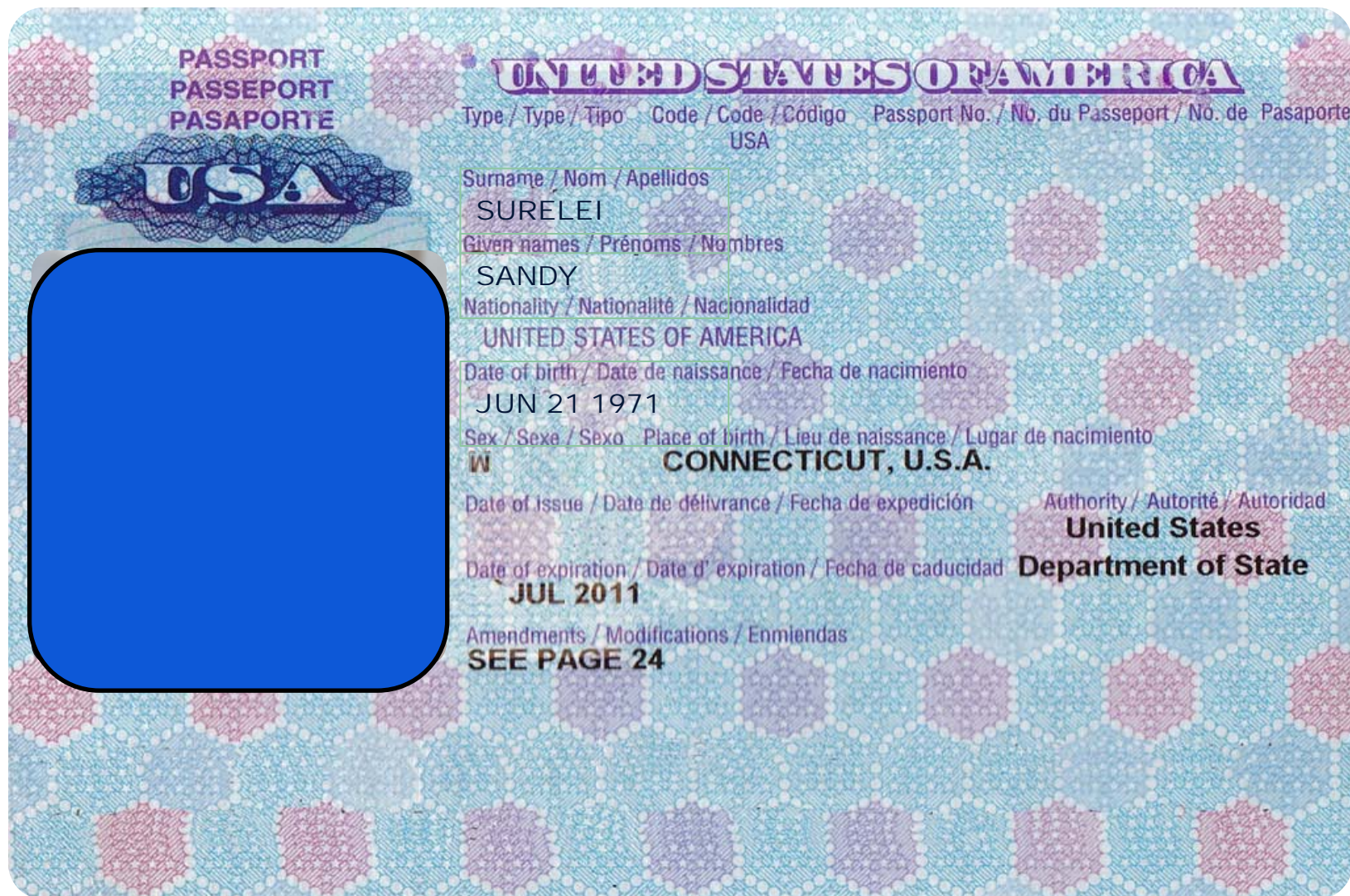


Source: BCG Travel & Tourism Digital Marketing Survey 2012

# What has changed – with the advent of "Digital" – is the way brands interact with their customers



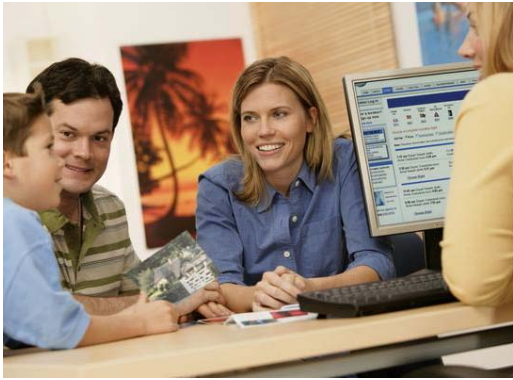
# Let's put this into more practical terms ... meet Sandy, a typical Leisure traveler



- **Age:** 41 years old
- **Marital status:** married
- **Children:** 2
- **HHI:** \$65,000
- **Social networks:** Facebook
- **Hotels last year:** 6 nights (\$700 total)
- **Flights last year:** 3 roundtrips (1 business, 2 leisure, total \$1200)
- **Attitude toward travel:** enjoys traveling and wants to make sure she makes the best choices for her family

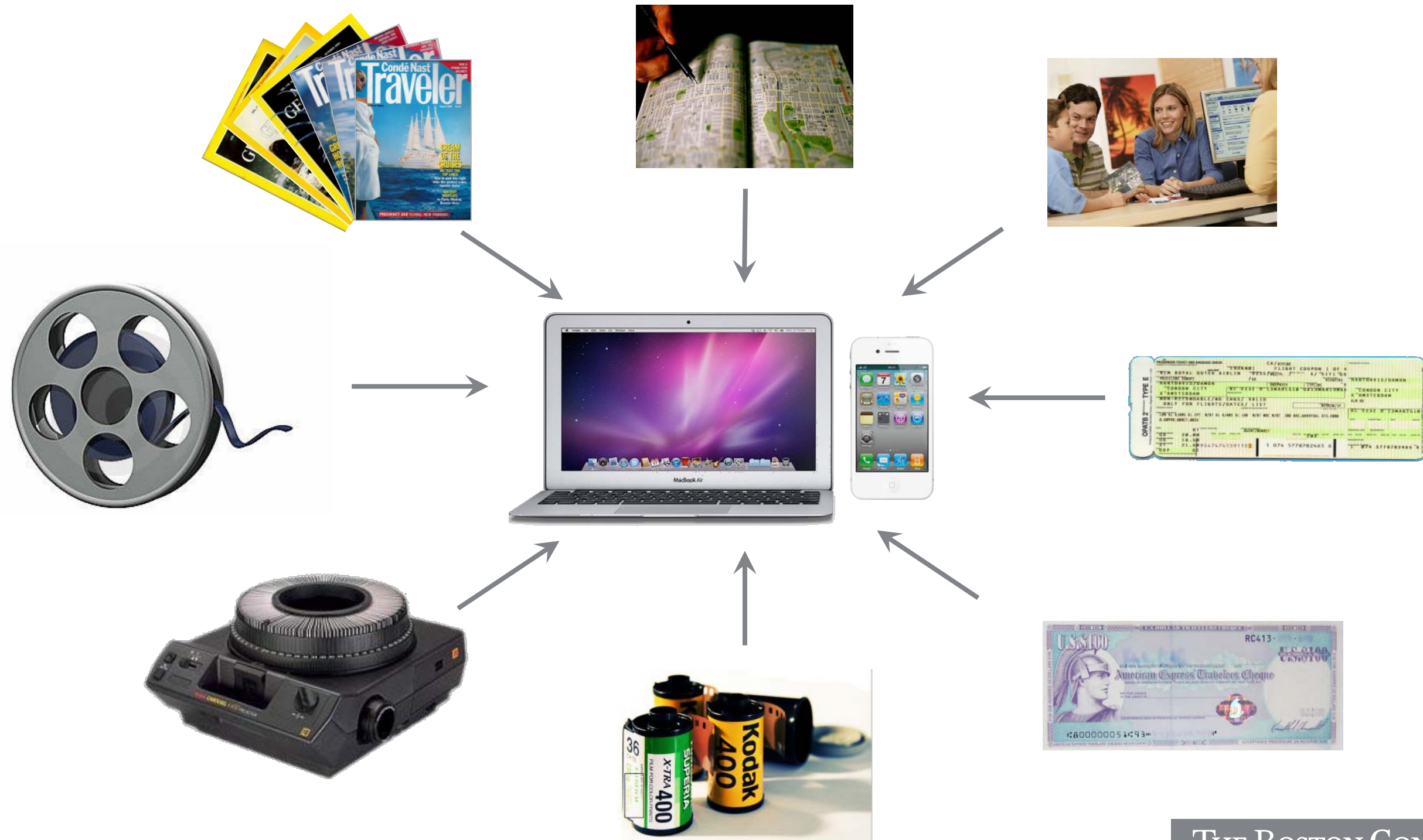
**Note: All data presented is "average" customer data for "Sandy". Significant variance a segment level.**

# For Sandy, the drivers and influencers of choice have changed dramatically ... and lines have blurred



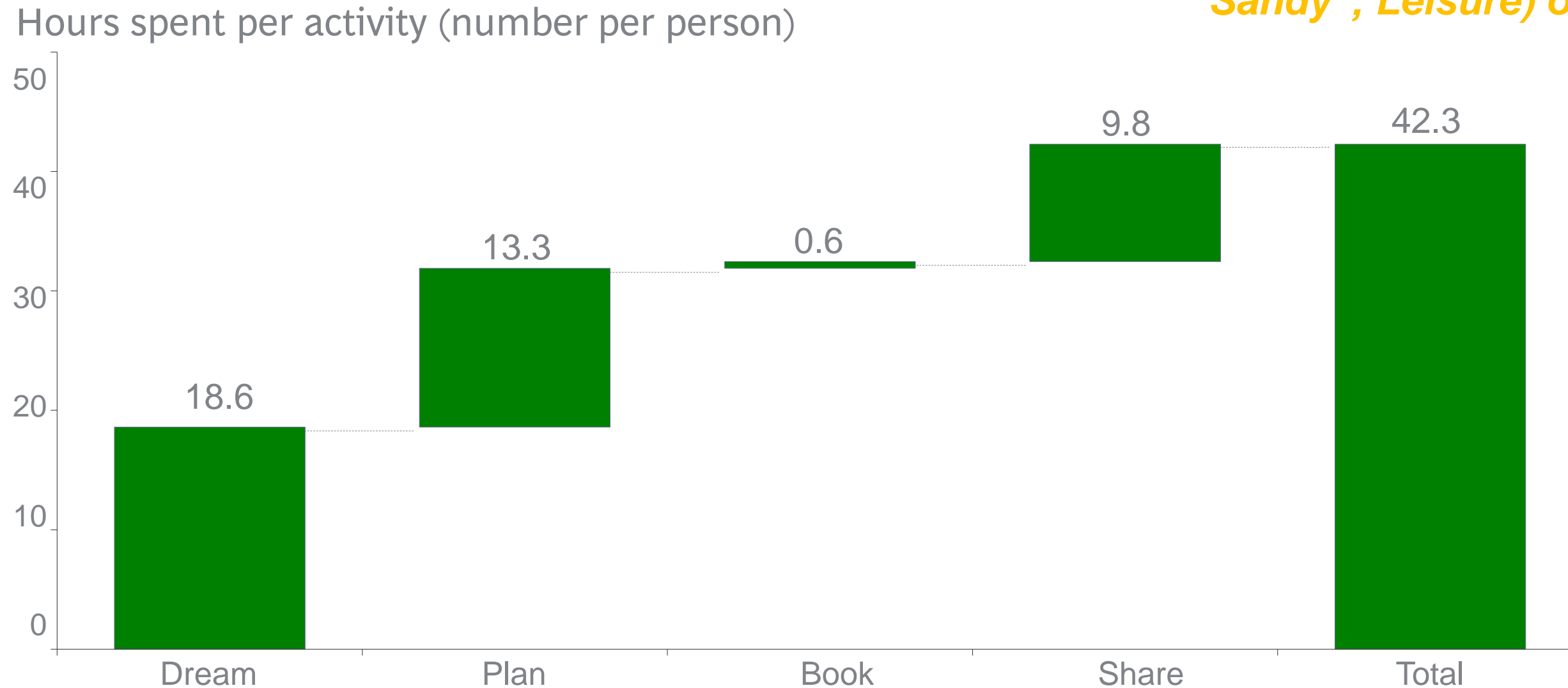
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# And while Sandy has to use many fewer devices (and documents) in the digital age ...



# ... it still takes a lot of time to get the job done

*"Sandy"; Leisure) only; last trip*

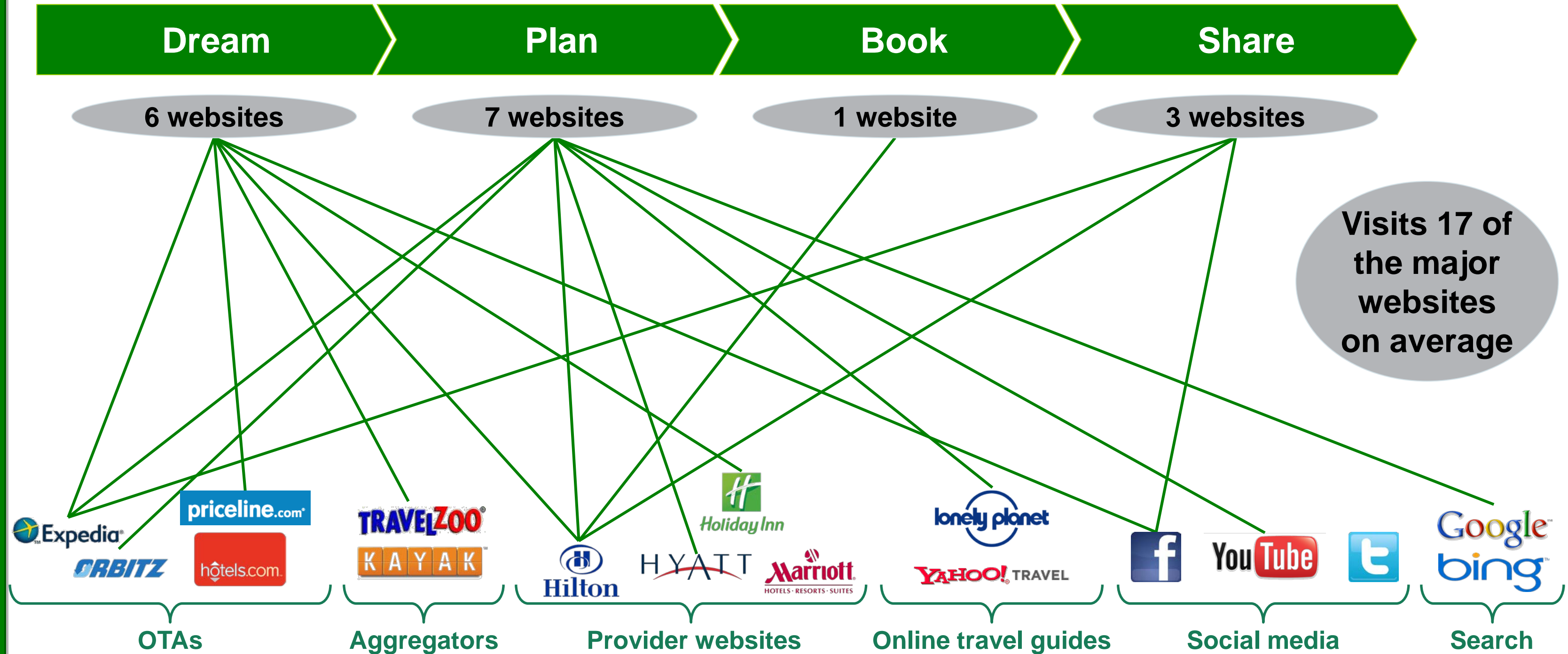


**Just think, 42 hours for a trip that is only four days long**



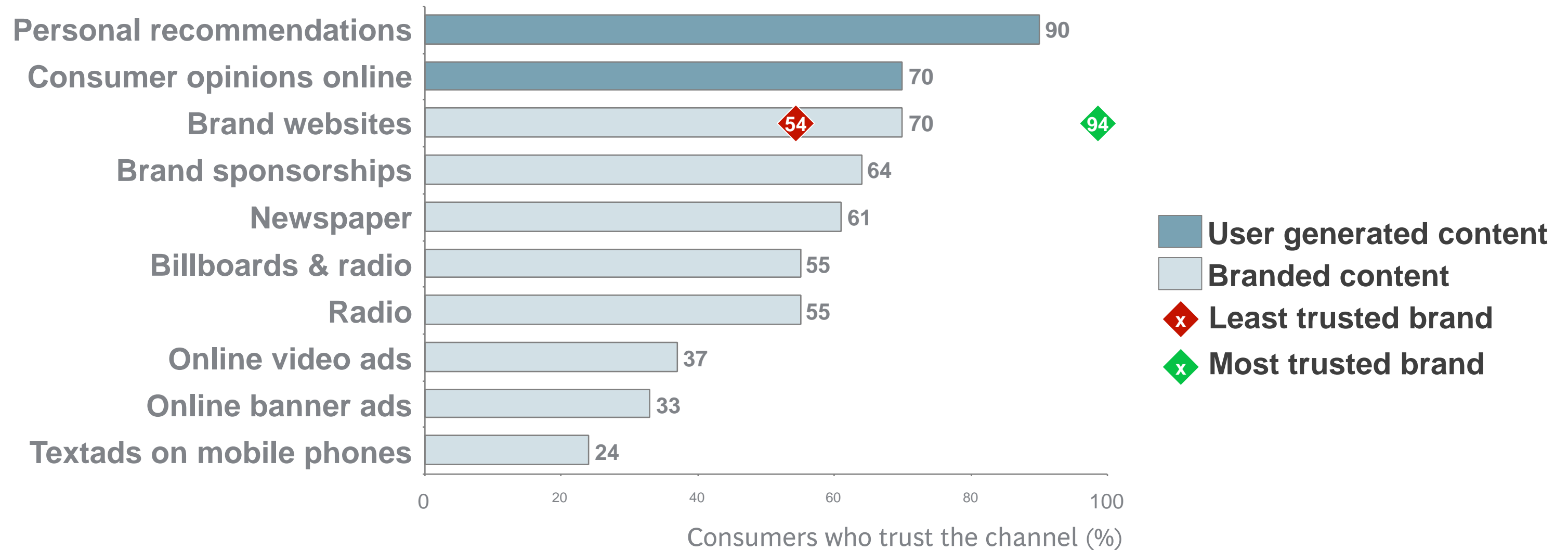
... and the time she spends is fragmented among many types of travel websites

*"Sandy"; Hotel (leisure) only; last trip*



# With all the noise, who does Sandy trust?

She is likely to trust user generated content and select branded content

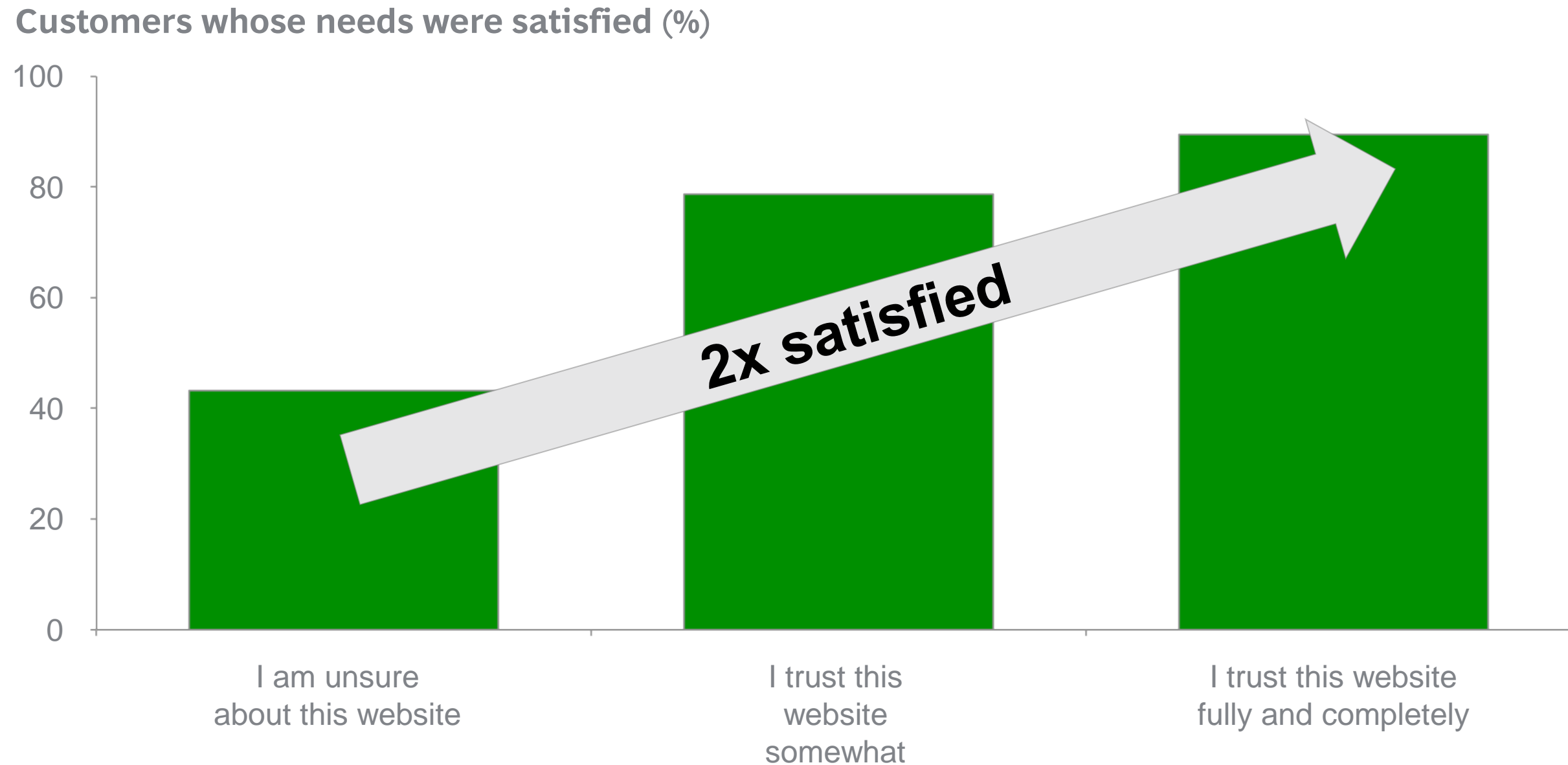


1. Indexed to provider website set average

Source: National Association of Broadcasters, Nielsen, April 2009: "Global advertising: Consumers Trust Real Friends and Virtual Strangers the Most.", Driving word of mouth advocacy among business executives", Keller Fay Group, BCG Travel & Tourism Digital Marketing Survey 2012.

# Building trust with Sandy on your site dramatically increases the chance of meeting her emotional needs

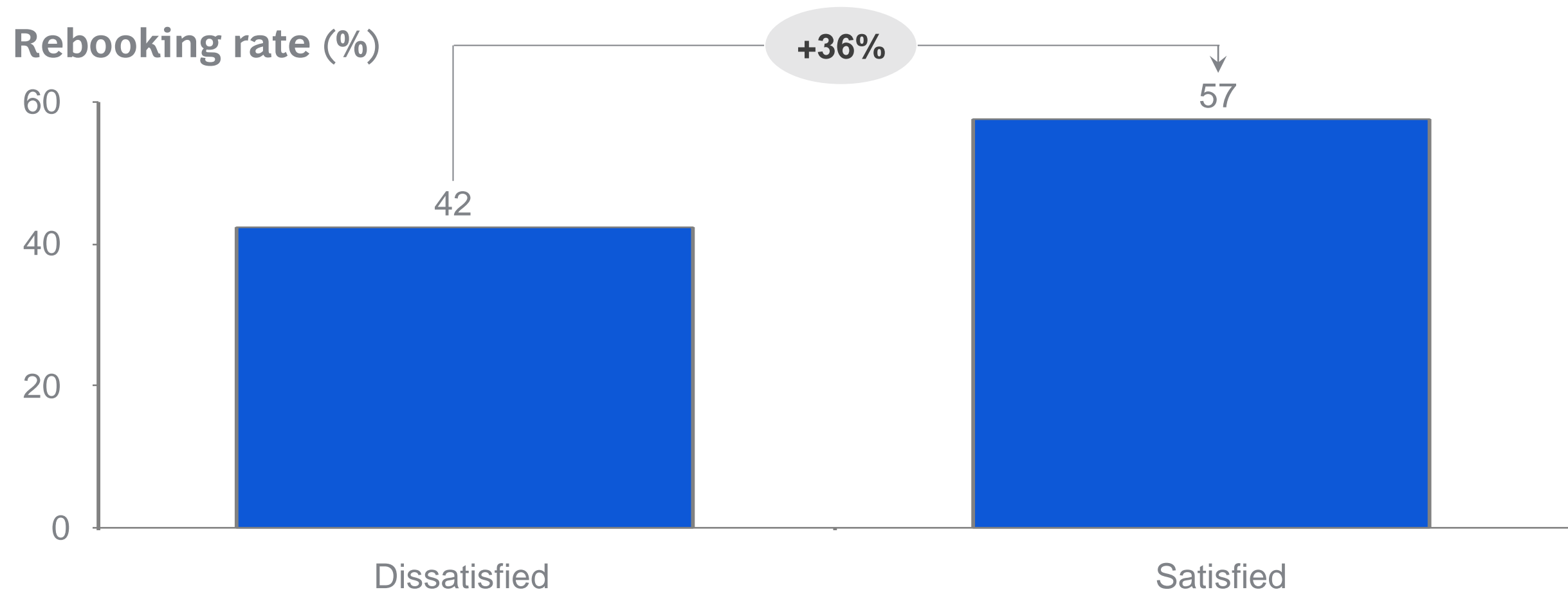
*"Sandy"; Leisure) only; last trip*



Note: Respondent was asked, "Overall, how satisfied were you with your online booking agent?" and "To what extent do you trust your online booking agent?"  
Source: BCG Travel & Tourism Digital Marketing Survey 2012

...and, not surprisingly, the more satisfied Sandy is, the more likely she is to rebook

*"Sandy"; Leisure) only; last trip*



**The question is, how do we satisfy our customers?**

# Customer satisfaction ultimately comes down to meeting our customers needs by delivering a suite of benefits

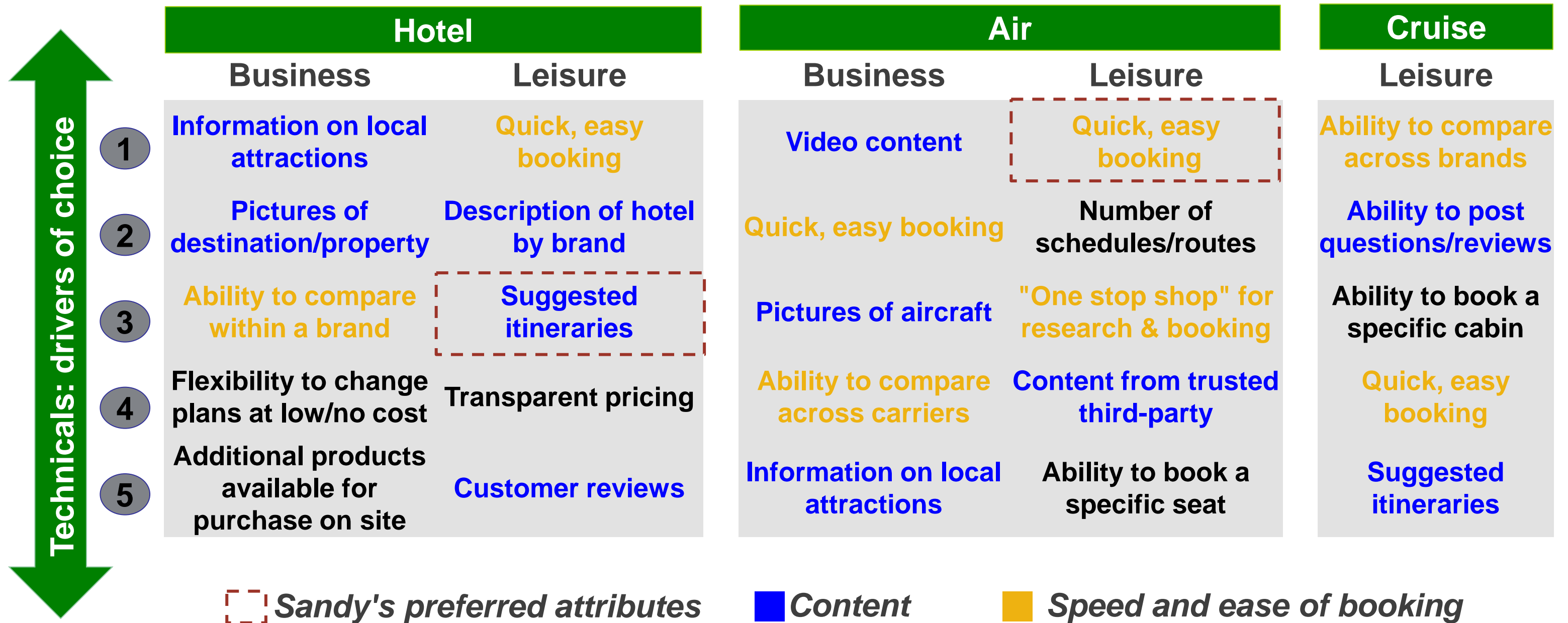


**Emotional benefits:** way the brand makes customers feel

**Functional benefits:** purpose the brand serves

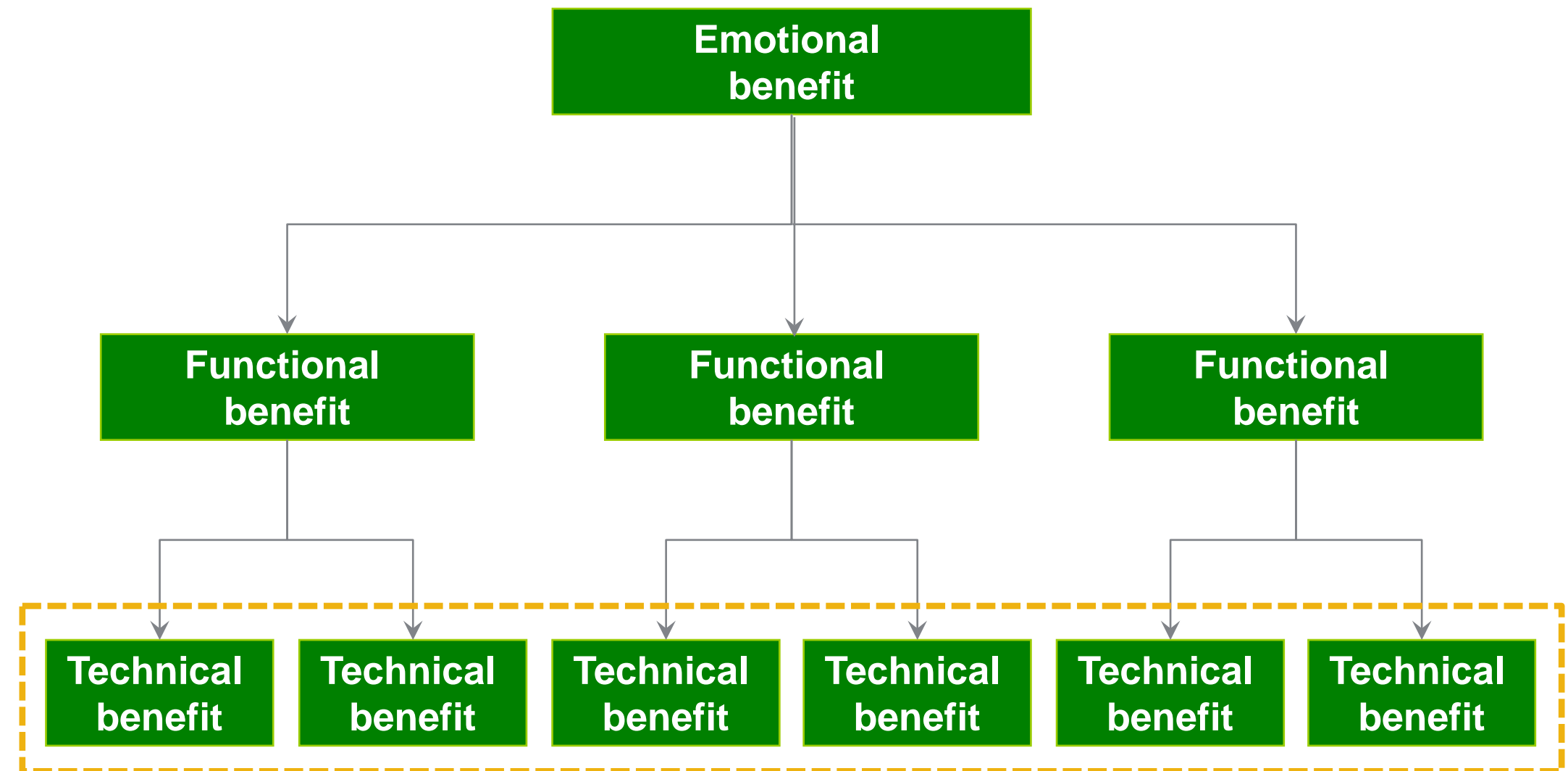
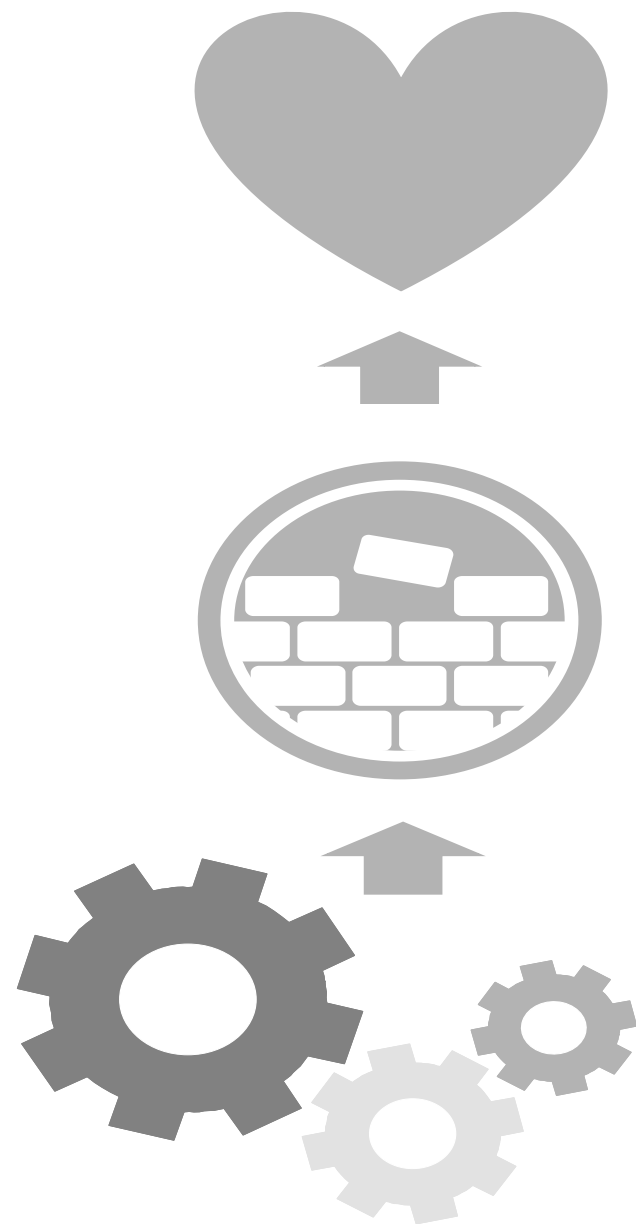
**Technical benefits:** touchpoints of the brand (product or service characteristics)

# And technical benefits – the base of the ladder – present a difficult set of tradeoffs

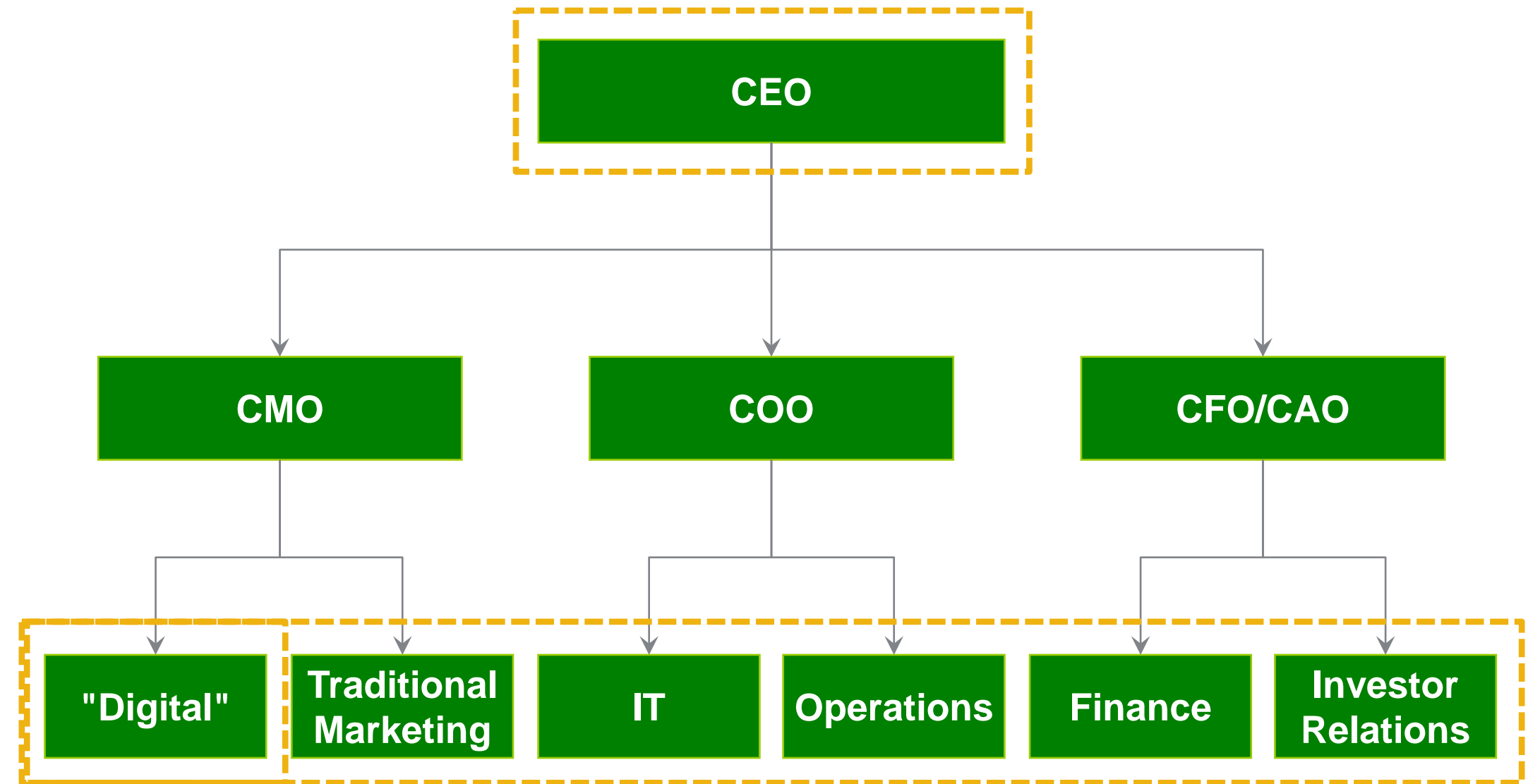
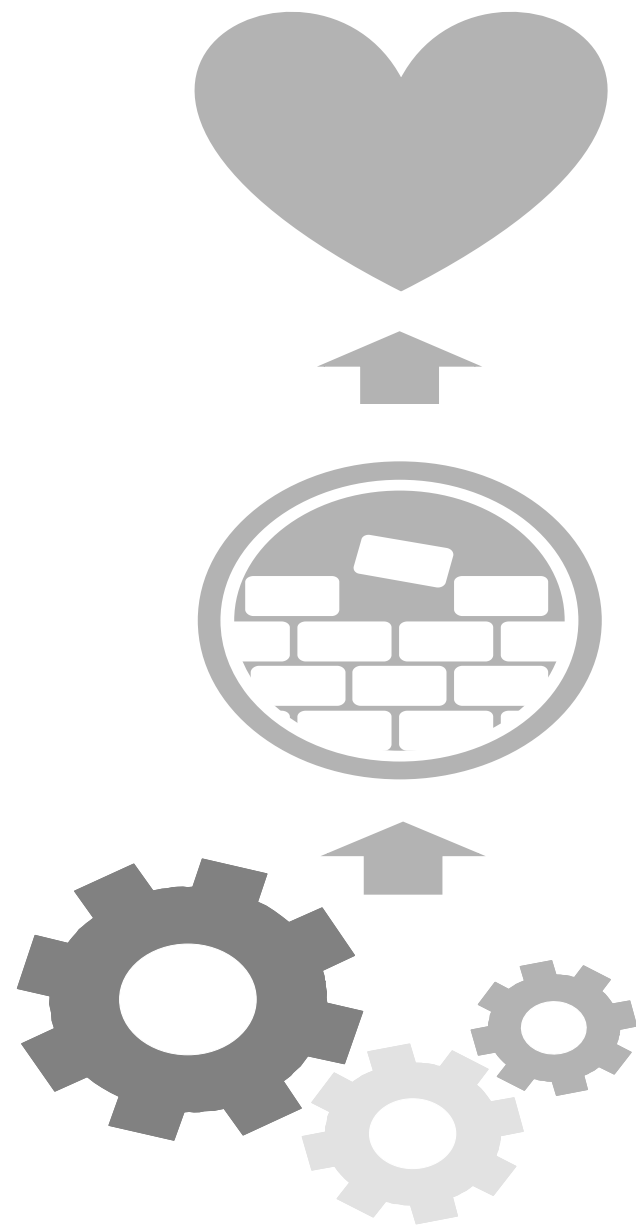


Note: customers who book through brand websites  
 Source: BCG Travel & Tourism Digital Marketing Survey 2012

Those touch point tradeoffs must be made in a way that ties in with the overarching emotional benefits

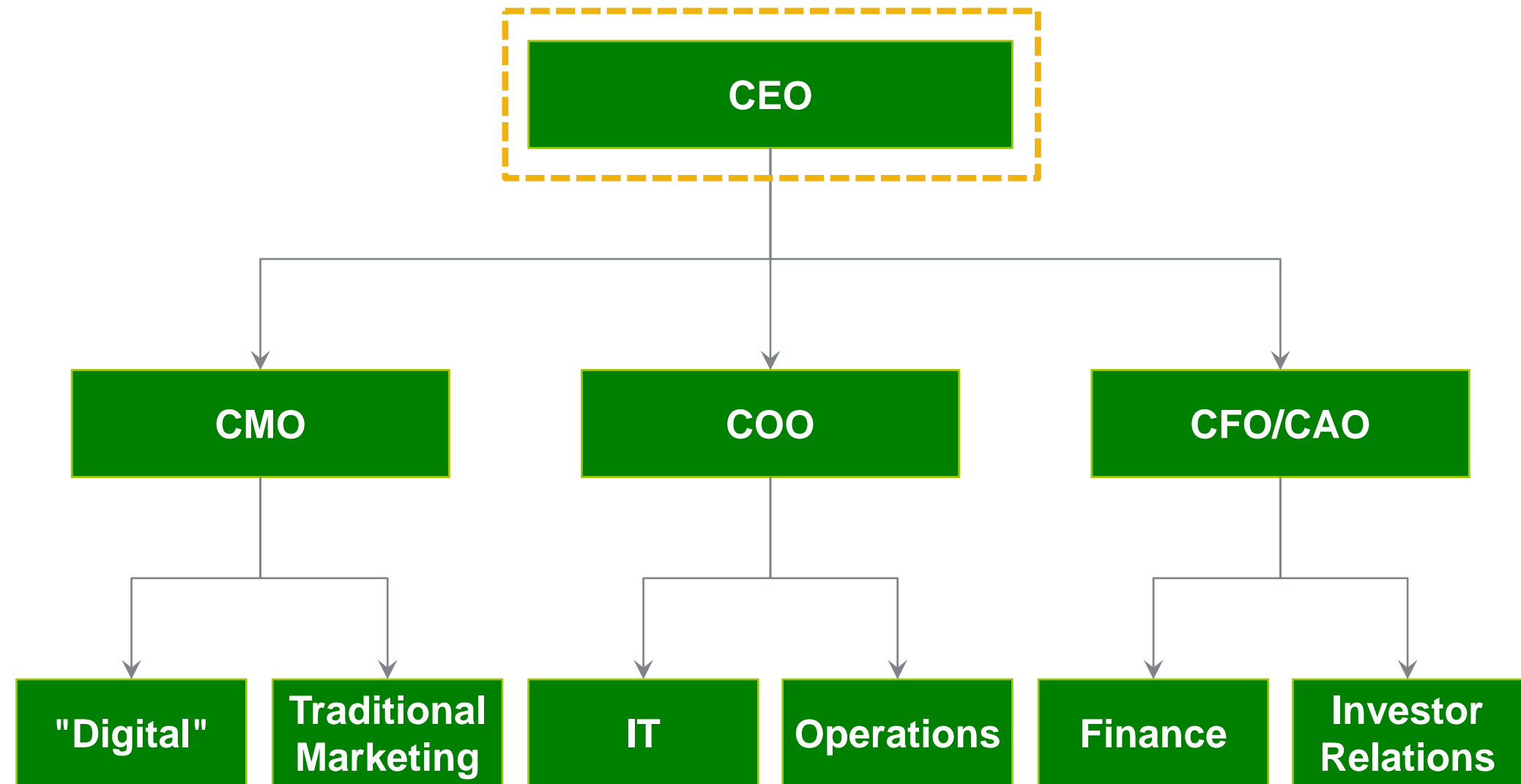
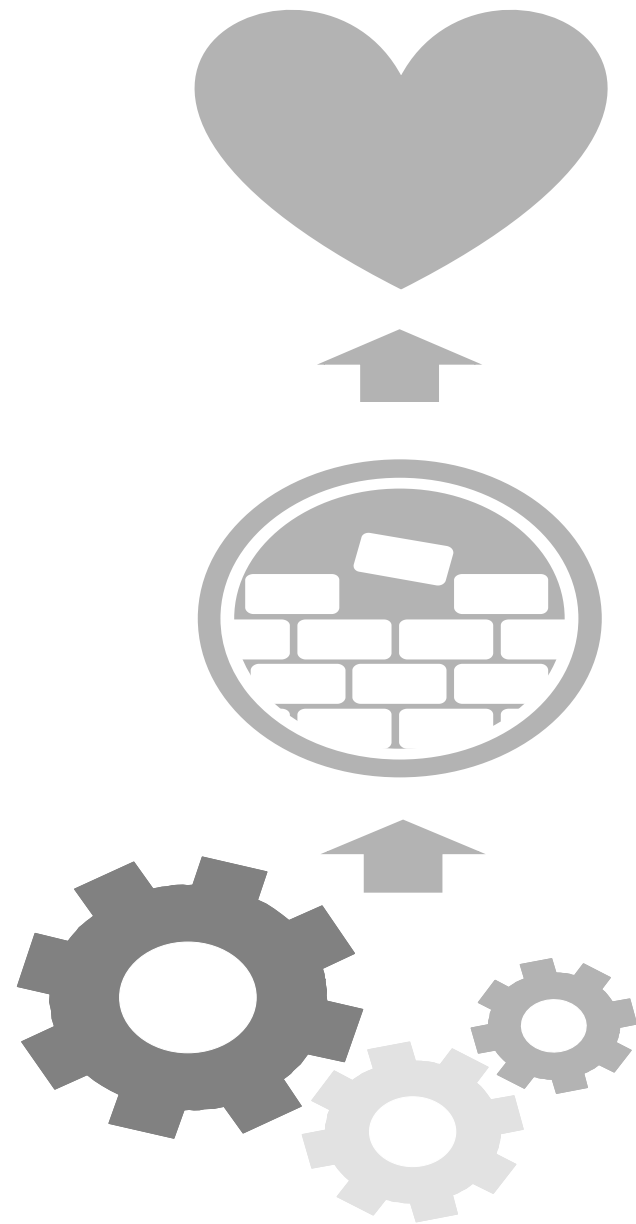


# However, the essence of the brand is ultimately defined at a level above Digital Marketing





# And the overarching organization serves as the delivery mechanism of that brand



In summary, Digital is becoming the voice of the brand (and needs the commensurate resources)

**Digital Marketing is becoming more than just an ecommerce channel – It must:**

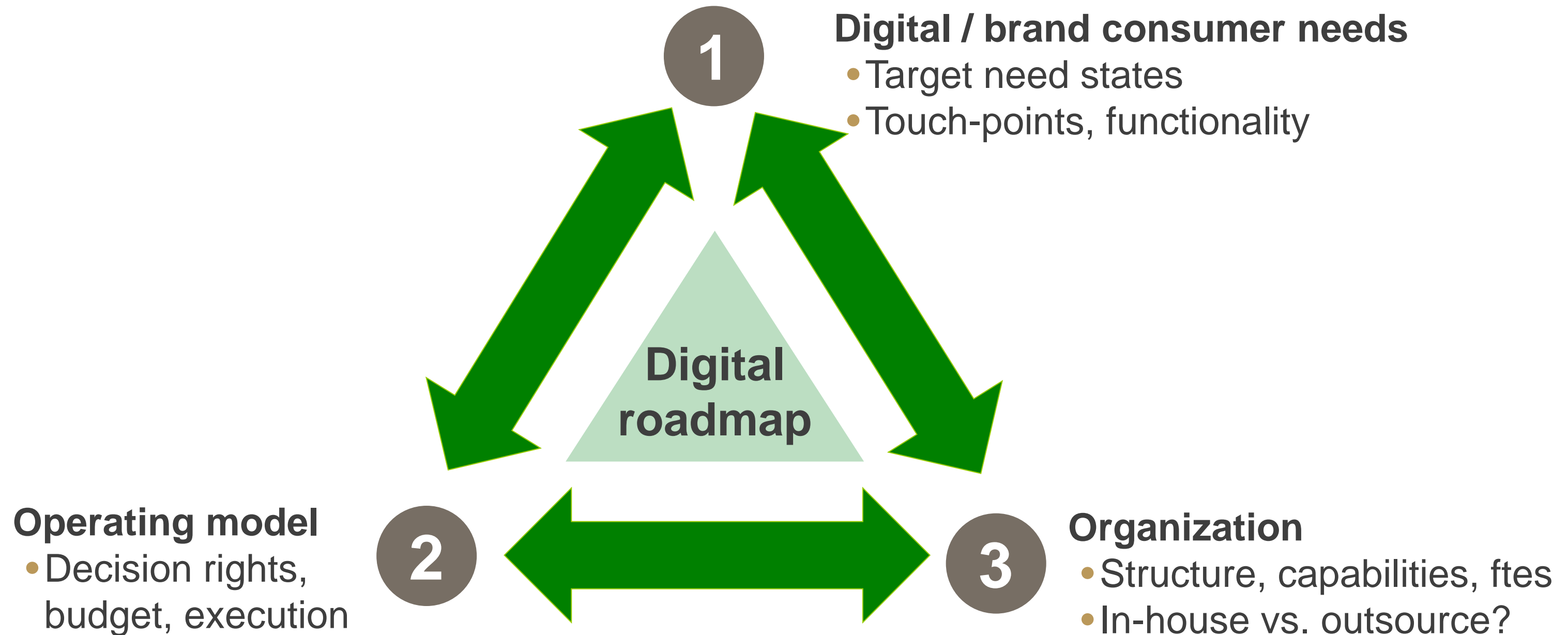
- Have goals that extend beyond purely driving transactions
- Link to rest of org given the whole brand is at stake
- Begin to consider brand-driving Digital Advertising (a la television advertising)
- Improve attribution modeling

**Digital Marketing will require more resources from Traditional Marketing to get the job done (beg, borrow, and steal from traditional mktg)**

- Will need more dollars to accomplish goals
- And more people to optimally spend those dollars



# Ultimately, need to align the entire company around holistic roadmap



# Getting started: 10 questions for your organization address to better capture the upside

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<b>Overall strategy</b>	1. Has your brand articulated the emotional needs to deliver against?
	2. Do you know the technical and functional touch-points that ladder up?
	3. What are your key customer segments and their unique needs? On the web?
<b>Goal setting</b>	4. Do you have clear goals and objectives in Digital Marketing? How do those relate to Traditional Marketing? Are you measuring those objectives?
	5. Is your organization shifting those objectives with the change in usage?
<b>Digital Roadmap</b>	6. Are your digital activities catalogued? Do you know which ones create value?
	7. Do you know what your customers are saying about your brand online? Do you have ongoing digital listening capabilities?
	8. Is your organization aligned to integrate digital and traditional activities?
	9. Do you have a cross functional team to set and deliver on digital initiatives?
	10. Does your organization have robust testing programs for digital initiatives in order to measure their effectiveness and value?

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We have brought some handouts today to help you think about how to get started

We would also enjoy the chance to hear your thoughts and feedback – feel free to come find someone from our team

What are you going to do with your Sandy's 42 hours? The opportunity is ENORMOUS!

