JADEWOLF

The Top 10 Digital Marketing Tactics for Luxury Travel

Using Data to Sell the Luxury Dream

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Introduction

Traditional methods to generate high-net-worth leads and direct bookings in travel and hospitality have been considerably weakened in the last couple years. Face to face sales meetings, trade shows and referral networks are showing diminishing returns in our modern world.

Smart brands are already redistributing their media and project budgets into video marketing, digital marketing, data, and more advanced technologies like chat flows, website personalization, AI and apps that employ AR or VR features while trying to also provide personalized, controlled, small scale in-person, invite only events.

The "new normal" is here to stay and is much more digital, technology-driven, and personalized when it comes to luxury travel than ever before.

The so-called "mass-luxury" brands are losing their profitability due to increased overhead costs, labor shortages and restrictions induced by government regulations on sustainability.

Dealing with this stricter segmentation will require high-end brands to become smarter, innovate faster, and be more agile while staying true to proven luxury marketing psychology, pricing, and communication methods.

This guide aims to offer ten powerful, proven tactics that should be part of your data-driven marketing mix for luxury travel.

01

Using Data To Create Luxury Buyer Personas

Gut feeling and instinct are not good enough anymore. Even though an experienced luxury salesperson can often feel out what a prospect needs and what type of service or package might be the right one to propose, we simply cannot rely on the singular experience of an individual or founder anymore when creating marketing materials, buying web traffic, and customizing our services and offerings for new market segments.

Apart from start-ups, most luxury travel providers these days already have a rich fountain of historical customer and sales data inside their business that they can leverage and combine with 3rd party data and research to better profile their ideal wealthy customers.

Some sources that marketers can leverage when creating these personas for their marketing strategies are:

- Interviewing experienced customer service and salespeople
- Looking at high-revenue engagements from the past
- Looking at the discovery process for net-new busi- ness leads or direct bookings
- Web, social media, CRM, and email analytics
- Financial and ERP data about high margin deals
- 3rd party data and research companies

Once all the data is collected, it needs to be layered over each other, analyzed and split into several categories like demographics, psychographics, intercultural communication, media consumption, travel patterns, belief systems, financial backgrounds, geographies, and more.

Only then will the resulting personas generate actionable insights that can be shared inside the company and reused over and over again to drive new marketing programs and sales initiatives for high-net- worth engagements.
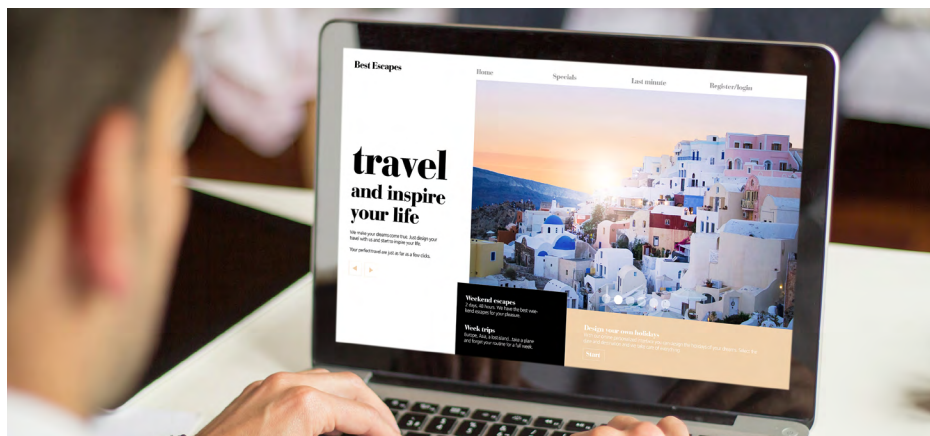
O2

Focusing On Affluent Web Traffic

A lot of marketers approach media buying only from a CPC or CPL/CPA basis. While these metrics are important, they can lead to cost-cutting measures which can influence the quality of web traffic and amount of conversions you will be able to achieve at the bottom of your funnel.

While clicks generated through SEO, affiliates, PR, organic social media, and other low cost tactics are usually comparatively cheaper than most PPC, programmatic or direct media buys with luxury industry publishers and influencers, the intent and profile behind the click can make all the difference when trying to sell high-ticket travel packages and products.

Depending on your ideal wealth tier you want to hit, changing your media mix and adjusting the amount of traffic from social, search, direct

media, and other traffic sources can make a lot of sense. Creating a list of relevant media and affluent traffic sources for each target geography that you are trying to market in is a good practice that we would recommend to most luxury marketers irrelevent of the budget they have available.

The next step should be to develop good relationships with sales reps, owners, influencers, writers, and content creators to negotiate more cost-effective packages and mutually beneficial long-term partnerships when it comes to your paid tactics.

A solid understanding of placements, media serving technologies, retargeting, 1st and 3rd party data as well as effective content and advertising formats is crucial in achieving effective levels of saturation and driving profitable direct conversions on your website, be it travel leads or bookings.

03

Using Social Media To Build Evangelist Communities

Building real estate on social media by growing a large, highly engaged following is a feat that few luxury travel or hospitality brands have achieved up-to-date (fake followers or non-relevant aspirational followers don't count). Large luxury hospitality groups have probably been the most successful in this regard.

But with constantly changing algorithms and organic reach for brands gravitating towards zero, what is the best way these days to approach social media marketing for luxury travel? Our recommendation would be to forecast the costs of growing a following to a certain size first, including likely conversion percentages

and the availability of suitable audience segments, and then, based on these metrics, selecting a best-fit channel to invest in.

"Direct marketing must be laser-focused on finding the right wealthy audiences"

A MICE oriented hospitality company might be interested in targeting event planning business executives on LinkedIn while a medium-sized luxury travel agency that is trying to sell VIP packages to affluent millennials might be better off looking into Instagram ads.

There should also be a clear decision on how much of the budget and effort on social media will be put towards brand and direct marketing.

While brand marketing is a long-term strategy that if done well, will build an engaged community and, as such, leverage the benefit of expanded organic reach and evangelists, it is a high-cost strategy and requires community management and high-level storytelling efforts to be successful.

Direct marketing must be laser-focused on finding the right wealthy audiences that are currently looking for luxury services or at least have the means to afford your products in the first place.

The difficult part is then to create a set of targeting rules that can drive affluent cold traffic from these brand campaigns towards your offerings, and then make

them opt-in into your database in some shape or form so you can remarket to them later at a lesser cost to get the final sale through more direct tactics.

This is, of course, easier said than done, especially with SHNWIs or UHNWIs who often have several layers of assistants, advisors and family members in front of them that they consult before making a booking decision.
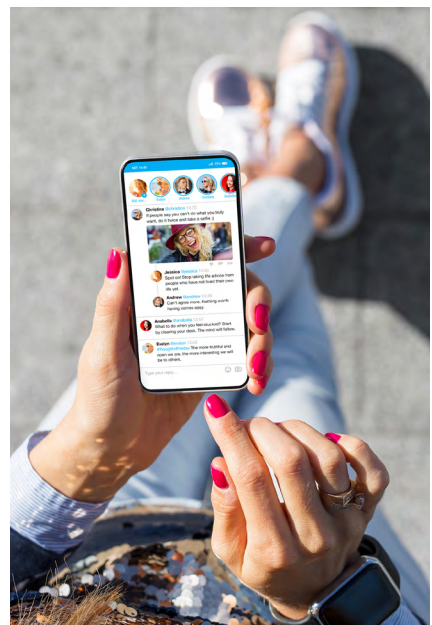
04

Using Smart Forecasting To Plan Campaigns Based On KPIs

When we start working with a new client, we always do a strategy phase first. It allows us to learn about our clients' team, their brand, profile their ideal high-net-worth customer, and properly benchmark what they have done with their in-house marketing team in the past.

This allows for a more creative, well-planned project that has a higher likelihood of achieving a high ROI for our client.

But what can you as a marketer learn from our process? Well, in our strategy phase we also like to use a funnel forecasting tool that we feed all the relevant financial, sales and marketing-related metrics our clients can share with us to predict realistic scenarios for different types of funnels and campaigns.

KPIs we ask for and use in those simulations are things like audience to offer match (traffic weight), CPC, CTR,

CPL, CPA, conversion rate, customer lifetime value, up & cross-sell potential, ROAS, and gross as well as net profit margins. By using these metrics and assuming low, mid, and high success variations, smart data-driven marketers can make much more accurate predictions based on past campaign performance and current industry benchmarks.

"A strategy phase allows for a more creative, well-planned project instead of some blind pitch or a 100 pages long RFP that nobody reads"

Another useful way to integrate measurement and KPIs into your campaign planning is leveraging business intelligence tools like Tableau or Grow to measure how your past campaigns have performed from an ROI perspective, and what the positive effects on other business segments and teams inside your company (from a pre-sales, customer success, and finance perspective) were.

By combining marketing forecasting, business intelligence, controlling, and multi-touch attribution, you can create a unified view on the revenue contribution of your well-planned marketing campaigns inside your company.

05

CRO And Website Personalization

CRO or conversion rate optimization is still a relatively new term for a lot of marketers in luxury travel.

Nonetheless, it is a crucial component of data-driven marketing and can mean the difference between a well performing campaign and a disappointing level of ROI.

Of course, CRO cannot replace a strong creative theme and a well-defined brand, but it can optimize the experience for your customers when they interact with your business online, be it on mobile or desktop devices.

So how do you go about optimizing your website, landing pages, and funnels with CRO?

You first need to break down all your web design elements

into individual building blocks and start thinking about them in a modular fashion.

By changing the order and switching out individual elements with different variants, and testing those changes in a controlled, scientific way, you can make sure to squeeze more conversions out of your existing funnel.

> *"Website experience personalization is a powerful way of selling, especially to UHNW prospects"*

Key sections to tweak and experiment with are your navigation (menus), buttons (CTAs), copywriting, images, sliders, embedded video and audio, headlines, fonts, footers, links as well as colors and backgrounds.

Two essential methodologies to test out changes are A/B testing (one variable at a time) and multi-variant testing (which is more complex).

Last but not least, an advanced way of doing CRO is website personalization. Certain marketing automation platforms and chatbot solutions allow you to customize your website experience to leads or contacts which already are in your CRM.

For example, a recurring visitor looking at a certain high-ticket luxury travel package can be addressed personally through merge tags and individual snippets of copy depending on what preferences and information you already have on that prospect in your system.

This is a powerful way of selling, especially to ultra high-net-worth prospects.

06

Email Automation With A Human Touch

Email marketing is not dead. It is more alive than ever, across all industry verticals and all wealth tiers email is still the most powerful marketing channel that brands can use, and a strong email database is still one of the key assets a company should look to develop over time. This obviously means that marketers need to respect personal data, not spam people, and personalize their messaging and design towards their most valuable prospects.

A great way to start here is by having strong personas that influence your copywriting, design, and CRO choices for your email templates. On a strategic level, using a powerful ESP (email service provider) or even a marketing automation solution that allows, for example, to customize sequences, sending times, incorporates merge tags for personalization and switches out design elements and copy snippets based on segmentation is crucial.

"Email marketing is not about technology and convenience for marketers, but instead a tool to leverage what you know about the psychology of your ideal customers."

Strong and highly personalized email automation is a great way to drive recurring traffic and business to your funnel, sell high-ticket offers to qualified leads or generate direct bookings, F&B reservations and MICE leads for luxury hotels.

Important tactical luxury marketing elements to consider with email automation are your brand positioning, your affluent customer profiles, how much data you have on your prospects and customers in your CRM, what you know about their typical buyer's journey, and, most importantly, what emotional purchase triggers influence their decision-making process the most.

To sum it up, email marketing is not primarily about technology and convenience, but instead should be used as a tool to leverage what you know about the psychology of your ideal customers.
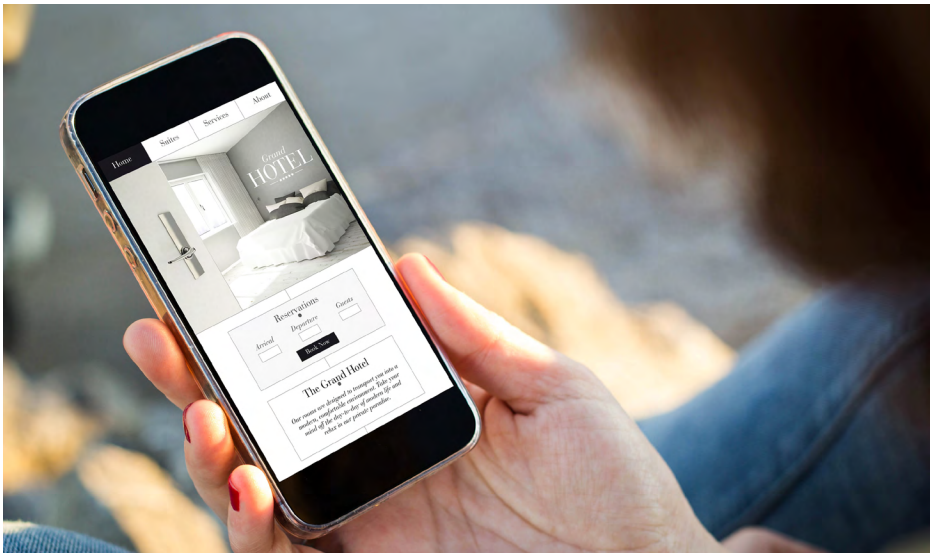
07

Rich Media Content And KOLs

KOLs, also known as key opinion leaders or key online influencers, have become quite popular in luxury travel marketing. A lot of marketers believe that all it takes to generate returns is to invite an influencer to their resort, island or hotel and give them free reight to shoot some footage that can then later be doctored by a PR department.

In reality sadly, this approach often falls short.

First of all, a lot of KOL followers and audiences are fake, inflated, and not engaged. Because of that, there is a high need for a thorough vetting process through social media analytics tools and manual research before luxury brands can commit to a partnership with any kind of online influencer (even celebrities have been caught to have unengaged, fake followers these days).

Secondly, the type of rich media content being produced (photography, video, audio) and where it fits in your marketing funnel or brand marketing strategy needs to be thoroughly assessed as well.

"KOLs are here to stay, with content producers becoming more sophisticated every day."

Certain KOLs are stronger with a particular medium, and the personality and flavor of their individual brand needs to shine through in the campaign to ensure credibility in front of their core audience. A lot of marketers in luxury have a hard time dealing with this loss of control and end up micro-managing the collaboration to death.

There are essentially two ways to use KOLs and the rich media they produce:

1. for long term brand equity which is usually issue focused (working with a celebrity ambassador on a philanthropic cause, for example) and

2. for driving affluent traffic and credibility through what is called a "funnel bridge" to generate leads, sales, and deals.

KOLs are here to stay, with content producers becoming more numerous and sophisticated every day.

A mixture of KOL and company-owned content is the best way forward when it comes to luxury content marketing, in our opinion.

08

Multi–Touch Attribution

Traditionally, marketing has always struggled to prove ROI, especially in lead generation dependent industry verticals like travel.

If marketers want to show the ROI of their offline and online efforts, be it in a brand marketing or direct marketing fashion, they need to get smart about collecting, analyzing, and leveraging data inside their company.

A multi-touch attribution model is the solution to that proof problem. By combining data from 3rd party tracking tech, web analytics, social media and email analytics, CRM, sales engagement, business intelligence, and finance, marketers can finally map out the journey that every high-net-worth prospect takes towards becoming a loyal recurring customer or brand evangelist with a low error margin.

Does it take three or ten touchpoints with your brand to convert an affluent traveler into a lead for you? Maybe it takes eight? What content or tactic has the most influence? What was the final purchase motivator? Which micro funnels (aka channels) in your growth framework deliver the lowest CPL with the highest customer lifetime value?

All these questions and more can be answered over time with sophisticated multi-touch attribution.

A great way to start a multi-touch strategy is to look at a modern marketing automation and CRM solution that has a strong open API and a lot of integrations. The next step is to unlock and combine every relevant data silo in your company like previously mentioned until you can create visual and powerful dashboards that generate

reports and KPI numbers with just a few clicks that tell a realistic story. In a lot of ways, data-driven marketing can only work if all data is stored, collected, used, and analyzed to drive ongoing improvement.

Attribution modeling is a sometimes difficult and complex, but extremely important part of this process.

09

3rd Party Data

3rd party data, in general, is usually external customer information that you can acquire and then layer over your own CRM or analytics datasets (1st party data) to generate more exact customer profiles, run effective advertising campaigns and customize your sales efforts to either an individual prospect or a whole segment inside your target market audience (a wealthy tech billionaire planning to buy a tailor-made luxury Arctic safari trip vs affluent Chinese millennials looking for ultra luxury hotels close to the Louvre, for example).

There is a variety of ways to acquire 3rd party data. From specific wealth research and profile vendors that sell individual or aggregated profiling data on millionaires and billionaires, all the way up to luxury media companies that, through the use of 3rd party cookies, collect information on their visitors across multiple websites and sell it either directly or through programmatic advertising exchange platforms.

"Using 3rd party data is all about solid research and smart application"

With the announced phase out of 3rd party cookies, this tactic will surely change in the next 3 to 5 years. But for now, leveraging 3rd party data while staying privacy compliant and using programmatic display advertising is a powerful way of zoning in on your ideal wealth tier and customer.

Like mentioned before, there are 3 major use cases for acquiring 3rd party data in your business.

1. Learning more about your customers. This means mostly using analytics, personas, and multi-touch attribution in combination with 3rd party data to learn as much as you can about the likes, dislikes, psychology, and behaviour patterns of your wealthy patrons.

2. Programmatic advertising on ad-exchanges and effective remarketing across multiple search and social media platforms.

3. Customizing your sales outreach and face-to-face or events strategy to close more high-ticket deals in a shorter amount of time.

Using 3rd party data is all about solid research and smart application in every facet of your business.
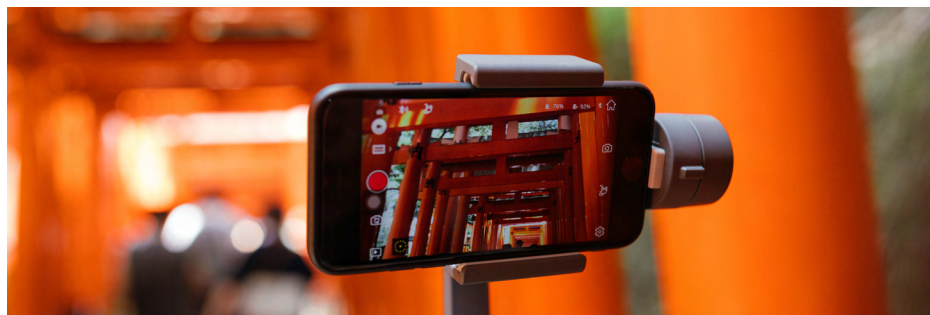
10

Relationship Building Through Video And Apps

While video can be used to drive leads and direct bookings at the top of a luxury travel funnel if the format, production quality, placement and positioning are right, a much lower hanging fruit is usually the implementation of video and messenger apps or chatbots on your website and in your current sales process to improve relationships and drive recurring business.

In a post-pandemic world, face-to-face selling, industry and networking events won't completely go away. However, the wind-up and follow up to a lot of sales and marketing activities will surely happen more online than offline.

"Being available 24/7 to your most valuable customers can spell the difference in closing a multi–million dollar project or not"

Video meetings, conferences, consultations, including graphics, rich media, whiteboards, and even 3D models are all possible with modern day technology. Properties, rooms and destinations can be viewed and toured virtually. Negotiations can be held online; contracts, creative feedback, and designs can be executed with AI and cloud computing empowered tools. Problem-solving, questions, and post-sale service can be done via Facetime, WhatsApp, WeChat, Telegram, Line, and other messenger apps.

Being available 24/7 to your most valuable customers can spell the difference in closing a multi-million dollar project or not, and having a dedicated service or marketing account on the most common HNWIs rich apps and platforms is a powerful service differentiator.

Onboarding customers or promoting up and cross-sells can be done in a much more powerful way than just face to face, via email, or the phone like we used to in the old days.

Implementing powerful video, project management, and feedback tools, setting up dedicated service accounts and chat flows for your most common geographies and markets should be a priority these days if your business wants to stay viable in the future, particularly with younger demographics like millenials and gen z.

Especially once these demographics become the dominant generation in luxury travel, all customer engagement and communication will have to be smart, data-driven, and highly personalized.

How To Contact Us

We hope you enjoyed the tactics we highlighted in this guide. Did you find anything you would like to implement in your own business? Are you interested in working with us? We would be happy to answer any questions about our agency and the online luxury marketing services we offer. A good way to contact us is to schedule a discovery call with us by clicking on this link:

Schedule a Discovery Call

Alternatively feel free to contact us personally

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