



Why We Book

Travel Loyalty in the Age of Infinite Options, Italy

Global Travel Loyalty Survey



Agenda

1

Why Loyalty
Programs should
get more attention

2

The age loyalty
divide

3

How we book:
generate new
loyalty



Why Loyalty Programs should get more attention

Italians like Loyalty Programs



Italy

Opinions on Loyalty Programs



Source: "Why We Book", Criteo Travel Study, May-July 2019, Italy, N=1005

- 4 • Base: Respondents saying they've booked with a vendor (airline, hotel, OTA) because they were a member of the company's loyalty program

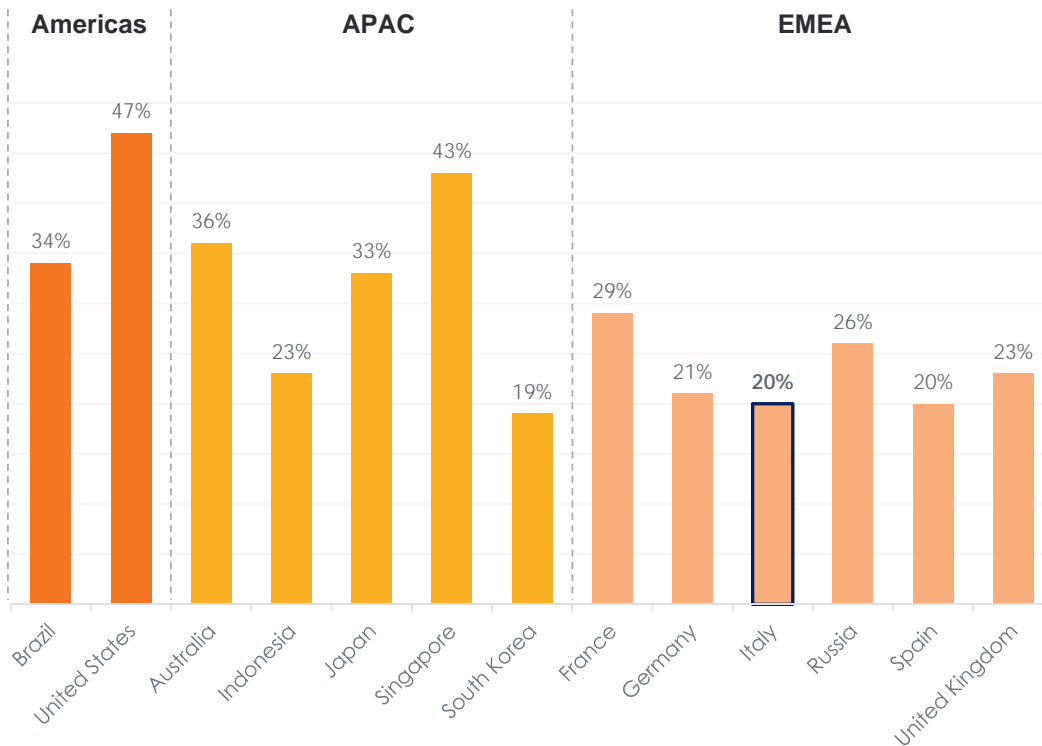
- Travellers understand the value of Loyalty programs and what they get out of them. Loyalty programs are truly perceived as added brand value by customers.
- Travellers are loyal to a brand specifically because of the benefits of their Loyalty program, indicating Loyalty programs drive customer retention.

Yet, membership to travel loyalty programs is low in Italy



Global

Members of at least one Travel Loyalty Program



Source: "Why We Book", Criteo Travel Study, May-July 2019, N=13,000

- Only 20% of Italians are members of a loyalty program. Italy and Spain rank lowest in this respect across all the six European countries surveyed.
- In comparison to Italy, the share of travellers with membership to a Loyalty Program is more than twice as high in the U.S. and Singapore.



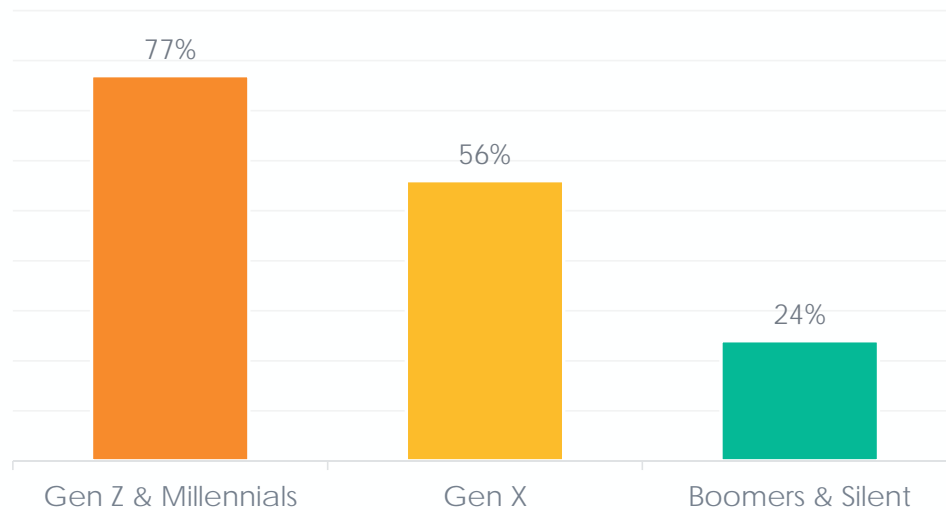
Loyalty programs make
little impact on travellers
of all age groups in Italy

Loyalty programs have limited influence on travel bookings



Italy

Loyalty programs are the key reason for choosing and booking with a specific airline or hotel



Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

- 7 • Base: Respondents saying they've booked with a vendor (airline, hotel, OTA) because they were members of the company's loyalty program

- Only 24% of senior travellers in Italy confirmed choosing specific brands because of the Loyalty Program while making their travel booking.
- This share is higher for Gen Z's/Millennials (77%), and for Gen X (56%) but the results indicate that Loyalty programs have limited impact for retention.

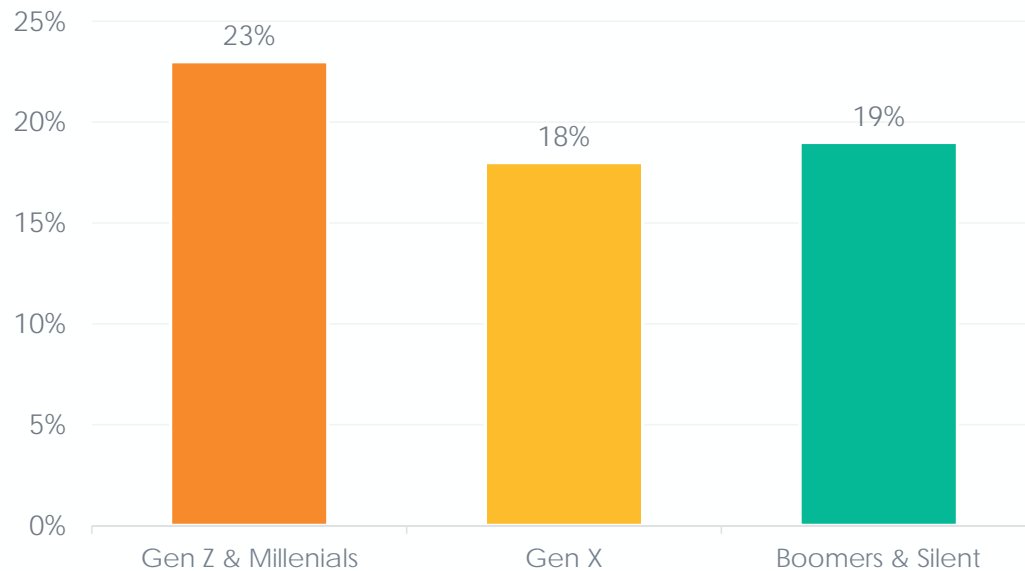
Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

Loyalty program use is low among all age groups



Italy

Members of at least one Travel Loyalty Program by age-group



Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

- 8 • Base: Respondents saying they are members of at least one Travel Loyalty Program of an airline, hotel or OTA.

- Membership to travel Loyalty Programs is consistently low across all age-groups in Italy indicating such programs have had little success in the country.

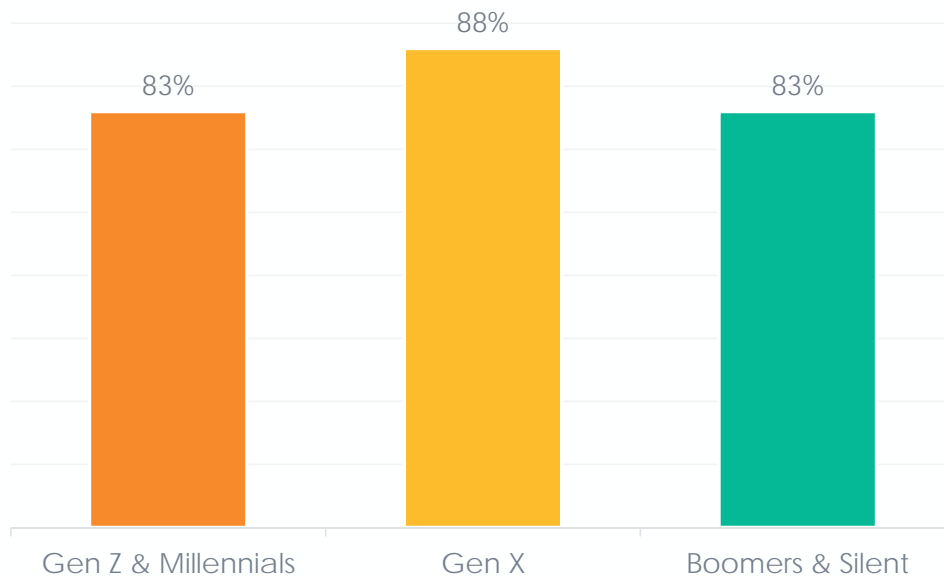
Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

However, those few using Loyalty Programs ... enjoy it



Italy

I enjoy loyalty programs



Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

9 • Base: Respondents saying they enjoy using loyalty programs from an airline, hotel or OTA.

- Membership to travel loyalty programs is low in Italy. However, those who are members (irrespective of the age-group) do seem to enjoy using loyalty programs.
- This trend is consistent across all the countries surveyed in this research.

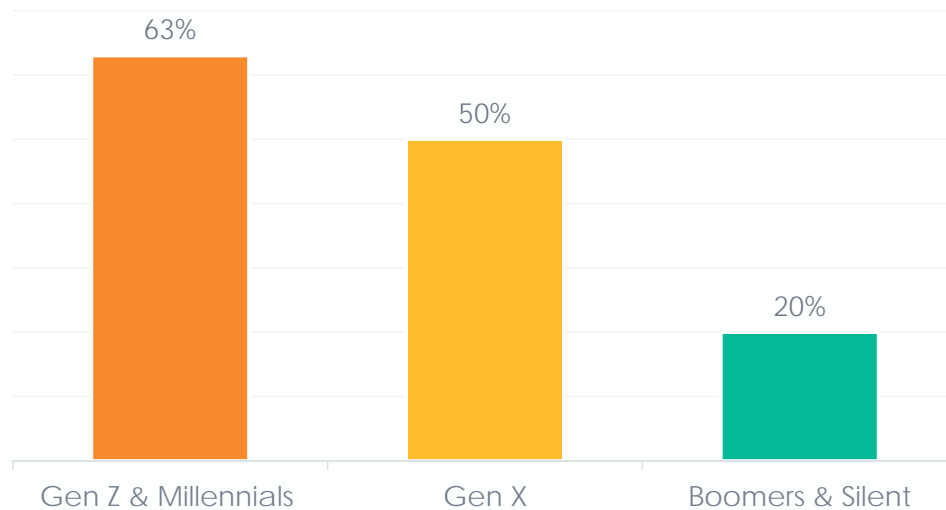
Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

Young travellers are more likely to opt-out of loyalty programs



Italy

I sometimes opt out of Loyalty Programs because I receive too many emails



Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

10 • Base: Respondents saying they sometimes opt-out of Loyalty Programs because they were receiving too many emails.

- Gen Z's and Millennials are more likely to opt-out out of Travel Loyalty Programs than those in the older age-groups.
- The survey findings indicate that the younger generations are more likely to stop using Loyalty Programs if travel companies send them frequent emails.

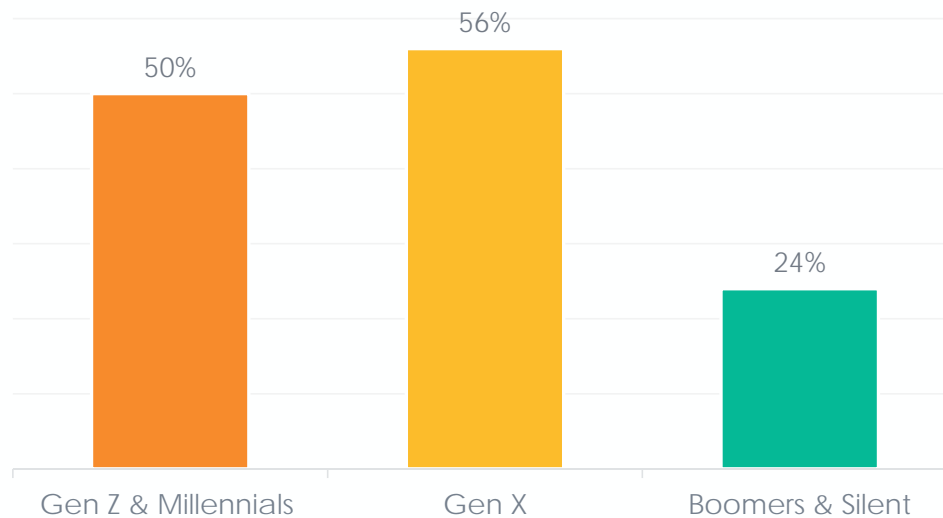
Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

Italians often forget they had signed to a Loyalty Program



Italy

Often, I forget that I signed-up to loyalty programs



Source: "Why We Book", Criteo Travel Study, May-July 2019, Italy, N=1005

11 • Base: Respondents saying they often forget that they signed up to Loyalty Programs

- Gen Z's/Millennials and Gen X also seem a lot less engaged with Loyalty Programs than the older generations.
- Overall, the survey findings indicate that Gen Z's, Millennials and Gen X travellers who are active users of Loyalty Programs, enjoy using it. However, many also often forget they are members of such programs.

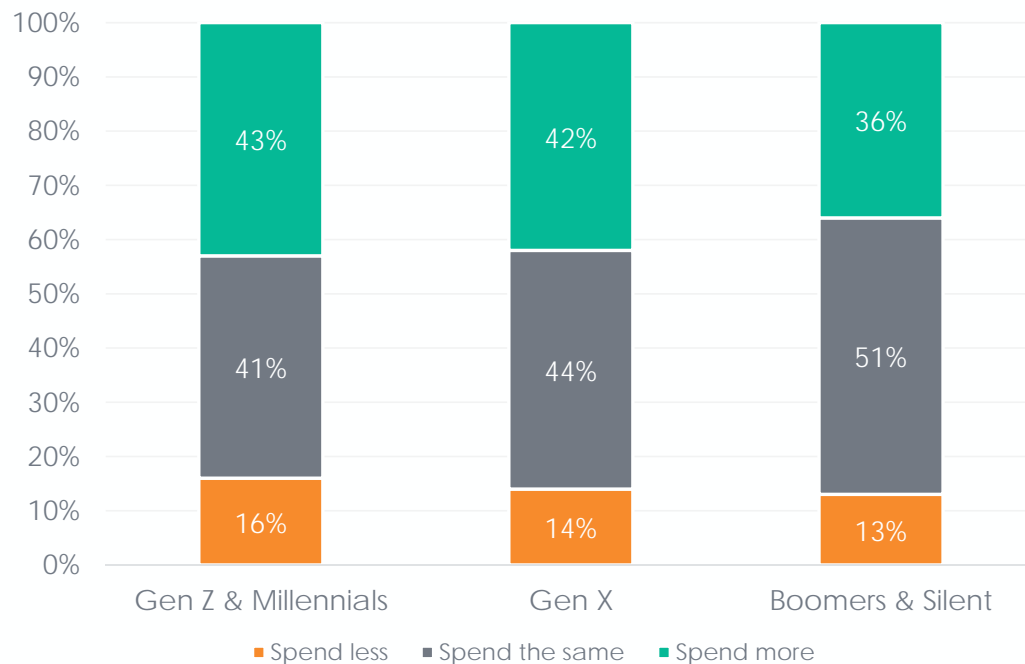
Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

Many travellers are spending more in 2019



Italy

Travellers spending less, the same, or more in 2019



Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

12 • Base: Respondents saying they are spending less, the same, or more on travel in 2019 vs. 2018.

- Overall, a majority of travellers across all the age-groups in Italy are spending the same on travel in 2019 as they did in 2018.
- However, a big share of travellers in all the age-groups are also spending more in 2019 than they did in 2018. This indicates a strong opportunity for travel companies to win the growing spend of these travellers.

Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)



How we book:
generating new loyalty

Travellers book directly with airlines out of habit



Italy

Why book with website/app

● Airline ● Hotel ● OTA
● Price comparators



- The top two reasons for booking directly on the airline's website/app was out of habit, and to get the best prices.
- Airlines should look into other reasons that will encourage travellers to book with them directly. This is important as younger generations have new buying habits and Italians travellers overall seem to care less about Loyalty Programs.

Source: "Why We Book", Criteo Travel Study, May-July 2019, Italy, N=1005

Travellers book directly with hotels to get the best prices



Italy

Why book with website/app

○ Airline ○ Hotel ○ OTA
○ Price comparators



Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

- The top reasons to book directly with hotels is because travellers feel they get the best prices by booking directly, and also because Italians have become used to booking this way,
- Only 9% said they booked directly with the hotel because they are members of a Loyalty Program. This indicates limited impact of hotel Loyalty Programs in Italy.

Habit and trust in the provider drive direct OTA bookings



Italy

Why book with website/app

 Airline  Hotel  OTA
 Price comparators



- The top two reasons for travellers to book directly with the OTAs (website or app) is out of habit and because they trust/like the brand.
- Habit is a powerful driver for travellers and many continue to buy with the same provider out of habit. They simply go with the provider that they booked with before.

Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

Travellers use Price Comparators to search for best prices



Italy

Why book with website/app

○ Airline ○ Hotel ○ OTA
● Price comparators



- While travellers looking for the best prices on Price Comparators is expected, it must be noted that many travellers use them if the website user experience is good (33%) and if they trust the brand (31%).

Source: "Why We Book", Criteo Travel Study, May–July 2019, Italy, N=1005

17 • Base: Respondents saying they booked travel using Price Comparator's website or app.

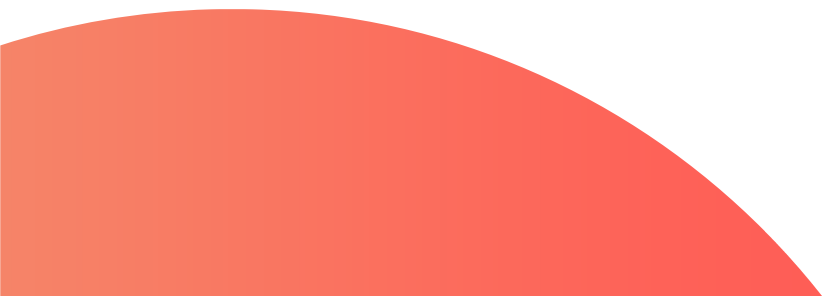
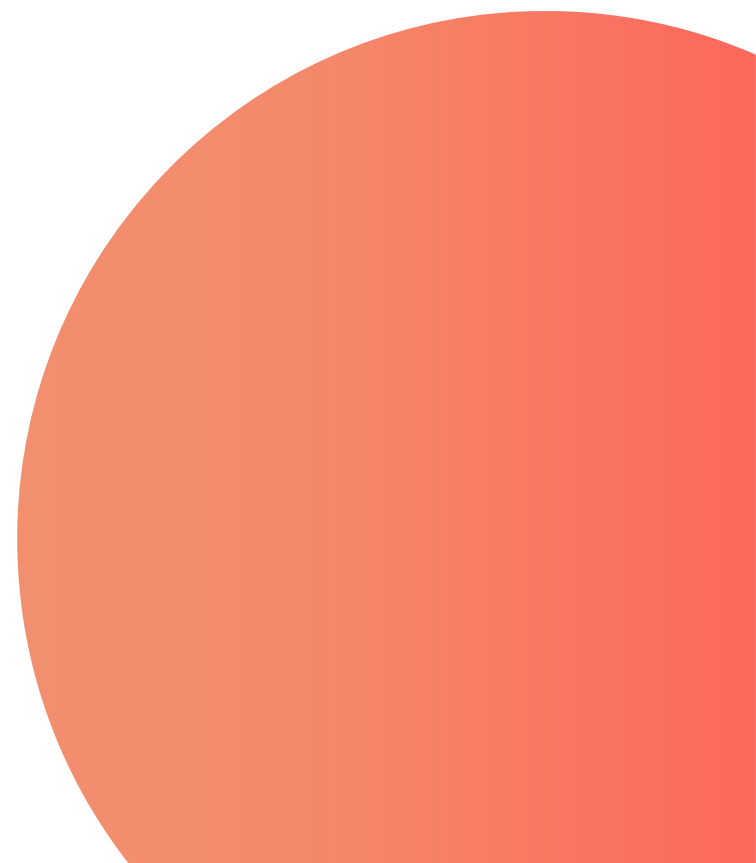


Thank you!

criteol.



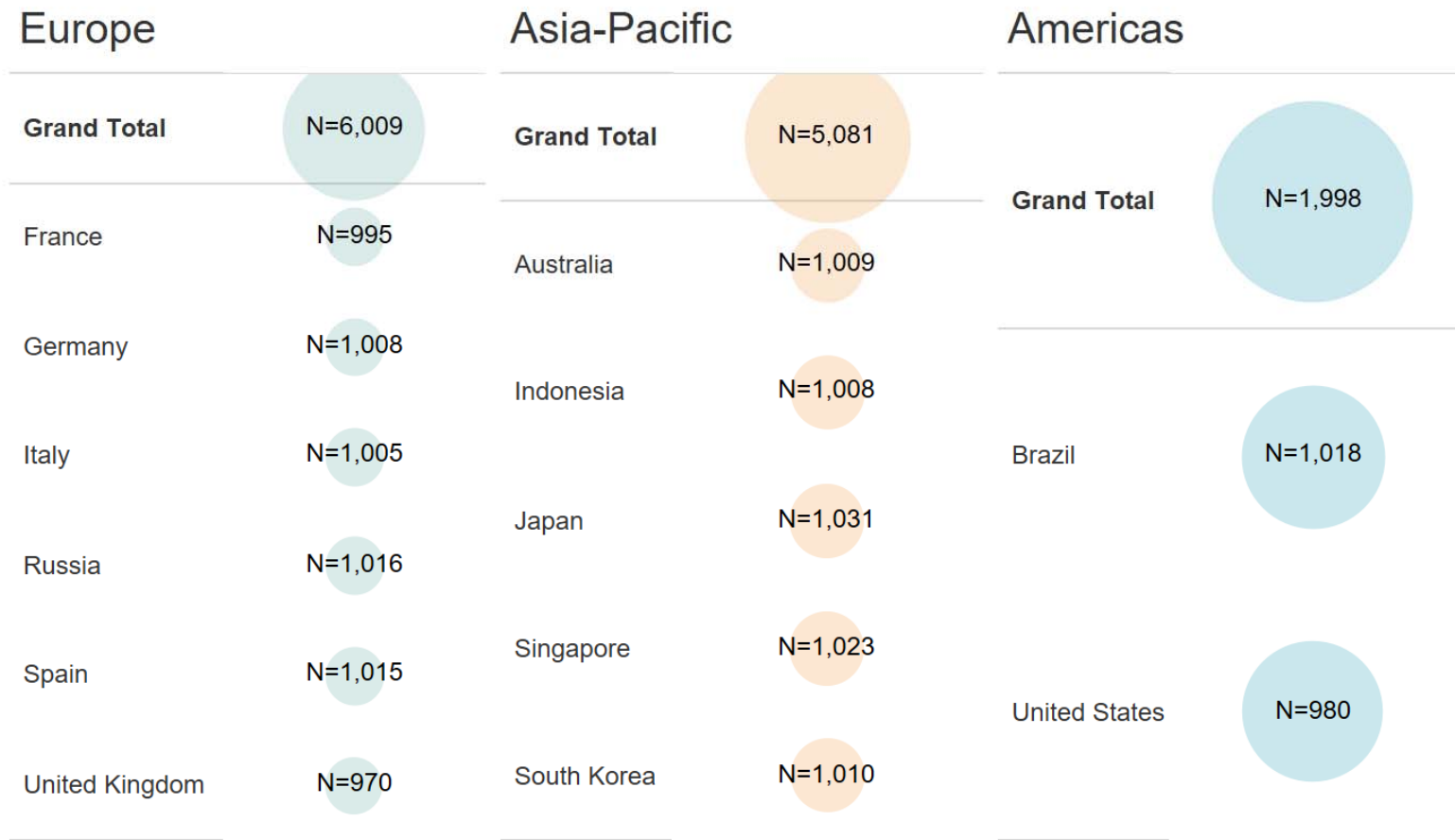
Appendix



Why We Book: Methodology

For this study, Criteo interviewed 13,088 consumers aged 18 and over, who had traveled for personal purposes at least once in the last 6 months.

The fieldwork took place in June and July 2019.



Why We Book

Executive Summary

1

Travel loyalty programs are working but gaps remain.

Our research shows that 8 out of 10 people enjoy travel loyalty programs and value the rewards they get. However, 1 in 4 often forget they signed up for a Loyalty Program, and sometimes they opt-out if they get too many emails.

2

Young travellers don't think too much about loyalty programs.

Only 22% of respondents in the 15-24 age bracket are members of a loyalty program. More than half of Gen Z (53%) often forget they signed up for a loyalty program and therefore don't benefit from it.

3

Gen Z and Millennials are the biggest opportunity.

A majority of Gen Z and Millennial travellers are spending more on travel in 2019. This presents opportunities for travel companies to win the growing spend from the younger generations, more than any other age group.

4

Travel loyalty programs vary by world region.

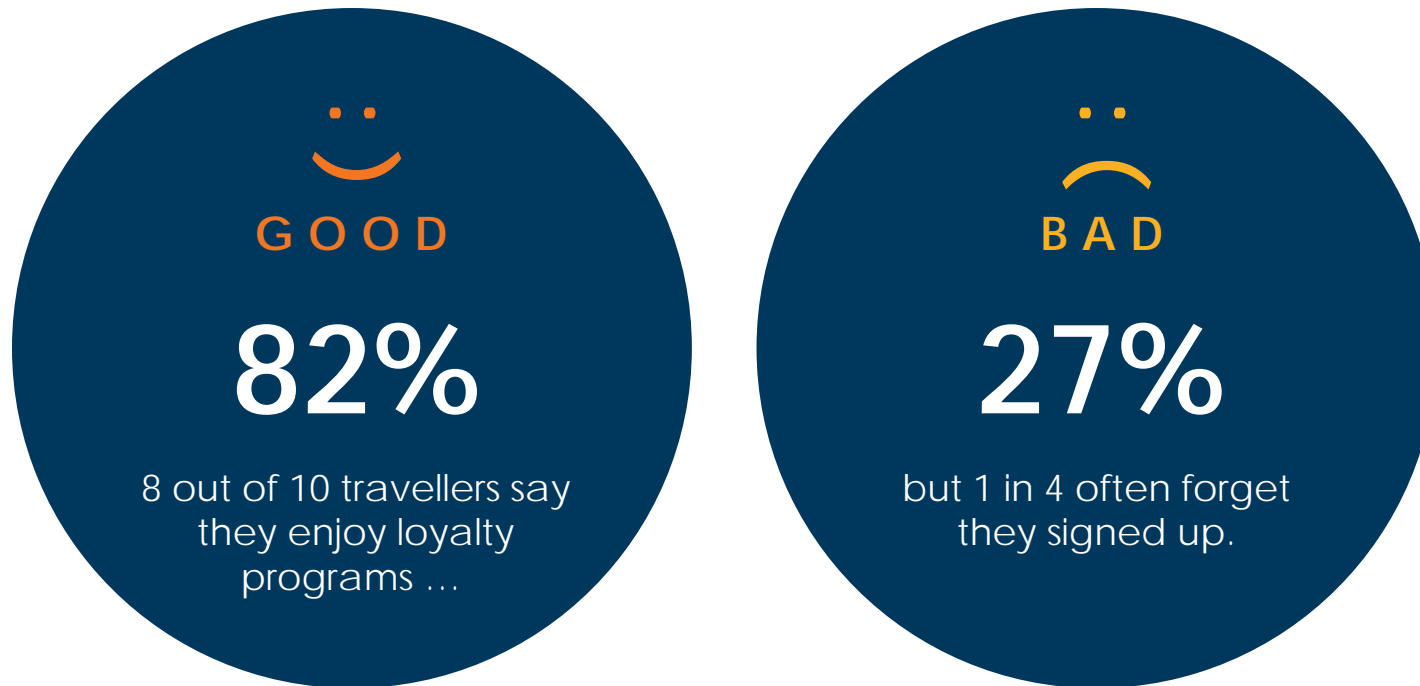
The use of Loyalty programs and how successful such programs are varies a lot across the US, UK, APAC and LATAM.

5

User-friendliness drives loyalty.

When booking directly with an airline, hotel, or train company - the two most important factors respondents cited were familiarity (I am used to booking this way) and to get the best prices/offers.

Travel loyalty programs are working but gaps remain



Young travellers don't think too much about loyalty programs

Less than
1 in 4

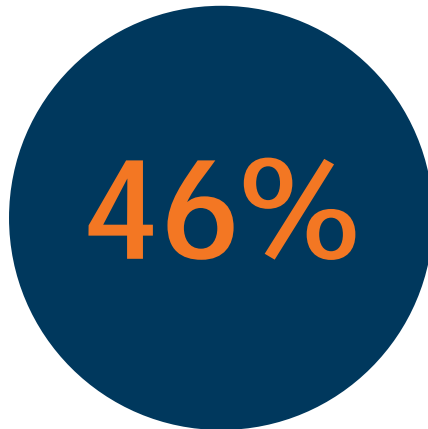
Only 22% of travellers ages 15-24 belong to a loyalty program.

53%

More than half of Gen Z (53%) often forget they signed up for a loyalty program and therefore don't benefit from it.

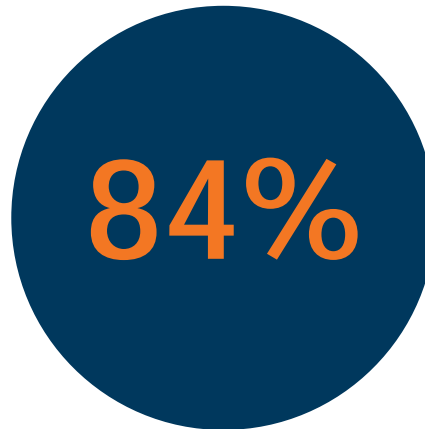
Travel loyalty varies by world region

In the US, Americans love loyalty programs



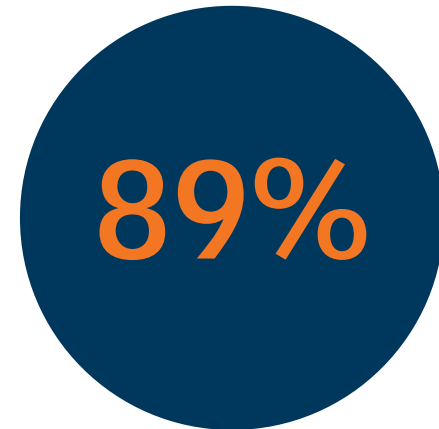
Almost half of US respondents subscribe to at least one loyalty program.

In APAC, younger travellers are into loyalty programs



8 out of 10 in the 15-34 age bracket enjoy loyalty programs.

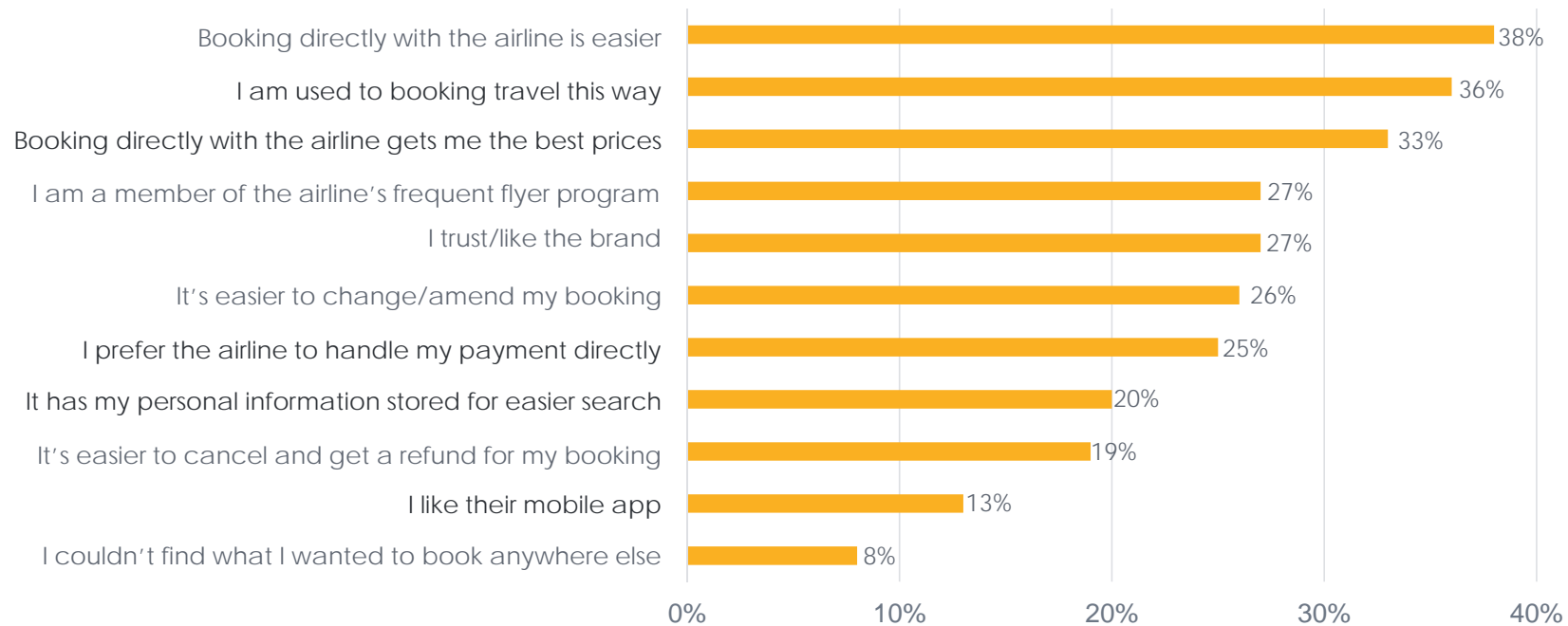
In the UK, older travellers like loyalty programs



An impressive number of UK travellers ages 55-64 enjoy loyalty programs.

User-friendliness drives loyalty

Reasons for booking directly with the airline



4 Ways to Drive More Travel Loyalty

1

Make the travel
booking
experience
easy.

2

Think beyond
the traditional
loyalty programs

3

Reach out to your
travellers (but not
too much).

4

Deliver relevant
ads to every
potential traveler.