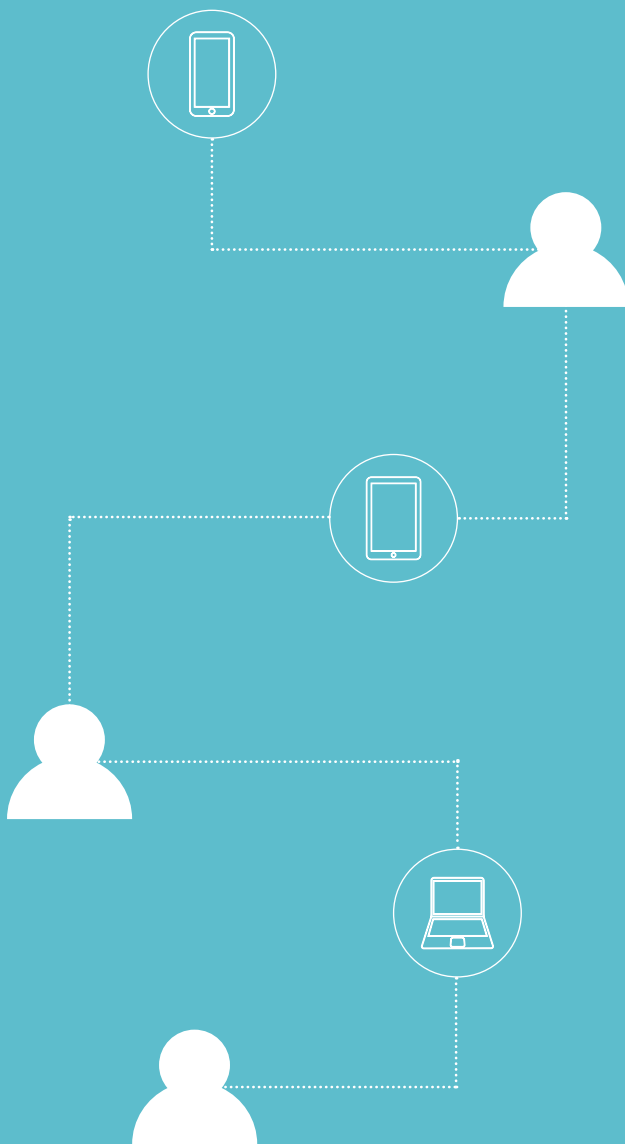


Skift + Criteo Present:

Cross-Device Tracking: Hyperbole Vs. Reality



special
report

Building a cross-device audience picture in the travel industry is tougher than it seems. Currently, the ability to create a comprehensive user picture is an uphill technical battle. This trend report brings visibility into the market, shedding insight into the best practices and opportunities for innovation.



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If you have any questions about the report please contact trends@skift.com.



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About Us

Criteo delivers personalized performance marketing at an extensive scale. Measuring return on post-click sales, Criteo makes ROI transparent and easy to measure. Criteo has over 2,000 employees in 31 offices across the Americas, EMEA and Asia-Pacific, serving over 11,000 advertisers worldwide with direct relationships with 16,000+ publishers. Criteo ads reach over 1.1 billion unique Internet users (comScore, September 2015). For more information, please visit www.criteo.com.



Executive Summary

Hospitality is the heart and soul of the travel industry. Whether you're a marketer for an airline, hotel, car rental company, or Online Travel Aggregator (OTA), your success is proportional to the happiness of your customer base—and with a wealth of digital marketing resources at your fingertips, you have what appears to be an infinite number of options to reach and engage travelers. The opportunity for building in-depth buyer relationships has never been greater. There's one challenge standing in the way: there is no universal way to track people across their many devices.

That being said, solutions exist in piecemeal. Known colloquially in the digital advertising industry as "walled gardens," companies like Facebook and Google are able to track user behavior across their own apps, products, and platforms. Other publishers and ad networks are creating cookie-based solutions to create rough buyer journey maps. But there's an elephant in the room: no matter how close companies get towards their own solutions, they will still be many steps away from a true audience and prospect picture.

Despite these challenges, leading companies in the travel industry can't wait. With a rich background in hospitality, they need to deliver cohesive and streamlined audience experiences. Your customers can't wait for technology to catch up and fully meet their needs. As a result, marketers can't either.

That's why travel companies are engineering their own creative solutions through loyalty programs, mobile apps, and strategic campaign planning. Even though technology lags behind, companies like these are finding solutions and forging their own paths toward a closer relationship with their buyers.

Now more than ever, it's critical that leaders in their travel industry put their minds together to share ideas for solutions, collaborating on building a complete customer view. Step one of this process is education. How do you make sure that you're investing in the right initiatives today, as you build a path forward towards a future Internet? How far away is the travel sector from a true cross-device picture? What's considered innovative? What isn't?

This trend report features interviews and real-life case studies from travel marketing leaders like Hyatt and Hotwire, in addition to technical visionaries from leading advertising technology companies to explore these tough-to-answer questions. Read on to learn what it means to reach, engage, and track the cross-device traveler, today.

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About Skift

Skift is a business information company focused on travel intelligence and offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Founded in 2012 by media entrepreneur Rafat Ali, Skift is based in New York City and backed by Lerer Ventures, Advancit Capital and other marquee media-tech investors.

Visit skift.com for more.

Introduction: Travel Industry Challenges, in Summary

One of the biggest challenges that the travel industry faces today is fragmentation. The guest journey spans a series of interactions and touchpoints, across marketing channels and devices. Consumer and business travelers are self-directing their own research rather than relying on travel agents—key sources of information in an age before OTAs, social media, and countless influential publishers¹.

Not to mention, startup innovators are creating brand new travel experiences: How can hotels compete with market newcomers like Airbnb? And what about Uber and Lyft's impact on the car rental industry? Lola's impact on OTAs? How can travel marketers create comprehensive customer pictures with deeper, more meaningful relationships with both leisure-focused consumers and business travelers, as the travel landscape continues to evolve?

The answers to these questions aren't exactly black and white. But the marketing community at large is working aggressively to connect the dots:

"There's a lot of conversation around whether or not we are going to get to a single identifier that's going to be the holy grail of connecting a person across all devices and channels," said Pete LaFond, vice president of marketing at programmatic advertising and audience targeting platform TruSignal in a recent eMarketer report².

The big challenge that the travel industry faces is the absence of a unique identifier: it's a complex technical feat to track consumers' footprints across the entire Internet. Walled gardens like Facebook and Google only tell part of the traveler journey story. How can marketers connect the dots to create a truly comprehensive picture of user behavior online?

The eMarketer report further elaborates: "In the absence of such an identifier, providing the data that advertisers want is often at the discretion of whichever platform or property is promising cross-device capabilities."

What's the best way to create a complete customer picture? What's new in the world of cross-device as the industry continues to evolve? The crux of this guide boils down to one powerful quote: "I don't think anyone has cracked the cross-device code."

— Meredith Exberger, Director of Online Marketing at Hotwire

Knowing this, how can marketers take their best steps forward in building an effective targeting program? Let's explore this question.

1. <https://skift.com/2016/01/13/skift-annual-forecast-megatrends-defining-travel-in-2016/>

2. <http://www.emarketer.com/Article/Cross-Device-Targeting-High-Demand-Still-Underdeveloped/1013348>

Why Is Cross-Device So Important, Anyway?

Imagine a marketing ecosystem in which you have a comprehensive guest journey. You're able to collect data at every single touchpoint in this individual's travel planning journey.

Here's how Skift's 2016 Annual Forecast puts it:

"Data, is the new oil. Just as oil in the 19th century was an untapped resource that ushered in wholesale changes to the world economy, so is data, which has the potential to make businesses smarter and turn all marketing communication into one-on-one conversations with customers³."

The report further explores how travel companies have traditionally helped consumers plan their journeys.

"In the past, a hotel would know when a guest has booked and could track some behaviors while they are on site, but understood much less about that consumer's overall trip—where they were traveling to next and how they would be getting there."

In a way, mobile is taking the place of the travel agent. Consumers are interacting with travel companies at a variety of touchpoints. Their attention spans are spread thin between an endless stream of distractions online.

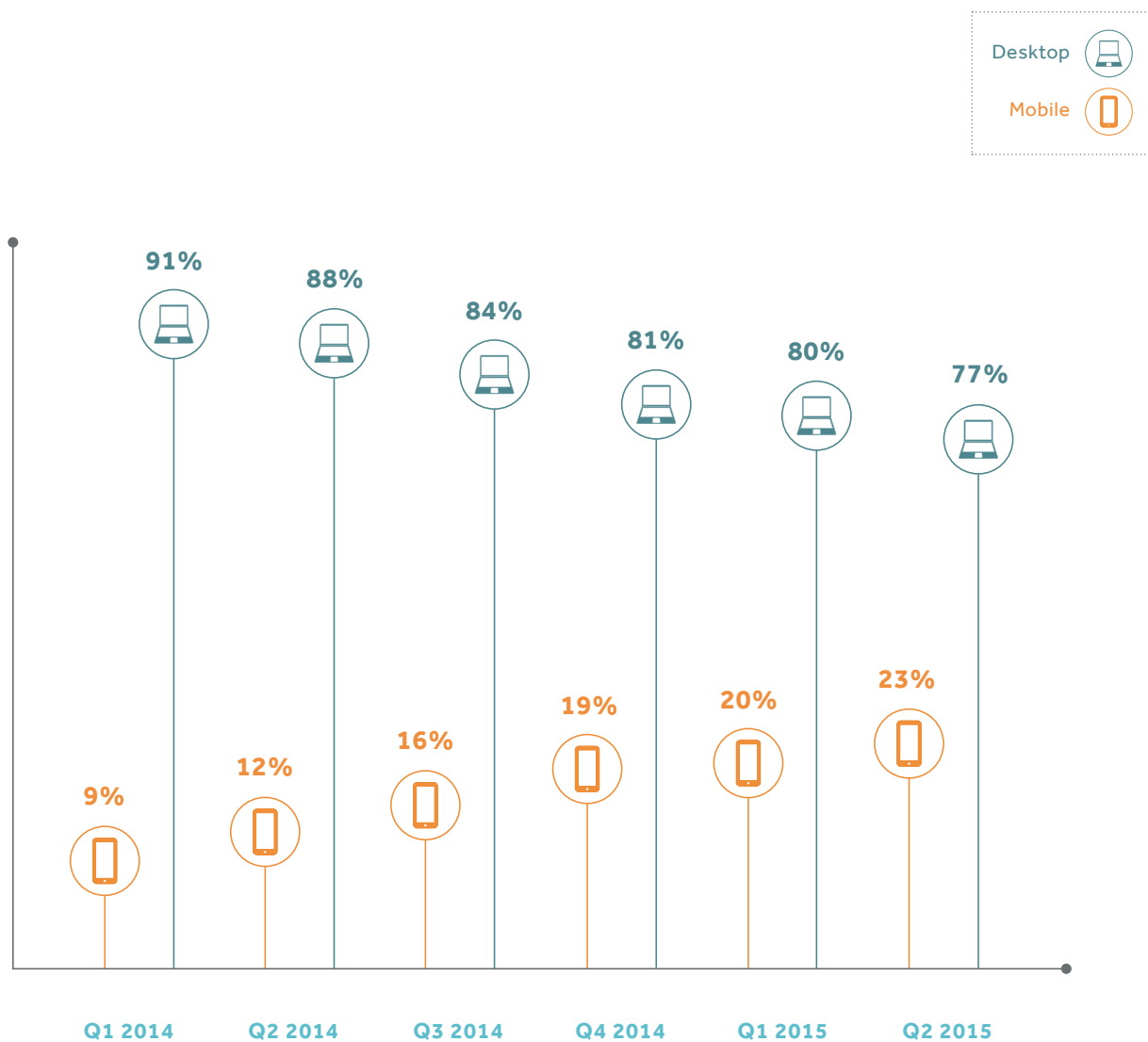
"Helping to drive a consolidated customer picture are the evolving CRM systems and technologies underpinning them, providing more details on travelers than in the past. The rapid shift of CRM technology into the cloud (Centaur Partners puts it at 31 percent of the current SaaS market with expectations for rapid growth in the coming year) has meant lower cost of entry and more rapid deployment for brands. Solutions providers have been working to help clients deepen their understanding of customers' purchase paths, purchase intent and long-term behavior, offering brands a wealth of customer data trails, drawn from social media, browsing history, Google and elsewhere, based simply on a customer's name and phone number."

3. <https://skift.com/2016/01/13/skift-annual-forecast-megatrends-defining-travel-in-2016/>

The travel landscape is undergoing a profound evolution in that traveler shopping journeys are spanning multiple devices. Year after year, mobile's share of bookings continues to increase.

Mobile & Desktop's Share of Worldwide Travel Bookings

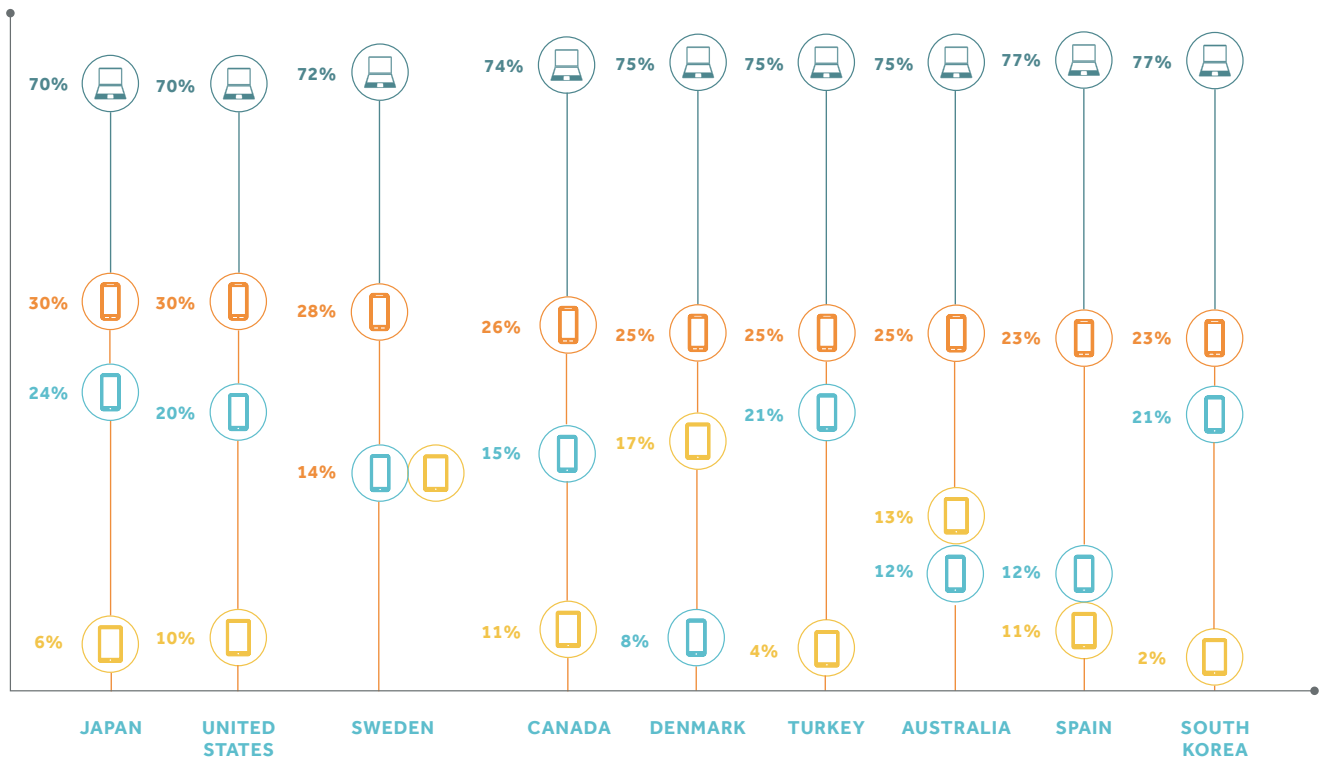
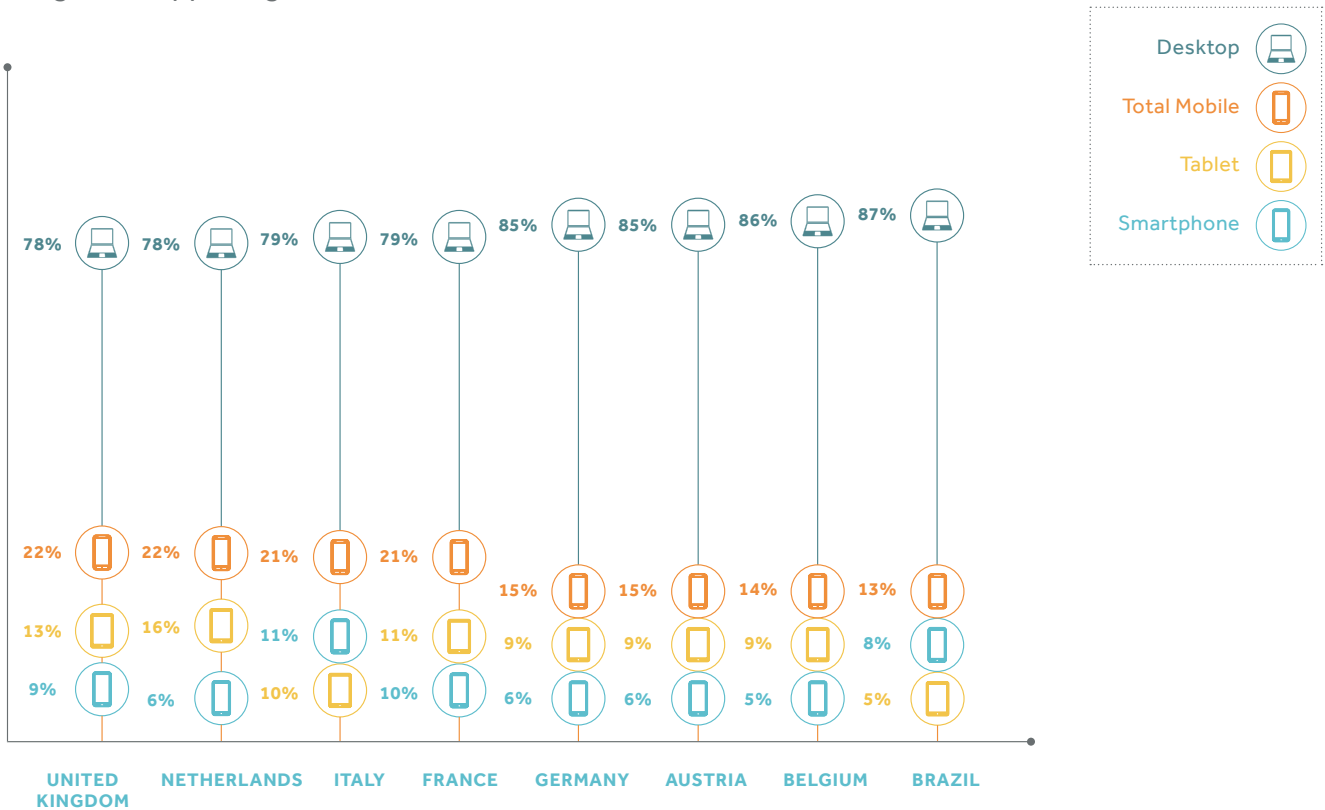
Mobile travel bookings are growing in market share.



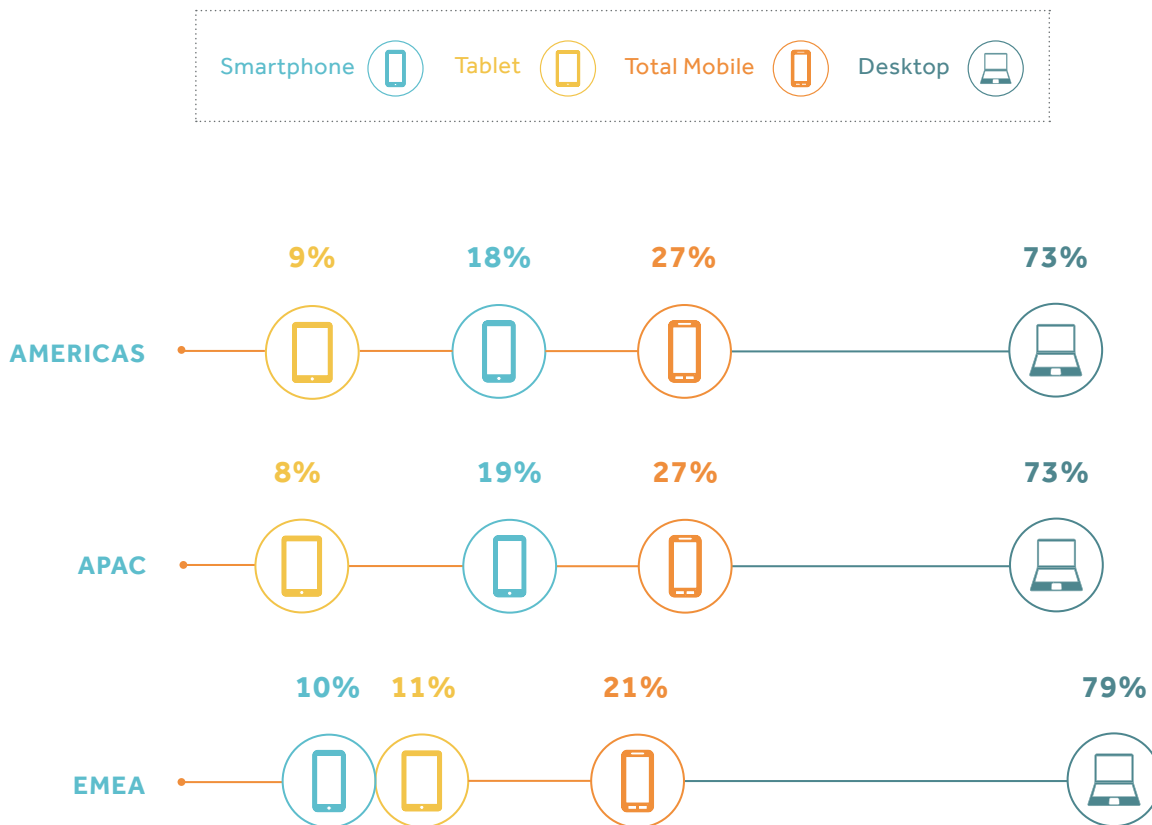
Source: UK Travolution Travel Innovation Report, February 2016, www.criteo.com/media/3866/uk-travelution-travel-innovation-report.pdf

Share of Travel Bookings by Device in Selected Countries, 2015

Bookings are happening across devices, all over the world.



Source: UK Travolution Travel Innovation Report, February 2016, www.criteo.com/media/3866/uk-travelution-travel-innovation-report.pdf



Source: UK Travolution Travel Innovation Report, February 2016, www.criteo.com/media/3866/uk-travelution-travel-innovation-report.pdf

A strong cross-device targeting strategy has the potential to tackle some of the travel industry’s biggest challenges, highlighted by **Deloitte’s 2016 Travel and Hospitality (T&H) Industry Outlook⁴**:

1

Customers want relevant and engaging, personal experiences.

“If T&H companies want to deliver an outstanding, individualized customer experience, they should consider understanding their customers’ needs and desires and craft a value proposition that speaks directly to them. This can be a challenge because customers—and their likes and dislikes—are continually evolving as generational influences wax and wane.”

4. <http://www2.deloitte.com/us/en/pages/consumer-business/articles/travel-hospitality-industry-outlook.html>

2

Data and targeting strategies are still in their infancy.

“To truly understand their customers’ needs and deliver an outstanding experience, T&H companies should be able to access and leverage the right information at the right time—not an easy task. New technologies and increasing digitalization are generating more data than ever before, but more data doesn’t necessarily mean better data. In fact, many T&H companies are data-rich but insight-poor because they struggle to turn the disjointed data they have into useful information, and valuable insights to enhance the experience.”


3

Competitive dynamics are evolving.

“There is little doubt that the T&H competitive landscape is changing. One very evident trend is increasing consolidation, especially among hotels. Recent examples include Marriott’s announced takeover of Starwood Hotels and Resorts Worldwide for \$12.2 billion, and AccorHotels’ stated plans to acquire Fairmont, Raffles, and Swissôtel by issuing 46.7 million new Accor shares and paying \$840 million in a bid to strengthen its position in the luxury segment...Much of the uptick in hospitality M&A activity stems from companies’ objectives to gain market share, increase operating leverage with online travel agencies, and vertically integrate their product platform (i.e., companies operating in the economy segment want to buy into the luxury segment and vice-versa).”

Marketers Journey to a Complete Customer Picture

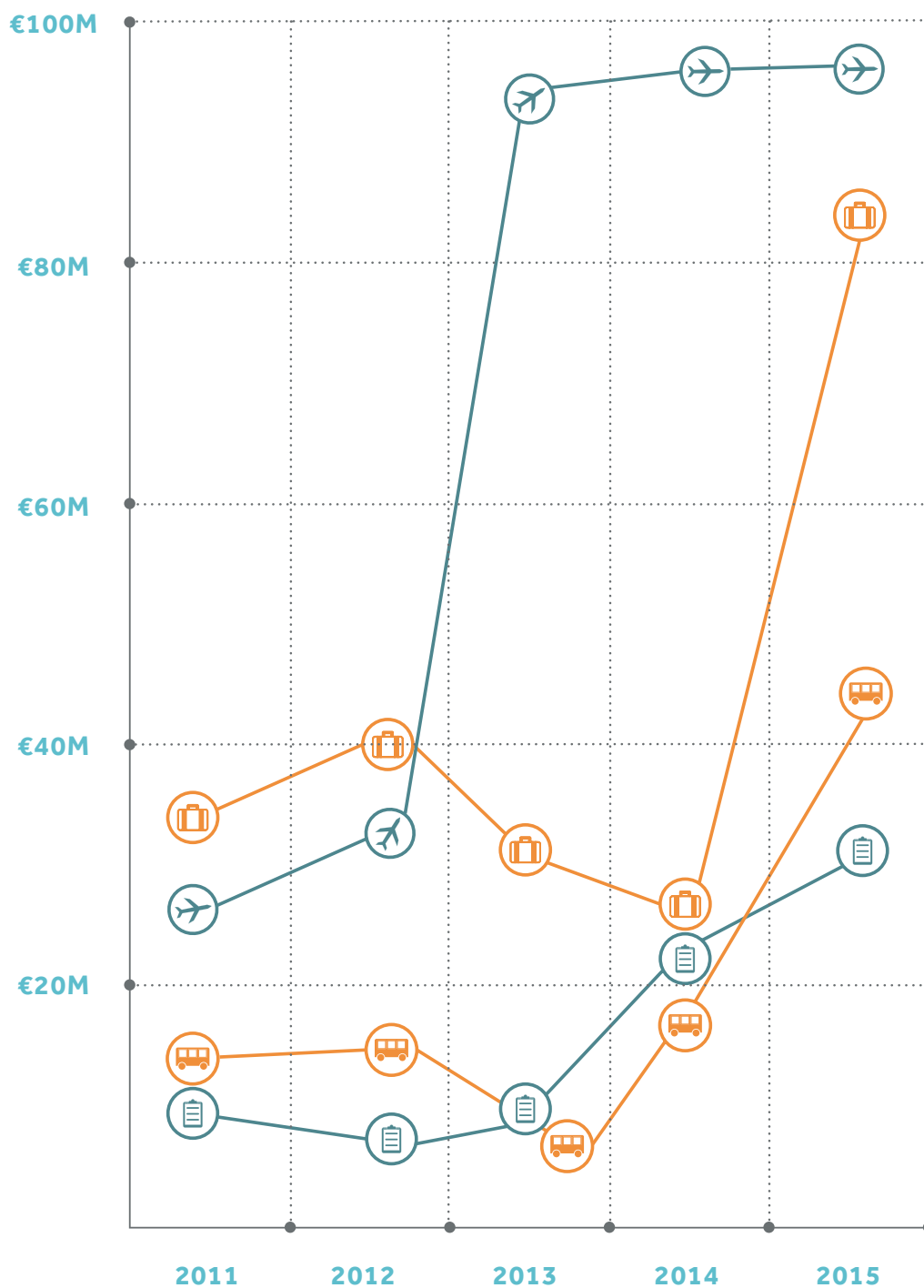
Across the travel industry, marketers are looking for ways to unify their marketing programs across owned, earned, and paid channels. Here's how Skift's 2016 Annual Forecast explains the reason behind this trend.



"Such a 360-degree view into customer behavior opens up a huge number of possibilities for travel marketers, from leveraging a larger number of channels more effectively, to making the growing amount of consumer data more actionable."

In parallel with this trend, there has been a dramatic spike in marketing technology investments over the last few years. From hotels to travel agents, tour operators, and more, companies are looking to ramp up the resources they need for more effective personalization and targeting.

Dramatic Spike in Travel Software Spend



Source: UK Travolution Travel Innovation Report, February 2016, www.criteo.com/media/3866/uk-travelution-travel-innovation-report.pdf

One risk that travel marketers face with all of these software investments, however, is waste. Without a unified customer identity, there's immense potential for companies to reach travel audiences with the wrong message, at the wrong times in their buying journeys. Even the most robust software has the potential to fall flat.

As Exberger explains:



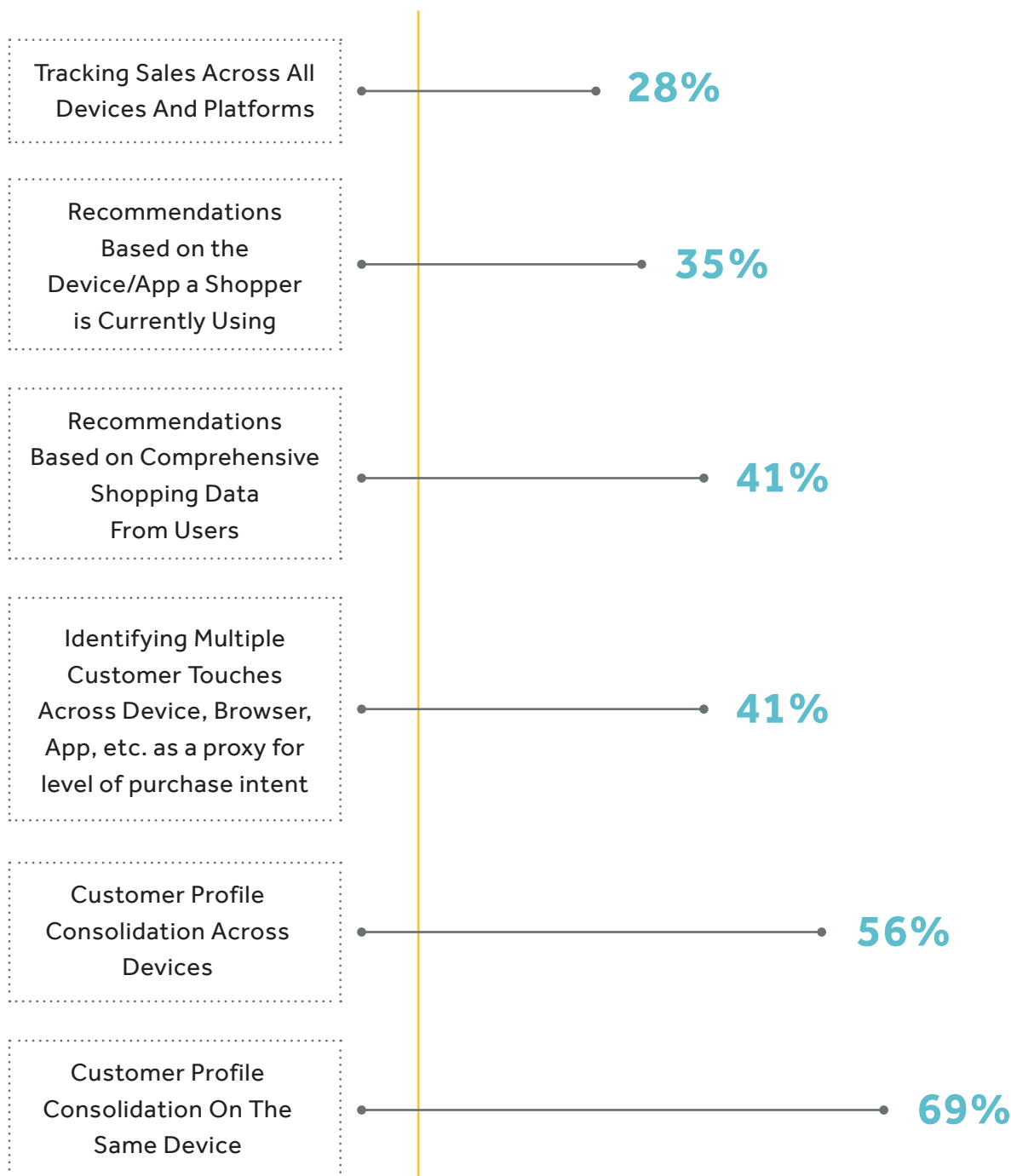
"It takes so many touches to get prospective travelers to their final destination. Even at Hotwire, we know that people are interacting with devices in many ways that we still can't capture. The hardest piece of the puzzle involves getting users to log in consistently. Marrying the sheer number of devices that can be associated to a person to be logged in? That's impossible."

— Meredith Exberger,
Director of Online Marketing at Hotwire

In the absence of a unique identifier, virtually every travel company is hitting roadblocks in their marketing programs. According to research conducted by Forrester and Criteo, most companies still can't track customer touch points across multiple devices and platforms, even though digital interactions are proliferating.

Most Companies Still Can't Track Customer Touchpoints Across Multiple Devices and Platforms

"Which of the following capabilities is your company able to provide to customers today based on data from your customer touchpoints?"



Note: "None of the above" = 4%

Source: Q2 2015 Global Real-Time Interaction Management Customer Reference Online Survey

Alex Ortiz, VP, Marketing at QuanticMind, a predictive advertising management platform company that specializes in bid management and campaign analytics for high-volume PPC campaigns across sectors, summarizes some of the resulting challenges that travel brands are facing.



“There’s a real big engineering hit that everyone is taking right now because cross-device is so complex. The complexity arises when travel brands need to manage programs across devices with entirely different user experiences. Not to mention, traveler decision-cycles are highly individualized. Complicating matters even further are the power struggles between travel aggregators and brands, along with the complexity and scale required to run a successful global marketing program today.

Meanwhile, companies like Expedia, HotelsCombined, and Priceline have some of the most complex digital marketing stacks out there. And the size of the data that these companies are working with is somewhat larger than most other programs—they’re managing inventory for all air flights, hotels, and cars globally.”

— Alex Ortiz,
VP of Marketing at QuanticMind

The bottom line? If marketers can’t measure ROI and attribute channels properly, they waste valuable advertising dollars and miss out on hidden opportunities for growth. Cross-device targeting is one of the travel industry’s biggest opportunities for creating efficiencies throughout the customer journey. So how can marketers ensure that they’re taking the right steps forward?

Exploring the Cross-Device Chasm

Technology Basics

To understand the mechanics of a successful cross-device targeting program, you'll want to understand the basics of the technology. Earlier this year, AdExchanger published a guide that describes the cross-device landscape today⁵. Here are some highlights and takeaways:

1

There are two primary ways of establishing user identity across devices. Deterministic matching taps into known user data to make a match, such as an email address for logging into multiple devices (i.e. Facebook, Google, Twitter). The probabilistic approach uses anonymized data signals such as IP address, device type, browser type, location, and operating systems to "create likely statistical connections between devices." In certain cases, companies are able to adopt a blended approach.

2

The proliferation of devices makes it extremely challenging for consumers to opt-out from every device, making privacy is a major area of concern.

3

Travel marketers are struggling to establish a balance between reach and accuracy with cross-device. Outside of deterministic networks, one typically suffers when the other gets better: ad networks need to focus on delivering the best of both worlds.

5. <http://adexchanger.com/data-exchanges/2016-edition-marketers-guide-cross-device-identity/>

Major Moves in the Market



Telecom companies perceive cross-device recognition and targeting as a major market opportunity.

“Telecoms feel like they’ve been missing out on the marketing action that Facebook and Google have dominated for a long time. They’re awakening to the fact that data has been transacting on their networks, but they have had no real piece of it. This is the first step in creating a strong digital presence, and the next step is connecting the devices, either using technology or in a more explicit manner.”

— **Kamakshi Sivaramakrishnan**,
CEO of Drawbridge for AdExchanger

1

In May 2015, Verizon acquired AOL for \$4.4B. With access to deterministic data and hooked into 1.5 billion connected devices around the world, the telecom leader has access to a massive asset—deterministic and probabilistic data. Long-term, the company may become the first to develop a true universal identifier outside of Facebook and Google. With data only existing for Verizon customers, however, advertisers may still find themselves limited. Ultimately, marketers need access to data beyond Verizon’s network⁶.

2

In January 2016, Norwegian mobile carrier Telenor acquired Tapad, a technology company that specializes in cross-device identification, for \$360 million.

6. <http://adexchanger.com/data-exchanges/2016-edition-marketers-guide-cross-device-identity/>

3

In January 2016, Verizon Ventures made a \$5.5M investment in intent-targeting platform Qualia, which recently merged with another cross-device vendor.

4

In July 2016, Verizon acquired Yahoo—an important step toward AOL's goal of creating a competitive device graph.

The cross-device chasm is so massive that telecom giants are just barely scratching the surface of a solution. Travel industry leaders are still years away from a true single, universal identifier across the web. Cross-device isn't just a quirk for the travel industry—it's a major infrastructural challenge in the digital ecosystem.

For this reason, cross-device targeting strategies can't be short-sighted. Marketers need to adopt a long-term view, recognizing that the tracking capabilities of today are likely going to evolve, with tectonic telecommunications shifts taking place.

Cross Device Action Plan

How is the travel sector preparing for the future of cross-device tracking? What steps are industry innovators taking to bridge gaps in establishing comprehensive customer pictures? Here's a landscape assessment to reveal what this picture looks like:

The Marketer's Perspective



Hotwire is using every consumer touchpoint to build its own internal stitching.

“We launched with Criteo a year ago. We launched a huge, scaled campaign in which we were able to catch people right at the bottom of the funnel. Criteo does a good job putting well-timed ads in front of a user. These ads are specifically targeted to what they were looking at. It’s similar to an abandoned cart strategy. We have our own internal stitching, but we haven’t delved in. We’re working on analyzing the true incrementality of retargeting. There’s always the overarching question—would that person have converted if they weren’t retargeted? We’re trying to stop taking guesses. In our data-digging, we’ve come to an interesting insight. We are noticing that our brand loyal customers are also our most valuable. We’re also recognizing early signs of brand-loyal customers. We’re segmenting those audiences out and driving them to become new customers. We’re pushing for retargeting being a tool that drives high quality customers that we can bring back in through our branded channels. It was only after we dug through this data that we came to this realization. We know that mobile has become a place in which Hotwire is ahead of the curve. We have last-minute bookers on the go for a couple nights stay. We’re great with last minute deals that tie heavily into mobile. Our mobile app has taken off. One of the places we know they’re missing is that there are tons of customers doing research on their mobile devices. It’s in there that we know it takes a more in-depth multi-touch attribution model to capture how the customer is experiencing their journey. It’s hard to get users to log in consistently. So we focus our marketing on where we have the most complete customer pictures.”

— **Meredith Exberger**,
Director of Online Marketing at Hotwire



Hyatt is building internal solutions to create a cross-device picture and strengthen traveler loyalty.

“Our goal is to continue to meet customers where they are. We’re diversifying our media mix in reaching them at the right time, in the right place, and with the right message. We have a loyalty program that’s pretty widely extended. We can track people as they engage through multiple devices and channels. When you log in, we recognize you on all devices, knowing that it’s the same Gold Passport member.

We can then personalize and target our messages accordingly. We look across the entire customer journey from window shopping through booking. It’s about getting the right communications to the right customers. Upwards of 45% of our visitors engage with us via mobile. Mobile is growing very rapidly in the booking space, to the extent we see people visiting and going through micro-moments on their mobile devices. We’re weaving mobile throughout the entire customer journey from booking through stay, having customers get in touch with Hyatt using the channels that they choose. It could even be Facebook Messenger or a call. The more we know about our customers, the more we can build loyalty and deepen communications.”

— Ellen Lee,
SVP Global Digital Hyatt Hotels

In absence of a universal identifier, industry leaders are investing in building owned solutions to track travels across devices. Instead of trying to appease everyone, the travel industry is working on deepening relationships and improving targeting precision. But over time, there will be a continued need for companies to grow into new markets.

The Solution Provider's Perspective



Criteo, the leader in cross-device retargeting technology, encourages travel brands to have transparency into the solutions they're considering using.

"Criteo has been collecting anonymized hashed logins and emails on our advertiser network. Our Cross-device graph is very big, as more than 45% of all conversions we record are made on users we know on several devices (matched users). Those "matched" users are highly engaged, as the spend per matched user is 2x the average online user spend. While probabilistic players are building algorithms based on small "truth sets", our scalable deterministic approach means that we can obtain unparalleled both reach and accuracy. Ordering a flight or booking a hotel is more expensive than just buying a pair of shoes. So it tends to lead to longer decisions cycles, which means that the users have more time to use more devices. There's a higher potential for attribution mistakes and campaign misfiring."

— **Cedric Roux**,
Product Director at Criteo



QuanticMind, a platform for managing and optimizing paid advertising campaigns, encourages marketing leaders to pursue solutions that are forward-looking.

"Software doesn't get better with age: over time, it atrophies. If you don't see your software pushing a fast pace of innovation, you risk falling behind in the competitive world of digital advertising. Imagine where you're going to be in a few quarters or years. The pain points that you're feeling now are likely to become more accurate. Look how quickly consumer behavior is changing."

— **Alex Ortiz**,
VP of Marketing at QuanticMind

How to Prepare for an Uncertain Future

The future of cross-device may be uncertain, but there are early steps that travel leaders can take towards building a true customer picture.

Here's what Criteo's team recommends⁷:

1

Measure and document how customers are consuming your ads and content.

Make sure you are collecting the right data from the customers and prospects who are already engaging with you—those who are logging in and those who have made a purchase linked to a long-lasting identifier such as hashed email. You should also be tracking your marketing emails, seeing on which devices those users are opening your messages and what they are clicking through on.

2

Integrate cross-device targeting to your multichannel advertising strategy.

Pundits and marketers have been touting the benefits of an integrated campaign for years, suggesting that display, search and traditional advertising be planned for and executed by one unified team. So far, this hasn't happened on a wide scale, but it has to happen now—to be able to fully realize the benefits from cross-device advertising and especially as multi-device usage continues to soar, says Anna Bager, VP-general manager of the Interactive Advertising Bureau Mobile Marketing Center of Excellence. Experts also suggest that it's important to have a unified team that can plan advertising across different devices—including spending—and make sure every campaign takes into account the entire advertising ecosystem.

7. <http://www.criteo.com/media/1036/cross-device-advertising-criteo-sep-2014.pdf>

3

Determine your goals to decide which measurement strategy will work best.

Creating a cross-device advertising program starts with defining your goals: Who do you want to reach? How do you want to reach them? What is your budget? How are you going to define and measure performance in a cross-device world? Determining the answers to key questions such as these will help you decide whether to go with exact match or implied match. Implied match offers volume but can compromise accuracy on who the ads are actually reaching. Exact match, while challenging with a large customer base, offers accuracy and a more secure method for reaching and measuring results from the target audience. Making the right decision at the beginning will help ensure that you reach your desired target.

Final Thoughts

Even though a true cross-device traveler picture may not be possible today, there are still steps that travel industry marketers can take to prepare for the future. Focus on deepening the relationships that you already have. What connections can you build today? How can you encourage loyalty and engagement?

One variable that you can influence today is timing. If you're running a retargeting campaign, for instance, minimize your potential for error by ensuring that your messages reach your audiences at the right times in their purchase cycles. Run experiments and head-to-head tests that can help you refine your technology and solutions partners.

Be prepared for the marketing technology landscape to continue shifting. Your true optimization and engagement potential may surprise you.

Looking to learn more about cross-device targeting? Check out Criteo's Universal Match page, visit criteo.com/products/universal-match.