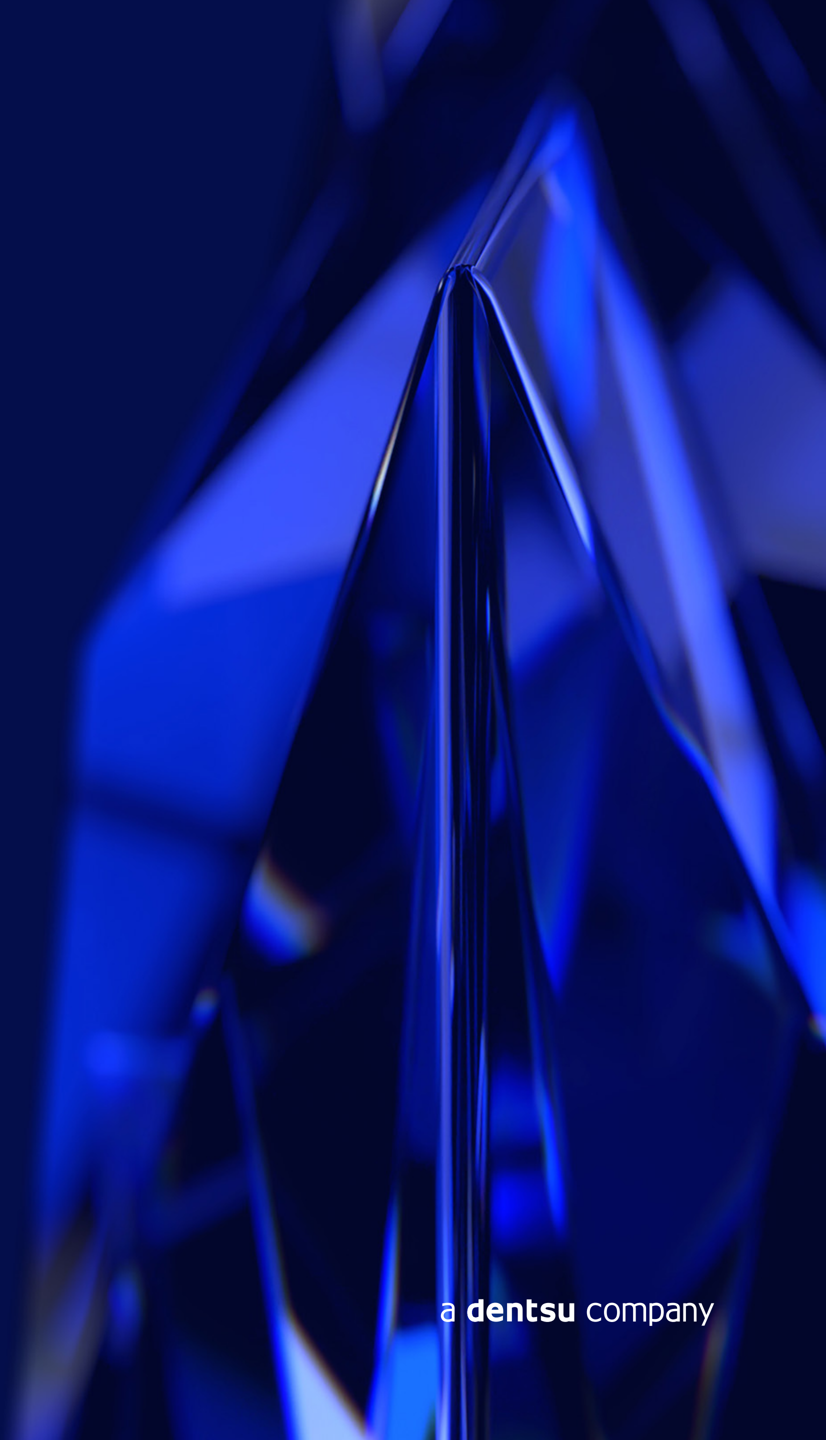
TRAVEL

2025 CX IMPERATIVES

Industry Insights for the Experience Economy



MERKLE

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Successful brands recognize that it's no longer a matter of knowing everything about your customers – it's about knowing the right things, including their preferences and expectations for interacting with your company.

Last year, we reported on what consumers want and how brands rise to the occasion to deliver. Now, we've compiled those insights through an industry lens.

This report addresses the unique challenges and opportunities travel companies face with data-driven strategies to enhance customer engagement, personalization, and loyalty. See how you stack up against your industry peers and learn how to stay ahead of evolving customer expectations for long-term business growth.

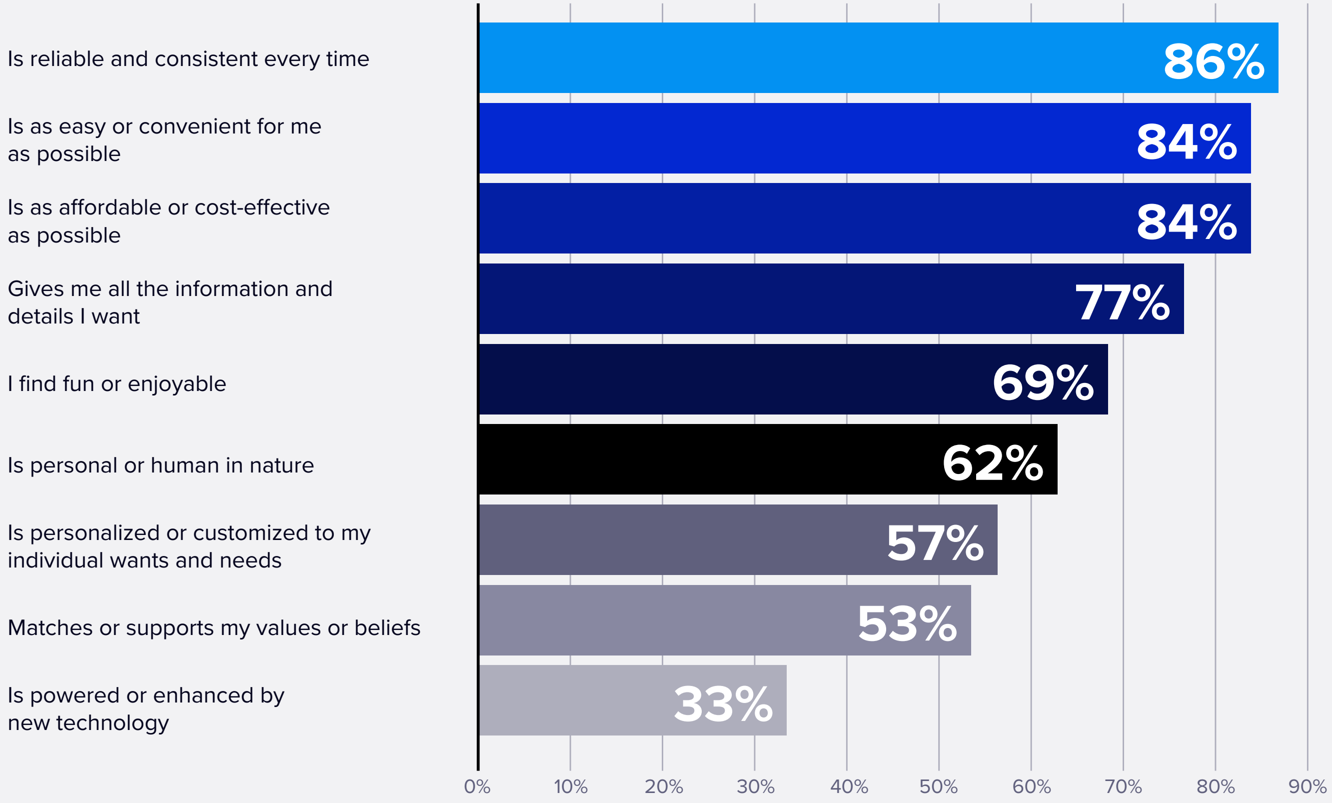
CONSUMER SURVEY

Travel customers value **reliability, convenience,** and **affordability** in their brand experiences.

Our consumer survey found that reliability and consistency, as well as ease and convenience, are the attributes most wanted from brand experiences in the travel sector. Affordability and cost-effectiveness scored highly across industries, despite it being a less-flexible component of CX for many brands.

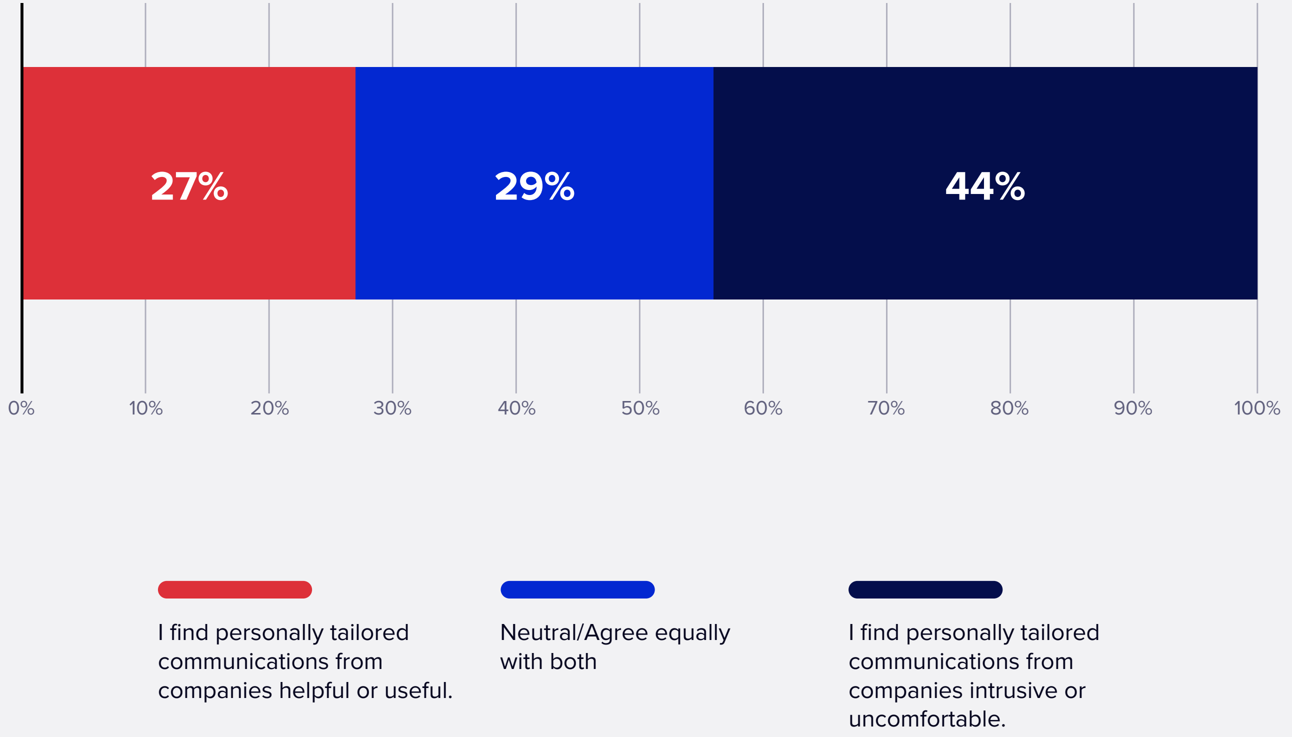
It's worth noting that consumers are less concerned with a brand matching or supporting personal beliefs – something that was at the forefront during the pandemic and is now a lower priority than other factors.

Q: Thinking about all of the times you have engaged with or purchased from this travel brand over the past 2-3 years, how important are each of the following aspects when you are engaging with a brand or company in this category? – % very or extremely important



CONSUMER SURVEY

Q: Thinking about all the times you've engaged with or purchased from this brand, which of the following pairs of statements do you agree with more?



More consumers think travel brands are **using their data mainly for profit** rather than to improve CX.

Only 27% of consumers in our survey agree that travel brands are using their data mainly to improve their experience. Travel is in a unique position because it's one of the few industries where consumers happily volunteer their preferences to try to improve their trip experience. There's a clear opportunity for travel companies to more consistently turn that into value for the customer.

Consumers still **prefer some level of human interaction** for experiences with travel brands.

Consumers' preferences for human versus digital interaction with travel brands varies from stage to stage, with human interaction heavily preferred when requesting support. Respondents preferred human interaction at this stage for all industries, but the degree to which they preferred it for travel was greater than every other industry except healthcare. This is understandable, given how much consumers typically spend on a travel booking compared to other purchases.

Consumer respondents

Q: When interacting with travel brands, what kind of experience would you most prefer?

Researching	Evaluating/Selecting	Purchasing	Paying	Requesting Support
Equal split (+/-5%)	Equal split (+/-5%)	More human (+17%)	More digital (+8%)	**More human (+44%)**

Professional respondents

Q: What "kind" of experience does your organization typically deliver to customers right now?

Researching	Evaluating/Selecting	Purchasing
More digital (+35%)	**More digital (+22%)**	More human (+18%)

Requesting Support	Renewing a contract/service	Adding or switching services/solutions
Equal split (+/-10%)	Equal split (+/-10%)	Equal split (+/-10%)

Digital experiences strongly preferred (+20% or more net)

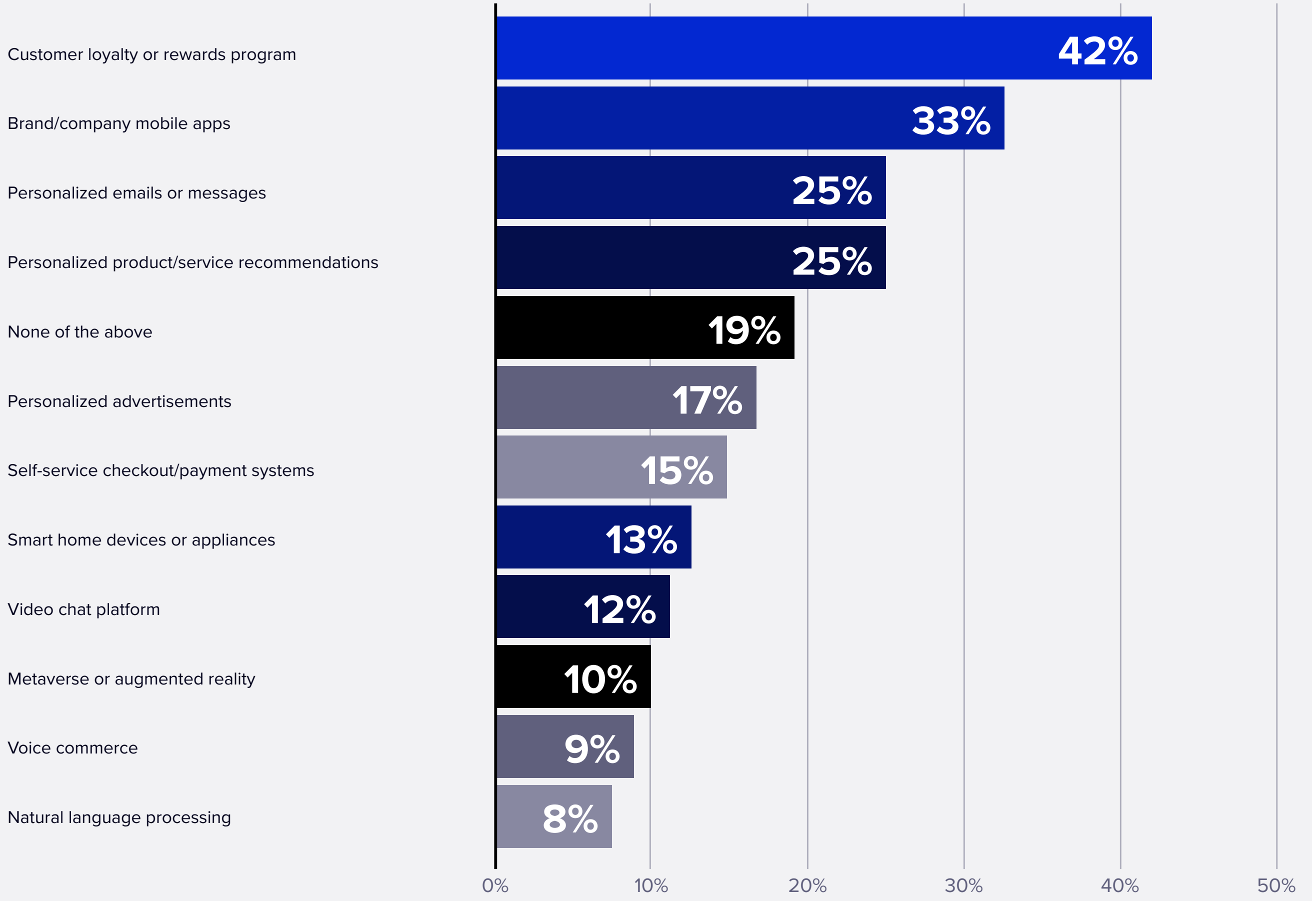
Human experiences strongly preferred (+20% or more net)

CONSUMER SURVEY

Consumers are **more excited** to interact with travel brands' **customer loyalty** or **rewards programs** than any other CX technology.

The CX technology that most excites consumers when it comes to travel brands is customer loyalty and rewards programs. This was true for the overall sample as well, with loyalty and rewards scoring higher for travel than most other industries. Many brands in the space have well-established loyalty programs, though as we mentioned earlier, there's still opportunity to enhance the data they're collecting and its usage to improve CX.

Q: Which of the following CX technologies would you be excited to use or interact with in the future when engaging with a travel company?

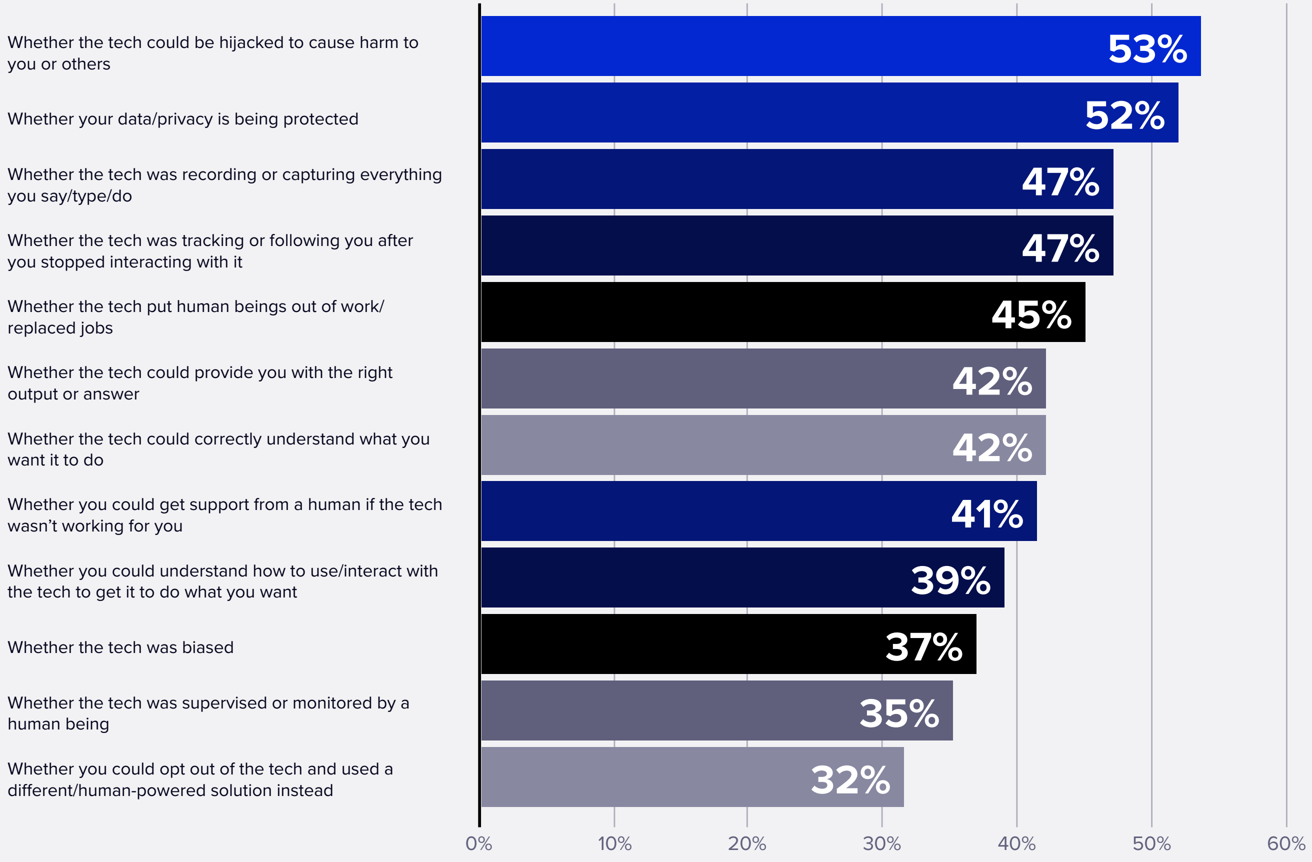


CONSUMER SURVEY

Safety and privacy are top concerns for consumers interacting with AI as part of their travel brand experience.

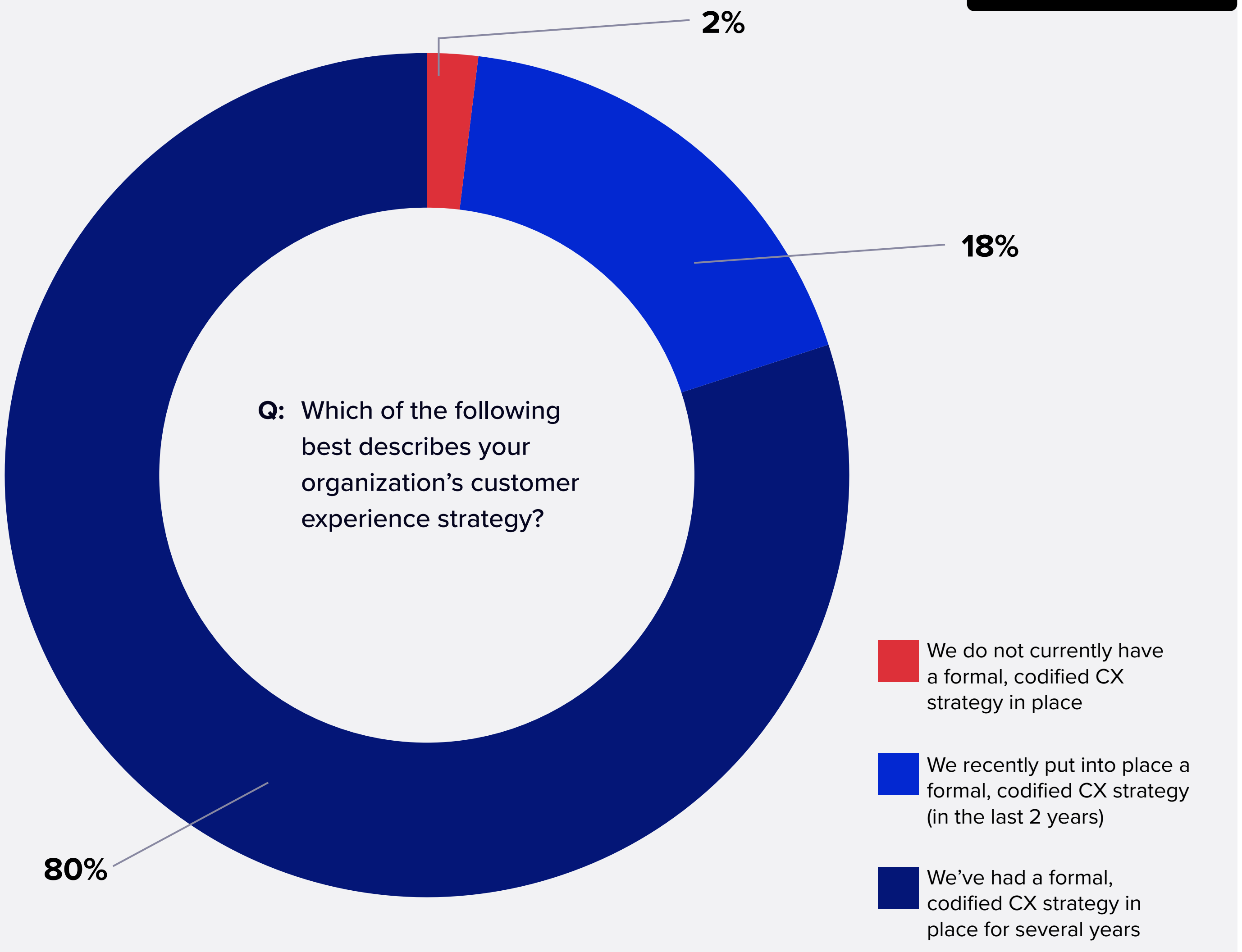
More than 50% of consumers reported feeling very or extremely concerned about data privacy and hacking vulnerabilities with AI in the travel industry. Though AI effectiveness is not as big a concern for travel customers, 42% are skeptical that AI can provide them the right output or answer – and when it comes to a big investment like travel, one wrong piece of information can instantly erode brand trust.

Q: How concerned are you about each of the following issues when interacting with AI-powered technology when engaging with travel brands? – % very or extremely concerned



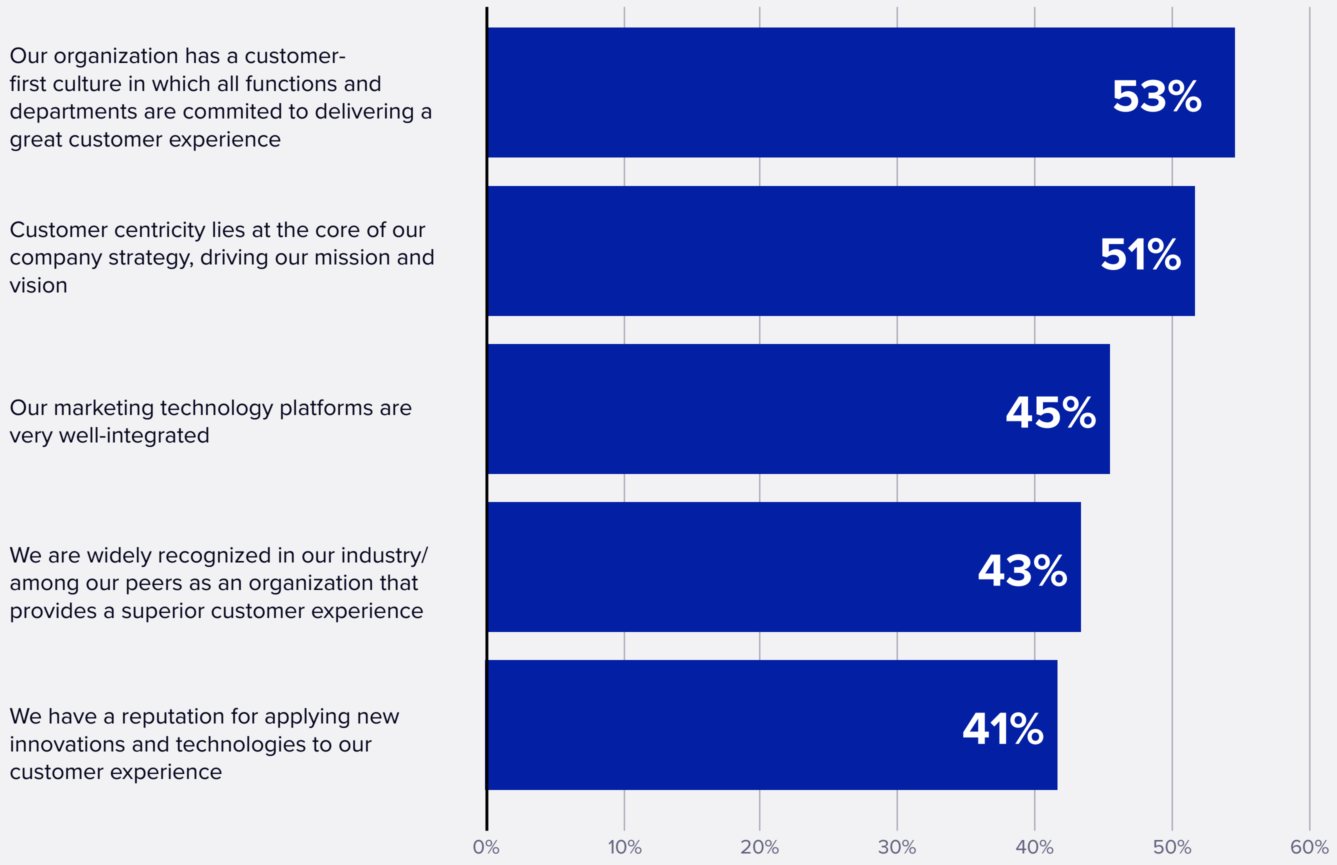
80% of travel respondents report having had a formal, codified CX strategy for more than two years.

This puts travel above all other industries in our survey on this attribute. When you add in companies who completed the process more recently, 98% of travel respondents reported having a formal, codified CX strategy in place.



PROFESSIONAL SURVEY

Q: How well do you think each of the following statements describes your organization? – % strongly agree



Just over 50% of travel respondents strongly agree that their organization has a customer-first culture.

Ninety-eight percent of travel respondents reported having a formal, codified CX strategy, but that's not always translating to customer centricity. This is an interesting disconnect and highlights the importance of digging beyond codified policies into company culture and practices to understand how well organizations truly follow a customer-first approach.

PROFESSIONAL SURVEY

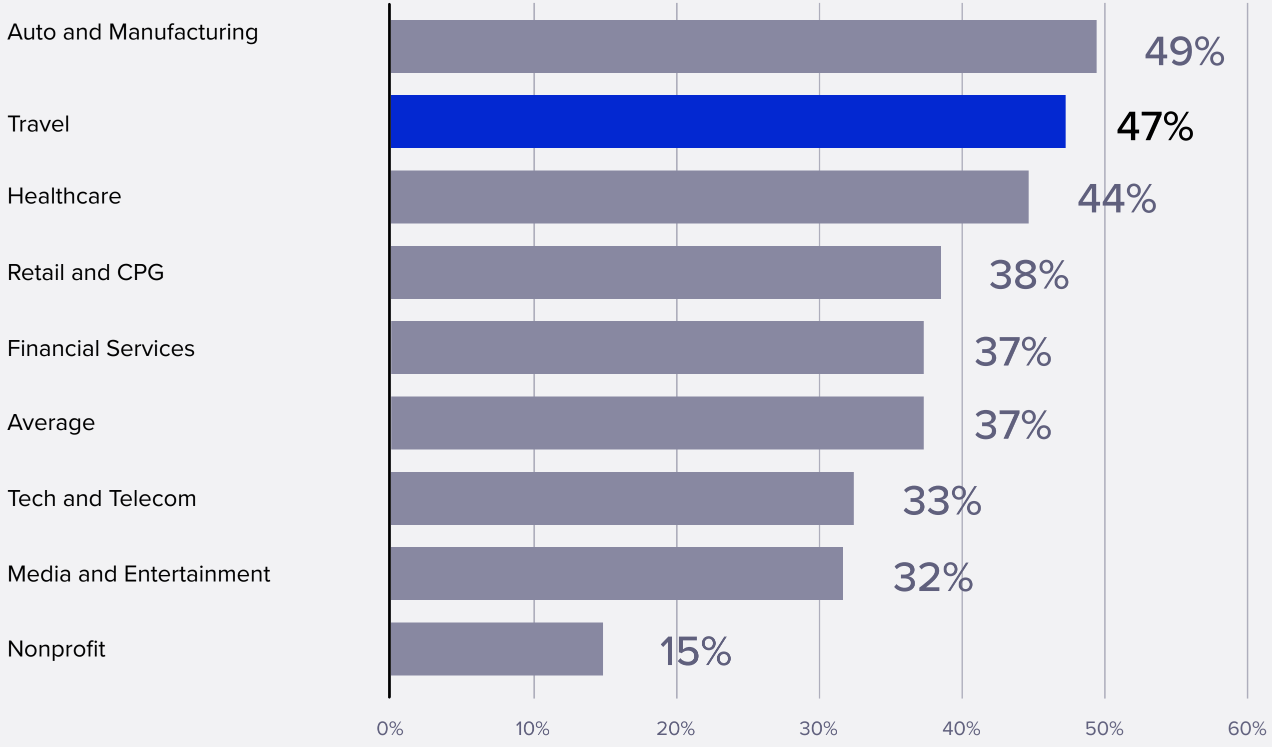
Travel organizations **base their decisions more on finances and competitors** than customer feedback.

Another marker of customer centricity is how much a brand prioritizes consumer feedback over other factors when making CX investments. Only 47% of travel respondents reported customer feedback as a top-three driver of their CX investments. This placed them higher than most other industries on this attribute, but still leaves significant room for improvement.

As highlighted in our business leaders' report, leading CX organizations are more likely to prioritize customer feedback than competitor activity.

Q: What are the biggest drivers or factors that influence your organization's customer experience investments?

A: % chose "Customer feedback/demands"



PROFESSIONAL SURVEY

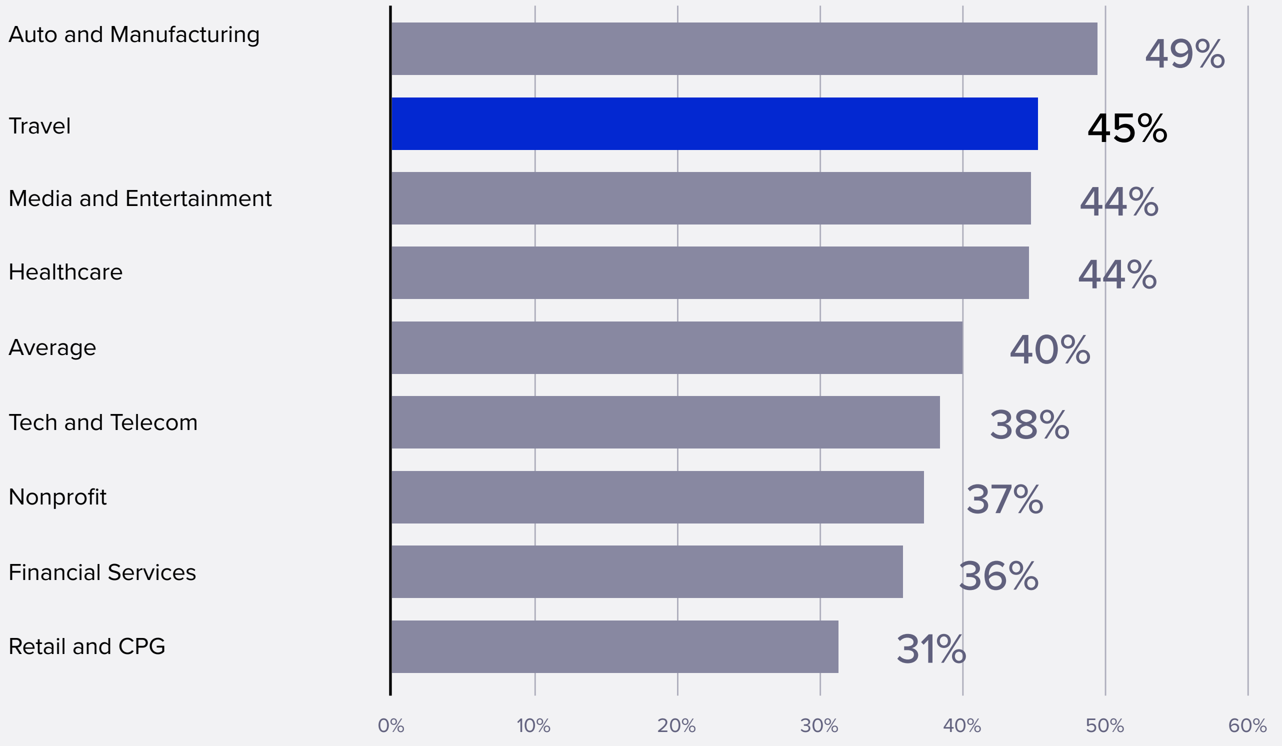
Less than half of travel respondents strongly agree that their **marketing technology is well integrated.**

Our business leaders' report also highlighted that well-integrated marketing technology lays the groundwork for introducing emerging technologies quickly and successfully.

Why? Because this integration allows for the consolidation of data from disparate sources (e.g., digital channels, call centers, offline channels, etc.). While scoring higher than most other industries, less than half of travel respondents strongly agreed that their marketing tech is well integrated, highlighting an area of opportunity to create a stronger foundation for CX.

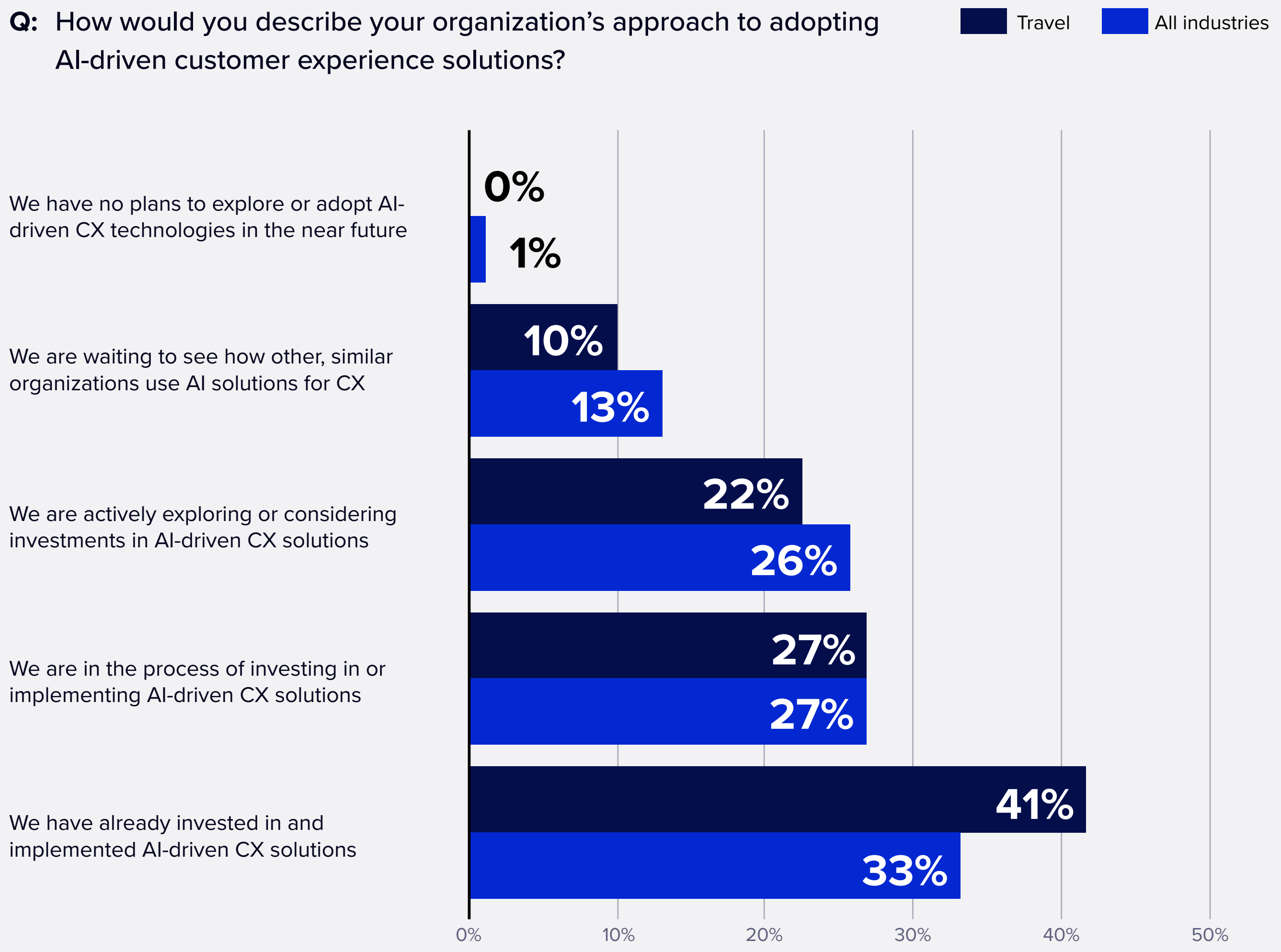
Q: How well do you think each of the following statements describes your organization?

A: % strongly agree with "Our marketing technology platforms are very well-integrated (versus disjointed or siloed)"



PROFESSIONAL SURVEY

Q: How would you describe your organization's approach to adopting AI-driven customer experience solutions?



Above-average marketing technology integration gives travel organizations a leg up on AI adoption.

With travel respondents reporting greater strength in their marketing technology integration than other industries, it's not surprising that they are in the more advanced stages of adopting AI. Compared to all respondents, travel is more likely to have already invested in and implemented AI-driven solutions.

As early adopters, it will be important for travel companies to have a solid evaluation and optimization plan in place to ensure their AI solutions are delivering the outcomes they expect.

Key considerations

If you can’t lower pricing, add more value.

Consumers expressed that affordability is important, but pricing is often inflexible due to other business constraints. Instead, consider ways to give customers more value for the amount they’re paying. Maybe that means a digital concierge service for bookings above a certain price point, or a 3D preview of the property in the booking process like you see in real estate. There are ways to make customers feel like they’re getting a good value that doesn’t require discounting.

Create a value exchange.

Travel consumers are quick to share their preferences, expecting it to translate to a better travel experience. However, only 27% of consumers in our survey felt that travel brands are using their data mainly to improve their experience.

Lean into customers’ excitement for reward and loyalty programs to capture more information about them through that channel – but make sure that if you’re asking for a preference, you’re able to honor it.

Align technology and AI investments with consumers’ needs.

Our business leaders’ report found that mature CX organizations implement AI-driven CX solutions at a faster rate than others, which travel organizations are doing at a greater rate than other industries.

As they move forward, it will be critical for those companies to keep a close eye on their AI solutions to ensure they’re meeting the actual needs of customers and the business, and be willing to re-evaluate their investments if they’re not delivering real CX value.

Look beyond a codified strategy to deliver CX excellence.

Nearly all travel respondents reported having a codified, formal CX strategy, but after peeling back the layers, there’s still work to do when it comes to being a customer-first brand.

One of the first steps for travel is to prioritize customer feedback when it comes to CX investments – only 47% currently do so. Remember, feedback isn’t just surveys: customers are giving you feedback every time they interact with your brand to complete a booking, check in to a hotel or flight, or engage (or delete) an email.

Connect the dots with your customer across the journey.

Travel customers want to engage your brand in myriad ways: in person, digitally, through loyalty and reward programs, and so on. They also want consistency and reliability from those experiences. Make sure your communications with the customer acknowledge the interactions you’ve already had. Forcing a customer to repeat a conversation they already had with your brand is not easy, convenient, or consistent.

For further reading

Methodology

Primary research comprised online surveys of N=820 CX professionals with decision-making influence on customer experience at their organizations and N=2,100 consumers who had a qualifying consumer interaction with one or more brand categories in the past 3 months. Surveys were administered in six languages to professionals and consumers based in 18 countries across North America, Europe, and the Asia Pacific region. Survey fieldwork conducted October-November 2023.

Representation of categories by CX professionals: 18% retail & CPG; 17% tech & telecom; 16% financial services & insurance; 15% automotive and manufacturing; 12% healthcare; 9% media and entertainment; 9% nonprofit; and 9% travel.

Representation of categories by consumers: 73% retailer; 64% restaurant or food service; 60% healthcare provider; 55% financial services; 48% packaged goods; 44% clothing or textile; 44% technology or telecoms; 43% travel or transportation; 43% hospitality; 34% insurance provider; 33% entertainment; 33% electronics or technology; 31% household goods; 31% media brand; 26% nonprofit organization; 21% vehicle manufacturer; 21% software company; 15% outdoor equipment.

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