

6 DIGITAL ADVERTISING TRENDS TO ACCELERATE TRAVEL'S COVID-19 RECOVERY



Presented by

Skift. +  **SOJERN**

EXECUTIVE SUMMARY

To say that the travel industry was hit hard by the onset of the global pandemic in 2020 is an understatement. Consumer demand all but disappeared as people around the world sheltered at home and borders were shut down. At the same time, the world transitioned most facets of life into the digital realm so that consumers could continue to work, play, socialize, and shop online.

But now there are signs for optimism on the horizon. As vaccination rates increase around the world and destinations begin to welcome back travelers, more travel companies are looking ahead for how they can use advertising to supercharge their recovery plans and put themselves top of mind with post-pandemic consumers.

But even as industry leaders recognize the potential opportunity, they also acknowledge that the marketing best practices that worked in 2020 may no longer be effective. This means they will need to shift the way they find and engage consumers if they are to bounce back in 2021 and beyond. This early post-pandemic phase will be an important testing ground for new advertising strategies as travel brands seek to understand new trends in customer behavior, evolving best practices for online distribution, and the growing need for messages that reinforce tourism's push for social equity and sustainability.

As consumer spending declined in 2020, so did advertising budgets. With access to mere fractions of their pre-pandemic resources, travel brands searched for new ways to connect with customers. As they searched for new ways to engage their audiences, the ground was simultaneously shifting beneath their feet, thanks to a growing range of privacy laws put in place by governments and tech platforms designed to safeguard consumers' personal information.

The uneven nature of pandemic recovery around the world is also making flexibility a top priority. Covid-19 case rates have already created a logistical and emotional rollercoaster as cities and even countries open up and then lock back down again. Each ebb and flow in the outbreak creates challenges for travel brands trying to find a foothold in their own recovery plans. That's why advertisers must be ready, willing, and able to adapt with the times and keep up with the rapidly changing—and still unsteady—travel industry landscape.

No matter how recovery evolves in 2021, the 'new normal' will require travel advertisers to innovate, empathize, and rise to the occasion of a global consumer community with a whole new set of priorities. In this report, Skift and Sojern investigate six trends that will help travel advertisers accelerate their post-Covid recovery in 2021 and beyond:

- 1 Travel Brands are Evolving to Meet the Needs of the Post-Covid Consumer
- 2 Changing Privacy Rules are Pushing Advertisers Into New Territory
- 3 Shifts in Digital Distribution Models Will Shake Up Ad Strategies
- 4 New Measurements Will Alter the Marketing Data Landscape
- 5 Collaboration Will Be Crucial for Destination Marketers
- 6 Travel Marketers Imagine a More Equitable and Sustainable Future

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ABOUT SKIFT

Skift is the largest industry intelligence platform providing media, insights, and marketing to key sectors of travel. Skift deciphers and defines trends for global CEOs and CMOs across the travel industry through a combination of news, research, conferences, and marketing services.

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EXECUTIVE LETTER

Dear Reader,

Early on in the pandemic we thought it was a bit of overkill for people to use the word “unprecedented” to describe the impact of Covid-19, because travel has always faced hardships like natural disasters, navigating political shifts, and so on. However, now I think it is safe to say it truly was unprecedented. The pandemic upended everything—from how we all work, go to school, shop, and of course, travel.

But, you know what? Travel is resilient.

Because of all the pent-up travel demand, this year promises to see a huge surge in travel and we're excited to help our clients ride that wave of recovery. More than 10,000 hotels, attractions, and destinations annually rely on Sojern to reach travelers with multi-channel digital marketing campaigns at all stages of the buyer journey.

From commission and subscription advertising to digital media IOs and co-op marketing, Sojern empowers travel marketers with a wide range of digital marketing solutions—all of which are especially powerful in driving recovery. Why? Because we combine proprietary machine learning technology with billions of travel intent signals from partners around the world to see how booking trends are rapidly changing during the pandemic, and then we adjust marketing campaigns to capitalize on growth opportunities.

We hope these six trends will serve as a guide for you to take advantage of this once in a lifetime opportunity to help the global travel industry come roaring back. A special thank you to the friends of Sojern featured in this report—we couldn't have done it without you.

Warm regards,
Noreen Henry



Noreen Henry
Chief Revenue Officer
Sojern

Empowering the world's travel marketers.



Sojern is a leading digital marketing platform built for travel marketers. Powered by artificial intelligence and traveler intent data, Sojern provides multi-channel marketing solutions to drive direct demand. 10,000 hotels, attractions, tourism boards and travel marketers rely on Sojern annually to engage and convert travelers around the world.

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INTRODUCTION



Photo by Chermiti Mohamed

The global pandemic of 2020 left an unforgettable mark on the travel industry.

The most obvious impact was the decline in consumer demand and spending. In the United States, Covid-19 cost the travel industry more than [\\$492 billion](#); at the international level, the cost rose to an estimated [\\$935 billion](#). These staggering losses forced travel brands to make significant spending cuts across their businesses. Another cost has been the increasing transition of everything online, where consumers spend even more of their waking hours than ever shopping, working, and

socializing. This shift has also accelerated changes in how travel brands develop marketing strategies to reach customers, while creating a new web of regulations and rules from technology platforms, businesses, and governments about how to legally use consumers' personal information.

Meanwhile, the global vaccination effort is showing encouraging signs for the travel industry. Discussions of vaccine passports have begun to swirl, and travelers have been steadily returning in very specific ways; domestic travel is rebounding faster than international travel, traveling closer to

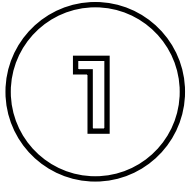
home remains more appealing than traveling long distances, and outdoor adventures and nature-oriented trips have surged.

But even as travel begins to bounce back, the pattern of the industry's progress so far will also need to factor into advertisers' plans for the future. Stops and starts tied to continued outbreaks of the virus have made for an uneven recovery. Traveler preferences are changing too, as consumers book longer trips with shorter lead times and opt for road trips over air travel.

As each of these changes alter the rules of how the travel industry engages with its customers, a new approach will be necessary. Companies across the industry will need to find ways to restart their marketing efforts in 2021 and 2022, accelerate their recovery, and prepare for the future. But what will that approach look like? And what trends should travel industry marketers be aware of as recovery starts to pick up speed?

No matter how the industry recovers in 2021, the "new normal" will require travel advertisers to innovate, empathize, and rise to the occasion of a global consumer community with a whole new set of priorities. In this report, Skift and Sojern investigate six trends that will help travel advertisers to accelerate their post-Covid recovery in 2021 and beyond:

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TRAVEL BRANDS ARE EVOLVING TO MEET THE NEEDS OF THE POST-COVID CONSUMER



Photo by Larry Crayton

Consumer trends are always in flux. But the pandemic marked a clear split in consumers' travel habits. As the travel industry prepares for a post-pandemic recovery, travel advertisers will need to adapt their messaging in response to emerging shifts in customer mindsets, habits, needs, and expectations.

One of the biggest messaging factors is around health and safety. Consider that many activities that were once standard elements of any travel experience have transformed into potential sources of concern. In addition, perceptions around in-

person interactions, communal spaces, and physical amenities of travel that people have become accustomed to are suddenly considered risky. Although it's safe to predict that these concerns will eventually diminish, the behavioral changes they've inspired seem likely to continue into the future.

"Safety is important and one of the key factors to take into consideration going forward in the [travel] research process," said Vladimir Ortiz, vice president of e-commerce for Palace Resorts.

In addition, changes in travelers' habits in particular—from location preferences to booking practices—are also likely to persist. [In an insights deep dive Sojern did earlier this year](#), Sojern identified a number of trends expected to continue throughout 2021 and beyond:

- Domestic travel is recovering faster than regional or international travel
- People are traveling shorter distances and vacationing closer to home
- Remote destinations that enable social distancing have increased appeal
- Road trips are increasingly popular as travelers seek outdoor experiences
- Booking lead times are steadily increasing as recovery continues

These findings match up with comments made by travel executives in recent interviews. “During the summer of 2020, our research indicated that consumers were traveling to destinations they knew and were familiar [with],” said Lauren Baker, director of marketing for Visit Houston. As a result, “...we focused most of our advertising efforts [on] those consumers who are familiar with Houston. In 2021, we’ve seen interest in multi-generational travel to reunite families who have been separated by the pandemic. We take all this into account with our creative messaging and targeting.”

Meanwhile, in continental Europe, where travel is recovering more slowly than in North America, advertisers report they will focus much of their activity this summer on domestic and regional travelers. “I think that 65 or 70 percent of our tourists are domestic tourists from Italy and from the neighboring countries of Germany and Austria,” said Stefano Taddio, digital and innovation program manager for tourism in the [Friuli-Venezia Giulia](#) region of Italy.

There are also new sentiments emerging around business travel. As companies around the world adapt to remote work, an evolved version of business travel is sure to resume. “Remote workforces will need more attention in the future to keep the team spirit, and productivity, alive,” said Rafael Museri, CEO and co-founder of Selina, at the 2021 Business Travel and Future of Work Summit. “Companies reducing the size of their offices need to [reinvest some of those savings into this new budget](#), which includes meetings and events, where people can continue offline relationships.”

Each of these psychological and behavioral changes, whether they relate to traveler safety, new business travel habits, or new trip preferences, are important industry shifts. Travel brands must adjust and adapt their fundamental approach to advertising in order to realize a full recovery and capitalize on these changing preferences. Here are three ways advertisers can better serve the needs of the evolving post-Covid consumer:



COMPASSIONATE AND CLEAR COMMUNICATIONS

If the industry has learned anything during the pandemic, it's the importance of straightforward, empathetic communication with customers. "The situation has highlighted the importance of an [up-to-date crisis management plan](#)," said Kristie Goshaw, CMO of Preferred Hotels & Resorts, "and the requisite internal capabilities to ensure that all engagement (brand social, public relations, sales team outreach, loyalty and marketing campaigns) continues in a thoughtful, effective way."

At the onset of the pandemic, travel policy changes were one of the first steps airlines took to mitigate damage and try to better serve consumers. As early as January 2020, most major airlines in the United States were already [issuing travel waivers](#). A succession of policy updates followed in the subsequent months, including flexible bookings and more lenient policies for postponement and cancellation.

Compassion will also be an important message for travel advertisers in 2021. As consumers become familiar with a constant state of uncertainty, they have also developed an expectation that companies will take that uncertainty into consideration. Travel brands need to take the time to assess the relevance and appropriateness of each campaign, considering the range of emotions and challenges that travelers may be facing in a particular region at a given time.

But compassionate customer communications don't just mean preparing for the worst. Travel brands operating with empathy can channel that approach into marketing campaigns that also inspire travelers to be hopeful and help them dream of—and plan for—better days ahead.

In March 2020, Visit Portugal launched the ["Can't Skip Hope"](#) campaign, a video series that captured "when we could spend time outside." The campaign's footage shows striking Portuguese landscapes and

vistas, rich snapshots of culture and art, and bustling in-person gatherings. "It's time to take a break, for the good of the world," said the narrator. "In the meantime, we can dream [of] the great days to come. We're in this together." The campaign speaks to the pain of being stuck at home, reminds viewers of the big picture importance of self-isolating and social distancing, and conjures up a sense of hope for the future.

Another example comes from Travel St. Lucia's ["7 Minutes in St. Lucia"](#) campaign, a series of short clips from St. Lucia locals sharing their experiences with the world. The videos offer cooking classes, sightseeing tours, meditation, exercise sessions, and more, all set against beautiful backgrounds. Although most people were unable to visit St. Lucia in 2020, the campaign gave frustrated travelers a taste of the travel experience by transporting those moments directly into their homes.

CONSISTENT AND RELIABLE HEALTH AND SAFETY MESSAGING

More than a year of quarantine protocols has left many consumers [wary of sharing public space with strangers](#). That's why more overt marketing messaging about a company's health and safety rules works to put consumers' minds at ease, no matter the source of their concerns.

As the strictest pandemic safety measures are relaxed over time, travel advertisers should focus on crafting messaging that helps travelers take the guesswork out of re-entering society. Then following through on those advertising promises is the way to show consumers that your brand means business.

- **Masking, vaccines, and social distancing:** Are masks required or encouraged? Will vaccinations be encouraged or required? In what areas should social distancing be enforced? Travel brands that

answer these questions proactively—and stand by their own rules—show that they consider consumer health and well-being to be a top priority.

- **Cleaning and sanitizing protocols:** Messaging about informed safety protocols will help keep consumers comfortable as they move through new and foreign spaces. Advertisers should proudly announce the partners that contributed to their health and safety strategies (i.e. hospitals, cleaning brands, Covid experts, etc.).
- **Contactless options:** Some in-person interactions just aren't necessary anymore. Seamless automated processes were already a burgeoning trend in the industry, and pandemic safety has made it even more important for advertisers to offer contact-free support through opportunities to interact digitally or virtually.

How does this approach work in practice? Several travel advertisers report that health and safety messaging has been very effective for their brands. “We launched a video explaining all of our health measures,” said Palace Resorts’ Ortiz. “We had an organic reach of over eight million people on social media. That was part of the success of our recovery because it helped us to rebuild trust with the consumer.”

Others agree that even if masks didn't always fit the inspirational aesthetic of travel advertising, including subtle visual reinforcements of safety protocols, like wearing masks or focusing on outdoor activities, can make travelers more likely to book a trip.

“It's not very inspiring, showing people wearing masks,” agreed Liz Mabe, director of digital marketing with Discover Puerto Rico. But she reports that including masks did work in the island's favor. “We found that we're actually booking at a higher [average daily rate] with people that are exposed to our health and safety messaging. It's a fairly significant increase, like \$50-60 higher a day.”

CONSUMER FIRST, PEOPLE-CENTRIC APPROACH

Taking a consumer-first approach starts with understanding travelers at a granular level, anticipating their needs, and understanding the reason for their travel. It means distinguishing between the unique scenarios of business and leisure travel and exceeding travelers' expectations in each category. But being customer-centric also means meeting people where they are.

Making travelers' lives easier in light of pandemic restrictions obviously benefits consumers, but it moves the needle for brands as well. Travel advertisers should look for opportunities to turn shifting traveler behaviors and customer insights into new business opportunities. “If giving out your phone number can be used to check in to the hotel online via WhatsApp for example, I'll bet that many consumers will do it without hesitation,” Roy Friedman, CEO of Easyway.ai, told Skift last year. “With this insight, hotels could ask for more information along the way, such as the purpose of a trip, to [personalize the services for their guests.](#)”

The most successful brands during the pandemic were those that pivoted their offerings to address real community needs, and then effectively shared those success stories with consumers.

Marriott, for example, offered two concurrent messages to every website visitor during the pandemic: a promise that guests remained their top priority in the face of Covid, and the news that Marriott hotel guest rooms were being made available to frontline doctors and nurses. Hilton, meanwhile, announced partnerships with companies looking for temporary workers in order to better support its furloughed employees. And in China, Huazhu Group successfully remained open for business and [retained all its employees](#) by offering services to corporate travelers who needed a safe place to self-quarantine upon arrival.

2

CHANGING PRIVACY RULES ARE PUSHING ADVERTISERS INTO NEW TERRITORY



Photo by John Schnobrich

In 2021 and the near future, consumer privacy will become a growing issue for travel advertisers who seek to engage their customers and navigate a complex web of new regulatory rules created by governments and technology platforms.

In recent years, governments around the world have been passing new data privacy legislation to protect people's online lives. For travel advertisers, the stricter regulatory environment will require a detailed understanding of legislative changes that have already passed or that will soon take effect around the world:

- California Consumer Privacy Act (CCPA) in the United States
- California Privacy Rights Act (CPRA) in the United States
- General Data Protection Regulation (GDPR) in the European Union and United Kingdom
- Lei Geral de Proteção de Dados (LGPD) in Brazil
- Personal Data Protection Act in Singapore
- Personal Information Protection Law (PIPL) in China

These data protection laws don't stop at national borders. They apply wherever information flows, so travel advertisers based in one country will need to learn to hold and process personal data that belongs to [consumers in other countries](#) (and is subject to those countries' regulatory systems).

These new rules have a significant impact on the [large quantities of traveler data](#) that travel companies store and share, from travel preferences to online identifiers. In 2021, regulatory compliance can't be an afterthought—it must be built into the very systems that allow travel brands to operate internationally. With each new regulation or governmental push toward greater privacy protections, advertisers will need to plan ahead and implement principles that keep consumer information safe and organizations in compliance.

Two years before the GDPR took effect in 2018, for example, [American Express Global Business Travel](#) had already begun building compliance principles into every element of its business, according to Michael Savicki, VP of compliance and risk for the Americas. The thinking was that once the GDPR was implemented, the entire company would be [ready for the regulatory change](#). “This is just enshrining in law what is recognized as good practice and most reputable companies have (or at least should have) been doing most of the requirements and more anyway,” said corporate travel consultant, [Chris Pouney](#).

Travel advertisers should embrace these regulatory changes and issue clear, supportive messaging to get ahead of the curve. Brands that communicate the privacy benefits of these changes will demonstrate their willingness to advocate on the behalf of consumers, and to reinvent themselves in the process.

Governments aren't the only entities forcing advertisers to evolve. The other major regulatory change in today's travel advertising landscape comes from the major internet companies and tech corporations like Apple and Google. Both are changing how they track—and allow others to track—consumer behavior online.

Google Chrome will join web browsers like Firefox and Safari in [blocking third-party cookies](#) by 2022. For its part, Apple is building consent models into its services to increase consumers' control over their own data. When Apple released iOS14 in 2020, the new operating system was set up to require explicit user consent before tracking any online behavior. “Now that users must opt in before tracking them, technically [all tracking methods go out the window](#),” said Quentin Lederer, chief operating officer of WIHP Hotels.



While these changes are certainly cause for concern, many advertisers remain confident they will be able to adapt. “When anything like this ever happens, it always feels like, ‘Hey, the world’s ending, we can never run Facebook ads again,’” said Matt Benn, direct channel acquisition consultant for Sabre. “That’s not the case, it’s just [that] the rules are changing and you’ll have to change with [them].”

But what changes will be most important? As third-party cookies (the advertising tags marketers use to track consumer behavior across the web) disappear, advertisers will need to focus more on first-party data collection (information that companies collect directly from customers). Improved strategies around first-party data will mean capturing, leveraging, and deriving opportunities from traveler information that travel brands already collect but haven’t necessarily paid much attention to while third-party cookies were in play.

“The onus is on us as organizations to figure out how we develop more of our own first-party data so that we can be reaching those audiences,” said Discover Puerto Rico’s Mabe. “Whoever figures out what that looks like is going to be a rockstar. It’s for sure on our radar.”

Travel advertising in a world without cookies will look different than it does in the world we know today, but with some foresight and planning, it remains entirely within marketers’ reach. “If advertisers don’t prepare for the sunset of third-party cookies, campaign performance and direct booking revenue will likely be impacted,” said Christy Jobman, marketing manager for Sojern in the U.S., Canada, and Latin America. “Moving away from third-party cookies, travel advertisers can market to people, not the cookie. This is called [‘people-based marketing.’](#)”

For most travel brands, marketing to people instead of cookies won’t mean reinventing the wheel. Travel advertisers can repurpose existing customer

touchpoints to connect on consumers’ terms, providing services and collecting traveler data well within the bounds of regulatory compliance. Examples include:

- **Loyalty programs:** Consumers love to feel empowered with choice, so cookie-free advertising strategies will encourage people to opt in. Loyalty programs do just that by inviting engagement and gamifying participation through perks that appeal to customers and benefit brands at the same time. “Loyalty programs give people an incentive to register their emails, which provides the authentication you need to continue to market to them,” said Dave Goulden, VP of product at Sojern. “This opens up opportunities for loyalty programs that [cut across smaller brands](#), such as hotels and attractions operators coming together around loyalty.”
- **Smarter websites:** Without third-party tracking abilities, travel brands need to turbocharge their ability to direct consumers to their websites and convert site traffic into bookings. Seamless, intuitive, mobile-friendly experiences should make it easy to find the best possible room for the best possible rate. Brand websites that offer benefits or bonuses for direct bookings will help convince consumers who have high expectations from their digital interactions and are used to shopping around for better deals.
- **Contactless processes:** We’ve mentioned the importance of offering frictionless digital interactions, like making advance hotel check-in and check-out contact-free, for example. Technology can help travel advertisers turn those touchpoints into data points. As travelers interact with mobile apps or other tech services to complete common actions, they receive good customer service and brands receive valuable consumer details.

- **Customer feedback:** Consumers are particularly comfortable and self-expressed in digital domains that encourage them to share their opinions. Social media and review sites, for example, are hubs for honest feedback. In addition to directing their ad spend to these sites and platforms, travel advertisers should implement social listening to understand and respond to how customers really feel, what they're asking for, and how brands can better serve them in the future.
- **Content publishing:** Another way for travel advertisers to tackle the challenge of regulatory changes is to turn toward their more creative impulses. Content creation will get advertisers back to basics by once more elevating traditional KPIs such as click-through rates. Even if travel brands don't go the in-house route, there are plenty of ways to [partner with publishers](#) that already have consumers' consent, like joint media networks or even travel blogs.

In addition to reassessing first-party cookies and historical booking data, "hashed" emails, whereby a user's email is changed to random characters using a hash function, will be the primary alternative to third-party cookies. By "pseudonymizing" the email consumers use to log in to a digital environment, advertisers will be able to reach travelers in any logged-in environment, without challenging either government privacy regulations or corporate shifts in consumer privacy.

"Ad-serving vendors like The Trade Desk, Xandr, and Google Search Ads 360 are generally telling us they're getting their systems ready to accept hashed emails as an identifier," said Sojern's Goulden. So instead of tracking third-party cookies across the internet, travel brands will need to be able to make sense of hashed emails to deliver timely and relevant ads.



3

SHIFTS IN DIGITAL DISTRIBUTION MODELS WILL SHAKE UP AD STRATEGIES



Photo by Caio

Most travel advertisers were forced to drastically cut spending as the pandemic took hold last year. In a 2020 interview, Expedia chairman Berry Diller told CNBC that while Expedia spends approximately [\\$5 billion on advertising each year](#), the company's 2020 ad spend wasn't expected to reach the \$1 billion mark. Travel advertisers spent 78 percent less on national TV ads in March and April 2020 compared to the same time period in 2019, with spending declining from \$318 million to \$73.8 million.

As this decline in spending begins to reverse in response to growing demand, travel brands across all sectors of the industry are scrutinizing the distribution and acquisition methods they use to find customers. This means the ever-evolving mix of channels and advertising strategies used to acquire bookings is once again under review as the industry looks to optimize its strategies for a new post-pandemic environment.

One example is travel brands' re-examination of how they use Google, both for paid and organic search campaigns. Pandemic-related spending cuts had a significant impact on paid search spending in 2020, with many long-time travel media buyers reporting that [Google Search results were suddenly unrecognizable](#). Search results that once would have prioritized paid travel ads at the top of the page were suddenly dominated by free search results during the pandemic, shaking up long-held notions about spending strategies to acquire customers. Skift estimated in early 2020 that travel verticals would cut [up to 40 percent](#) of their traditional Google ad spending over the course of 2020.

Another example of the distribution shakeup is the shifting dynamic between bookings that occur on online travel agencies (OTAs) or travel companies' websites. Hotels, for example, have long tried to balance the benefits of acquiring reservations via OTAs, which help them fill unsold rooms, with the cost of commission charges that can sometimes cut into their profits. Industry marketers are noticing that interest in direct booking strategies grew during the pandemic.

"The thought has popped into people's heads [that], 'Hey, maybe I don't need to let the OTAs go fill these rooms for us,'" said Sabre's Benn. "'Maybe we need to be more aggressive in our approach of getting out in front of the potential guests before they ever show up' ... so, I think there are more hotels looking at cost savings."

As travel budgets return, advertisers will need to consider how these distribution shifts will impact their advertising strategies. Several approaches are gaining in popularity:

DIRECT-TO-CONSUMER

Third-party travel partners like OTAs will always play a role in the distribution mix used by brands to

acquire guests. But the pandemic forced a newfound appreciation for direct booking strategies.

"Three years ago, our overall production from OTAs used to be 60 to 70 percent, with 30 to 40 percent from direct channels or our brand site," said Palace Resorts' Ortiz. "If we see the numbers now, they are the opposite. The OTAs have lost a lot of share, and I think that has a lot to do with the customer experience during the pandemic ... There were so many questions and so much confusion. But I think clients are trying to avoid that in the future and that's why they're booking direct on the hotel website."

One new direct-to-consumer strategy that's growing in popularity is the subscription model. In exchange for a recurring monthly or annual payment, travelers can get access to special deals and perks. And travel brands, in exchange, gain a greater understanding of their customers' evolving wants and needs, along with an ongoing source of revenue that reduces the cost of future advertising needed for customer reacquisition.

TripAdvisor is one company exploring the subscription opportunity. In late 2020, the company announced its first [subscription program for consumers](#). Subscribers will unlock access to deals on hotels and attractions, in addition to perks, upgrades, and exclusive experiences during their trips. Subscriptions are a strong play for long-term growth, but travel advertisers will need to be prepared to spend more on educating consumers while the new model finds its foothold.

COMMISSION-BASED

During the pandemic, many travel brands reckoned with an increased risk of traveler cancellations, which had a big impact on the cost and effectiveness of their ad campaigns. For travel brands interested in pivoting to a lower risk option, commission-based advertising is another potential solution that requires no up-front investment.

“We’ve rolled out our own commission-based offering on the metasearch side,” said Nick Hopkins, senior manager of digital marketing at Sabre. “It makes sense, especially during the pandemic, why hotels were interested in it. I think it will continue to be a thing.”

Google’s Commissions (per stay) program is a good example of the model; machine learning algorithms help travel brands secure bookings and calculate “cost per click” (CPC) bids that suit preset budget constraints. Travel advertisers then only pay for actual guest stays, so there’s no risk of loss due to cancellations and postponements.

Sojern’s commission program is another prime example; the performance-based model encourages travelers to book with brands directly by running campaigns that reach in-market travelers across their entire purchase journey on platforms like Facebook, Instagram, search engine marketing (SEM), display, and metasearch. The program also eliminates risk by only requiring hoteliers to pay a commission after a guest completes their stay. “The commission-based ad model is treated differently because it [looks and feels like distribution](#),” said Mark Rabe, CEO of Sojern. “It feels like cost-of-goods sold rather than discretionary marketing spend.”

METASEARCH

The pandemic lowered the average cost for top positions on metasearch platforms like Google, Kayak, Skyscanner, and Trivago. That makes metasearch an appealing and affordable option for travel brands looking to reach consumers en masse and see quick returns as budgets recover in 2021. “Meta is a very efficient way to drive up occupancy,” said Sojern’s Rabe. “Those hotels that are not on meta today will change that very shortly. It’s a big mistake not to be on meta.”

Metasearch advertisers can also expect to automatically participate in the [Free Booking Links](#)

module that Google announced in response to disappearing travel ads during the worst of the pandemic. Metasearch is a good way for travel brands to both achieve higher-ranking visibility and increase bookings revenue.

CONNECTED TV AND VIDEO

Connected TV (CTV) and video continued to dominate consumers’ entertainment diets during the pandemic, further increasing its attractiveness for advertisers. In fact, spending on CTV and video ads in 2020 surpassed previous year-over-year growth predictions. Advertisers spent [\\$1.16 billion more](#) on programmatic CTV video ads in 2020 than in 2019, according to eMarketer.

The growing spend is due to the two formats’ increasing [benefits for advertisers](#). In contrast to traditional linear television, the digital nature of CTV and video allow for the creation of more advanced custom audience targeting, as well as one-to-one and one-to-many targeting models, boosting campaign efficiency while lowering overall costs.

4

REVISED METRICS REFLECT THE CHANGING DATA LANDSCAPE



Photo by Jungwoo Hong

Throughout 2020, closed borders and grounded travelers forced advertisers to reevaluate the success of their campaigns, moving beyond bookings or arrivals to focus on better ways to measure engagement. Between these pandemic-inspired changes and new privacy-focused legislation, travel brands' well-worn methods of understanding a customer's path to purchase are becoming both less relevant and more difficult to track. Even comparing data from previous years is fraught, now that travelers report [changing intentions](#) and reinvented behaviors.

"We look at 2020 as kind of a wash," said Discover Puerto Rico's Mabe. "We don't even really review those metrics because they were so all over the map in terms of performance. If we're looking at the historical reference, our high watermark was 2019. But the world is a different place post-pandemic, so I do think we have to reframe the context, because traveler behaviors are different."

Decisions will still be data-driven in 2021, but the data has changed; advertisers' assessments of it must change too. But how travel brands choose

to revise their approach will largely depend on their specific circumstances, business goals, and the progress of recovery in their market. In other words, in 2021, some advertisers will be adjusting *what* they measure, while other brands will need to also focus on adjustments to *how* they measure success.

"I'd say the majority of what we talk about is really around the idea of either ROI, return on ad spend, or cost of sale," said Sabre's Benn. "That hasn't really necessarily changed because of [the pandemic]."

According to Benn, what's different this year is that hotels aren't being outbid as aggressively for click-based advertising among OTAs, which is creating much better performance opportunities for hotel ad campaigns than were previously possible.

"Because [OTAs] were hurt so significantly across the globe, they don't have as much money as they had before to drive up those costs. So, when we're running digital marketing campaigns, we're actually doing a really good job of making sure that the returns, the ROI, the cost of sale, are all justifiable to really showcase how very aggressive digital marketing campaigns can really be efficient for hotels."

Other travel brands report that conversions were, and still are, a key metric for ad campaign success both before and after the pandemic. What's changed is that they are now attempting to track conversions using a more integrated, cross-channel approach.

"In 2020, we developed several marketing technology solutions to track ROI and the success of our advertising campaigns via conversions," said Visit Houston's Baker. "In 2021, we've extended this ROI tracking to earned and owned channels as well to capture total integrated marketing return on investment moving forward."

For other destinations, mobile tracking is an important measure of success. "We still look at attributed visits through mobile tracking, as well as a conversion study we do with any one of our



campaigns,” said Michael Rudowski, senior director of research and business analysis at Visit Dallas. “We’re trying to look at incremental travel and the impact of that, and then connecting the dots with our mobile tracking to have validation stops as a second level of understanding.”

As advertisers rethink their metrics for measuring the success around conversions, clicks, and return on ad spend, some in the industry are also urging a renewed focus on experimenting with branding and awareness. “Digital branding campaigns are less expensive, more flexible, and easier to track,” said Céline Chaussegros, managing director of Europe for Sojern. “But these campaigns also require [different KPIs and metrics](#), including customer lifetime value, advocacy, and incremental searches.”

“We are moving into an inspirational phase. So we don’t have to be so focused only on selling products or with booking,” said Friuli-Venezia Giulia’s Taddio. “Most of our campaign is based on inspiration and awareness, so we have to talk to the masses.”

Another way for advertisers to introduce new metrics is by investing in their own branding across an extended interpretation of the end-to-end consumer

experience. CTV ads, for example, give travel brands the ability to target the top of the advertising funnel. “When people are watching video on an internet device, such as watching a streaming series on an Apple TV, a destination marketer could [offer relevant pitches](#) to travelers based on their logged-in, online behavior,” said Goulden. By increasing brand awareness at that often-neglected consumer level, advertisers can introduce a whole new category of metrics.

And at a moment when [virtual travel experiences](#) have grown in popularity, broader branding efforts may also help travel advertisers live up to changing customer expectations. Small businesses can introduce digital experiences that give customers opportunities to connect and experience brands without showing up in physical spaces, for example. A report by the Interactive Advertising Bureau (IAB) and PwC found that “many brands and publishers need to think differently about how they engage consumers and must [up-level their consumer value](#) exchange to remain viable.”

5

COLLABORATION WILL BE CRUCIAL FOR DESTINATION MARKETERS



Photo by Mike Swigunski

After a year that emphasized the importance of cooperation and community, more travel advertisers are recognizing the value of closer collaboration with their fellow tourism stakeholders. Prior to the pandemic, some destinations were disconnected from their in-market stakeholders and struggled to balance issues like resident sentiment, overtourism, and sustainability. Post-pandemic, travel and hospitality companies oriented around a single destination who used to compete for the same pool of customers with a singular message have recognized that their collective efforts can serve the greater good.

The shared drive for survival and recovery has led to collaboration around heavily connected cooperative marketing campaigns that are designed to drive incremental visitation as a means of jumpstarting local economies. In 2021, travel brands that continue to push or adopt collaboration through cooperative efforts will realize strong results. New and improved tools and platforms power better roadmaps for coordinated digital marketing campaigns, allowing advertisers within a city, county, state, province, region, or nation to pool their budgets and combine messaging strategies with other tourism partners, all united in service of the defined destination.

“The state is doing a destination assistance program,” said Visit Dallas’ Rudowski. “Historically, Texas has not advertised in-state, they’ve only advertised out of state. They were trying to help individual destinations and to help establish general travel levels throughout the state, so they offered a one-to-one match program with co-branded ads, which fits well for us because Texas is definitely a meaningful portion of the Dallas brand. Our core markets also met some of theirs, across Texas as well as in Oklahoma, Arkansas, and Western Louisiana. Co-branded messages with Texas tourism were another opportunity for us to get more spend focused on Dallas.”

[Destination Marketing Organizations](#) (DMOs) sit at the helm of these collaborative campaigns, helping local businesses with fewer resources stretch their limited contributions further and distribute collective ad spend [equitably and at scale](#). Through its collaborative spirit, co-op marketing also creates opportunities for advertisers to experiment with new channels, fresh messaging, and unique engagement tactics.

“Looking for opportunities for collaboration is always something that we’re interested in, and a rising tide lifts all boats,” said Mabe of Discover Puerto Rico, a DMO. “We partnered with this conservation agency around the holidays to allow people to adopt [Puerto Rico’s] “Coqui” frog and contribute to the island’s natural infrastructure. That was something that we probably wouldn’t have done, but at that point we weren’t encouraging people to actually visit the island ... We partnered with a company called Brands of Puerto Rico during that time to say, ‘Hey, bring a piece of Puerto Rico into your homes, buy from these local artisans and support people that are used to having tourists come and buy their products.’”

“DMOs are charged with being the first line of defense in bringing back local economies,” said Richard Black, Sojern VP of vertical sales for the United States. “This is true from natural disasters like

hurricanes to now, where we are seeing the push to recover at a global scale. Recovery improves the economy and drives jobs. That is the heart of what DMOs want to be.”

Effective co-op marketing campaigns will combine the power of collaboration with digital-first strategies to reach across multiple travel touchpoints. Grouped by destination, advertisers can collaborate to provide travelers with offerings at every stage of their planned journeys. DMOs that work with local attractions, hotels, and airlines, for example, will see that as each category succeeds, other categories’ [metrics are lifted along with it](#). In the end, these multi-channel co-ops encourage and support travelers to stay and experience the destination in question for a longer period of time.

Although co-op marketing has been around for years, taking a digital-first approach will breathe new life and introduce new tools into the strategic approach. Real-time performance data allows each travel partner to customize its campaign goals and analyze return on ad spend results. Meanwhile, DMOs manage and [oversee campaign strategies](#) to ensure consistency and unite all the partners’ disparate visions.

Collaborative marketing in the digital age also unlocks expanded metrics that can help guide both short-term recovery and long-term growth. “With the right platform, host DMOs will have [macro-level goals](#) relating to increased economic impact,” Noreen Henry, chief revenue officer of Sojern, told eHotelier early this year. “The hierarchy will consist of multiple campaigns with micro-goals designed to drive ROI and other KPIs.” By pooling their resources, travel brand co-ops can capture [a snapshot of consumer sentiment](#) about a destination or about travel in general at any given time, using robust data and insights to increase bookings and plan for the future.



TRAVEL MARKETERS IMAGINE A MORE EQUITABLE AND SUSTAINABLE FUTURE



Photo by Humphrey Muleba

While the pandemic raged over the course of 2020, other global events were actively shaping the world as we know it. Crucial societal issues like social justice, gender and racial equity, sustainability, and climate change all gained attention while the world reeled from the impact of Covid. The importance of these deeply human values was thrown into sharp relief for consumers and companies alike, particularly in the realm of brand messaging. The travel industry in particular was forced to revisit its greater purpose: exposing people to new cultures and ideas, celebrating diversity, and bridging borders to bring people and their societies closer together through shared interests and experiences.

Many have begun to relate to the lockdown months of the pandemic as a much-needed emotional reset. Consumers were able to pause the typical everyday pace of their bustling lives, to slow down and consider the real impact of travel on the planet, on communities, and on individual lives around the world. Even before Covid, the concept of stakeholder capitalism had been gaining steam as consumers voted with their dollars and actively sought to support businesses that aligned with their ideals and values.

The tourism industry is also especially susceptible to climate change, especially for operators that introduce travelers to the wonders of the natural world as landscapes change and the planet gets hotter. According to Booking.com, 53 percent of global travelers reported that the pandemic opened their eyes to humans' impact on the environment, leading them to want to [travel more sustainably in the future](#). Sixty-nine percent of travelers reported their growing expectations that the travel industry would offer more options to do so.

Virtually every major industry has seen an increase in corporate transparency since 2020. Consumers want to know how companies are implementing sustainable environmental practices, committing to diversity, equity, and inclusion, and dealing with transgressions of every kind within their ranks. That transparency gives consumers an enormous amount of [power to influence the industry](#), since they can now use company values as a basis on which to decide whether or not to do business with a brand.

To meet consumer demand for transparent ethical commitments, travel brands will need to craft messaging that communicates who they are and what they care about to the public. Travel brands will need to redefine their priorities and clarify their core values in order to connect with consumers who expect businesses to take a stand.

One of the ways in which travel brands can communicate their renewed commitment to values is by aligning with already established collectives that promote global change. On the environmental front, for example, groups like the [Future of Tourism Coalition](#) and [Tourism Declares](#) encourage travel brands to sign on to sustainability goals and work together toward a better future for the planet. These collaborative commitments help bring together travel advertisers from every corner of the industry as well, from major hotel chains and national tourism boards, to tour providers and independent or boutique businesses.

Advertising isn't an easy way out; the purpose of high-profile statements and public declarations is to drive accountability and increase trust. It's safe to assume that consumers will watch closely to ensure that real action follows brands' sweeping commitments and promises. That requires both advance planning and relevant advertising at every stage of implementation to maintain accountability. Across the entire digital advertising ecosystem, most business leaders have [committed to diversity, equality, and inclusion](#), and some leaders already have clear plans to prioritize those commitments, according to the IAB and PwC report.

Advertising technology will also help enable diverse businesses and companies that prioritize pivotal issues to get their messages further out into the world. Women-owned businesses were hit exponentially harder by the pandemic, for example, and digital companies and advertising partners alike are [starting to look for ways to aid their recovery](#). "There is a nascent but growing movement to use digital ads to support diverse businesses, such as reserving ad space for minority-owned businesses," reported IAB and PwC.

CONCLUSION



Photo by Mesut Kaya

Covid-19 has impacted virtually every aspect of our lives and livelihoods, from global health to the global economy, and from consumer habits and behaviors to our collective psychological state. Those effects are likely to be long-lasting; in the new normal, consumers won't go back to the way things were, so travel brands can't either.

But, in addition to the changes consumers bring to the table, the backdrop against which all modern

advertising takes place has permanently shifted. Technology companies are taking the privacy of their users more seriously, and governments are advocating on consumers' behalf for stricter data protection laws. Travel advertisers in 2021 will have to be steady enough to weather the challenges of gradual recoveries and smaller budgets, while introducing a healthy dose of flexibility on their approach to campaigns, partnerships, distribution, and metrics.

ABOUT SKIFT

Skift is the largest intelligence platform in travel, providing media, insights, marketing to key sectors of the industry. Through daily news, research, podcasts, and Skift Global Forum conferences, Skift deciphers and defines the 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 Adobe, Airbnb, Hyatt, Lyft, Mastercard, and many more on custom projects to engage the world's largest audience of travel influencers and decision makers.

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

The Skift logo is rendered in a bold, black, sans-serif font. The letter 'i' in 'Skift' has a dot, and the period at the end of the word is a solid black dot.

ABOUT SOJERN

[Sojern](#) is a leading digital marketing platform built for travel marketers. Powered by artificial intelligence and traveler intent data, Sojern provides multi-channel marketing solutions to drive direct demand. Ten thousand hotels, attractions, tourism boards and travel marketers rely on Sojern annually to engage and convert travelers around the world.

The Sojern logo features a grey circular icon on the left, resembling a compass rose or a stylized 'S' with four points. To the right of the icon, the word 'SOJERN' is written in a bold, orange, sans-serif font.