



Confidence is climbing

Leisure travel continues to rebound as interest soars to pre-pandemic levels

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Executive summary

Travel continues to rebound.

Travelers' comfort levels may vary from destination to destination—and week to week, given the continuation of variants—but their confidence remains strong in hotel and airline brands' response to consumer concerns and safety measures throughout the pandemic.¹ However, after two years of living with COVID-19 restrictions, people want a break from pandemic restraints. And especially now that vaccines and boosters are available, we have the means to better control what we can at individual levels. People want to get out and explore, fill their eyes with fresh sights, and experience new and exciting things.

Travelers are showing an elevated interest in domestic air travel that reaches pre-pandemic levels, forecasting a boom for 2022. Increased hotel bookings are greater than in 2020, but not quite at pre-pandemic levels, and skyrocketing international travel-related internet searches are further evidence of travel intent.² These inquiries correlate with the timing of the White House and Centers for Disease Control and Prevention's reopening announcements during the last quarter of 2021, welcoming fully vaccinated and COVID-free travelers back to the U.S.^{3, 4}

In 2022, more than half of Americans plan to take big trips.

Two-thirds of U.S. travelers (68%) who responded to an Expedia survey said that they want their time away from home to be the "Greatest Of All Trips."⁵ This GOAT mindset is explained by Expedia as the need for travelers to create meaningful experiences as a replacement for long periods of travel restraints while building up feelings of excitement and anticipation. Whether they opt for domestic or international travel, survey respondents indicate that they want to step outside of their comfort zone, scrap schedules, and immerse themselves in new destinations, cultures, and experiences that are entirely different from their own lives. From daring, high-adrenaline adventures to mindful, relaxing activities, travelers want quality over quantity, and they want to embrace pleasures that achieve a more meaningful impact.

Yet, even when travel confidence is climbing and intent is strong, COVID-19 continues to disrupt consumers' lives. In our latest COVID-19 monitor survey, 94% of frequent travelers reported the crisis disrupted their lives, and 35% reported it disrupted their lives "a lot."⁶ Frequent travelers—defined as those who travel out of state for business or pleasure either weekly, monthly, or a "few times per year" before the outbreak—and infrequent travelers each report similar percentages in decreased income or work and/or salary reductions compared to the end of 2019, with frequent travelers faring slightly better across the board.

A majority of consumers (71.2%) are moderately or extremely concerned about new variants of COVID-19. Since last summer's emergence of the Delta variant—which by late July accounted for 83% of all COVID-19 cases in the U.S. and then the Omicron variant following on its heels this winter (and now accounting for 99.9% of U.S. cases)—the vast majority of consumers are either extremely concerned (42%) or moderately concerned (29%) about new mutations.^{7, 8}

¹ <https://www.icf.com/insights/engagement/frequent-traveler-recovery-report-aug-sept-2021>

² <http://www.businesswire.com/news/home/20211021005197/en/Travel-Intent-For-2022-Continues-to-Climb-While-Consumers-Remain-Cautious-About-Holiday-2021-Plans>

³ <http://www.travelpulse.com/news/impacting-travel/international-travel-related-searches-skyrocket-following-us-reopening-news.html>

⁴ <https://www.cdc.gov/coronavirus/2019-ncov/travelers/international-travel/index.html>

⁵ <https://newsroom.expedia.com/2021-11-30-The-GOAT-mindset-Expedia-reveals-2022s-biggest-travel-trend>

⁶ <https://www.icf.com/insights/engagement/frequent-traveler-recovery-report-aug-sept-2021>

⁷ <https://www.icf.com/insights/engagement/consumer-recovery-report-September>

⁸ https://www.cnn.com/world/live-news/omicron-variant-coronavirus-news-01-25-22/h_c9877e0dac8fb7bbfc0c2dfea07ac79d



Other top concerns of worried travelers, beyond overcrowding and long lines, are staying up-to-date on evolving travel restrictions and the ability to cancel a trip and get refunds via travel insurance, should travel plans get disrupted because of the virus.⁹

Travel and hospitality brands can't control how COVID-19 will continue to evolve and shape our world or how travelers react, but they can control how they prepare for the future. This paper identifies four macro trends within the industry using specific examples that brands can leverage to retain and grow their customer base, expand market share, and gain a competitive edge. Enhancing, optimizing, and adapting current marketing strategies and integrating them all to meet consumer expectations remains critical as COVID-19 continues to reshape the world in which we live, work, learn, and play.

In 2022:

59%

of American travelers
intend to only travel
within the country

In 2022:

37%

of American travelers
plan on international
and domestic travel

Source: Travel Pulse

⁹ <https://www.travelpulse.com/news/impacting-travel/whats-worrying-travelers-the-most-this-season.html>

People plan to travel and spend more

30%

of survey respondents said they plan to travel more for pleasure than they did before.

25%

of survey respondents said when thinking about upcoming leisure travel, they intend to spend more.

Source: ICF Next COVID-19 Monitor Survey: Frequent Traveler Recovery Report: August-September 2021.

People have money to spend:

31%

of respondents said their income increased by some or a lot.

42.3%

of respondents said their income stayed about the same.

Source: ICF Next COVID-19 Monitor Survey: Frequent Traveler Recovery Report: August-September 2021.

A majority of frequent travelers have “a great deal” of confidence or “a fair amount” of confidence in hotel and airline brands to keep them safe.

Only about one-third of travelers remain doubtful of the ability of travel organizations to adapt to new concerns and safety measures appropriately.

Source: ICF Next COVID-19 Monitor Survey: Frequent Traveler Recovery Report: August-September 2021.

71%

of consumers are moderately or extremely concerned about new variants of COVID-19.

ICF Next analysis using Mfour data collected from a nationwide sample Aug. 23 – Sept. 1.





40%

of U.S. travelers said they were likely to splurge on travel destinations, seek out excitement, and make the most of their time away from home.

Source: [Travel Pulse + Expedia](#)

75%

of respondents cited refunds as the biggest reason for purchasing travel insurance as a cloud of uncertainty remains in 2022.

Source: [Travel Pulse + AAA Travel](#)

Four macro trends

#1

Increasing flexibility
in earning

#2

Finding new ways to
recognize consumer needs

#3

Thinking beyond
the loyalty program

#4

Enhancing function
with technology

Macro trend #1

Increasing flexibility in earning

While travel has made great strides since the slowdown at the beginning of the pandemic, travelers still experience a lot of hesitancy. Beyond extending status and points expiration deadlines, brands are being creative in allowing members to continue to earn and maintain their loyalty program status without logging all of the miles or earning all of the qualifying points or nights as they did pre-pandemic. When brands increase flexibility for their customers to earn rewards it is a value differentiator, especially for many business travelers who no longer book the number of trips needed for the perks they've grown accustomed to receiving.

Fast-tracking rewards via subscription

Emirates Skywards launched a paid subscription add-on to its loyalty program called Skywards+, which offers yearly customized rewards to members, regardless of their current tier status.¹⁰ The classic, advanced, and premium program packages, ranging from \$399 to \$999, offer bonus miles, lounge access, extra baggage allowances, and discounted flight upgrades. What is unique about this program is that the brand doesn't have to extend the loyalty status; Emirates Skywards+ members who are worried about retaining their status can essentially buy it via one of the tiered options and continue to receive the rewards and exclusivity they know and love.

Thanks to the digital acceleration that continues to transform the market ecosystem in recent years, coupled with the dramatic effects of a global pandemic, brands across industries are launching subscription programs, resulting in explosive growth.¹¹ According to UBS Financial Services, this "subscription economy" market will continue its meteoric rise, reaching \$1.5 trillion by 2025—nearly double the \$650 billion valuation of last summer.¹²

Earning on everyday purchases (other than credit cards)

Air Canada announced a new partnership with LCBO, a leading alcohol retailer in Canada. With this partnership, the airline's loyalty program members can earn Aeroplan points when shopping at LCBO stores across Ontario. While loyalty program partnerships aren't new, what is fresh is capitalizing on frequent purchases. Aeroplan members can earn and redeem their loyalty points when not flying just by shopping at local LCBO stores. Buying beer, wine, or spirits typically happens more frequently for people than purchasing airline tickets, and maybe more so during these stressful times.¹³

Prompted by the onset of the COVID-19 pandemic, when there was a strong need to keep consumers engaged while travel was limited, such points-related partnership trends continue to evolve. Though travel accessibility has since increased, many consumers still expect the level of flexibility and earning power that comes with third-party partnerships and purchases. In 2021, for example, Marriott partnered with Uber and Uber Eats, allowing individuals to earn Marriott points on rides and food deliveries.¹⁴ Brands should continue to anticipate the need for similar innovations that meet customer expectations, regardless of current or future travel restrictions.

¹⁰ <https://www.emirates.com/media-centre/emirates-skywards-launches-skywards-to-offer-its-global-members-access-to-exclusive-rewards/>

¹¹ <https://www.icf.com/insights/engagement/successfully-launch-subscription-program>

¹² <https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic>

¹³ <https://airlinergs.com/air-canadas-aeroplan-and-lcbo-join-together-to-launch-new-loyalty-partnership>

¹⁴ <https://uber.marriott.com/en-us>

Rewarding activity-adjacent spending

Wynn Resorts gives its patrons more flexibility and control by integrating its online sports betting and iGaming platform, WynnBET, into its Wynn Rewards program. This is not just another partnership program; what makes it different is its activity-adjacent reward relationship. Now, both Wynn Rewards members who stay at the resort and WynnBET players who play online can each earn and redeem rewards for their choice of online play, hotel room stays, meals, or in-person experiences. And given the proximity to casino games while staying at a Wynn Resorts property, WynnBET players can also earn and redeem rewards while enjoying live gaming, too.¹⁵

Choice Hotels and Penn National Gaming partnered with a similar activity-adjacent and rewards reciprocity program.¹⁶ Choice Privileges members can book a Penn casino resort stay and earn Choice Privilege points, and vice versa. Guests can also use their Penn National Gaming mycash rewards for stays at Choice-branded hotels. The agreement adds nearly 7,000 rooms to Choice Hotels' network as part of its Ascend Hotel Collection, and members of both programs enjoy earning and redeeming points for stays at Penn or Choice Hotels locations, loyalty program tier-level reciprocity, and access to top gaming brands' machines, as well as table games, live racing, and sports betting.



Opportunity: Invest in the future traveler by giving them more upfront control

Empathetic brands are investing in current and future travelers by giving them more options in how they earn and redeem rewards in their loyalty programs. This shows appreciation for their members beyond merely offering existing status extensions. Rather, travel and hospitality brands are making loyalty programs stickier by providing greater flexibility in how members earn and redeem, leading to happier and more loyal members.

Brands should look to design their loyalty programs and customer experience strategies with increased consumer expectations in mind. Leveraging a partner with seasoned data scientists, analytics and program design experts, and technology solutions capable of enabling seamless experiences that today's customers expect. The right partner will guide companies to mitigate points of friction, resulting in increased consumer trust and brand equity.

Because of the global pandemic:

37%

of American travelers are more cautious about traveling

28%

of American travelers are willing to be more spontaneous with travel

Source: Travel Pulse + Expedia

¹⁵ <https://www.prnewswire.com/news-releases/wynn-bet-integrating-wynn-rewards-into-online-sports-betting--igaming-platforms-301358375.html>

¹⁶ <http://media.choicehotels.com/2021-01-13-Choice-Hotels-And-Penn-National-Gaming-Team-Up-To-Offer-More-Fun-And-Entertainment-Through-The-Ascend-Hotel-Collection>

Macro trend #2

Finding new ways to recognize consumer needs

The need to meet customers where they are in more innovative and empathetic ways is mission critical for brands. As the impact of the pandemic continues and customer expectations evolve in response to the digital acceleration, brands must embrace a more proactive approach to recognition that allows customers options that not only take into account, but support them in their current circumstances—adding value through convenience and comfort.

Brands must relearn who their customers as traveler segments have shifted and emerged throughout the pandemic. A Bloomberg survey of 45 large businesses in the U.S., Europe, and Asia shows that 84% plan to spend less on travel post-pandemic.¹⁷ A majority of the respondents cutting travel budgets see reductions between 20% and 40%, with about two in three slashing both internal and external in-person meetings. While business travel still lags significantly, the business traveler segment is not dead. There's new processes required around safety and businesses are still navigating fledgling work-from-home models. Indeed, the return to a "normal" work landscape remains in flux for many. Leisure travel, however, has rebounded much faster and travel bookings are up for 2022.

Reinforcing VIP loyalty

British Airways extended its elite tier status again—the third extension applied since March 2020—and it is also offering new limited-time perks to its silver and gold members that focus on retaining these most valuable customers. The program upgrades include extended voucher expirations, access to pre-flight lounge dining, and premiere lounge locations, such as the airline's Concorde Room lounge in New York and London for gold members on all trips.¹⁸ These are practical and popular incentives for international travelers and an easy way to reinforce VIP loyalty.

Showing empathy for pet owners

In response to the growing number of people traveling with their pets, two of Hilton's extended stay brands, Homewood Suites and Home2 Suites, announced that their properties will be 100% pet friendly in 2022. The extended-stay brands now allow pets in guest rooms and some public areas, and offer other pet-friendly amenities. They have also standardized their pet fees, which previously varied from hotel to hotel.¹⁹

¹⁷ <https://www.bloomberg.com/news/features/2021-08-31/will-business-travel-come-back-data-show-air-hotel-travel-forever-changed>

¹⁸ https://www.godsavethepoints.com/ba-status-extension-q3-21-new-perks/?utm_source=BoardingArea&utm_medium=Newsletter&utm_campaign=BA_Email_Sept2221

¹⁹ <https://www.forbes.com/sites/ramseyqubein/2021/09/20/as-pet-travel-grows-hilton-extended-stay-hotels-go-100-pet-friendly-by-2022/?sh=3f6dab934489>

Hilton also partnered with Mars Petcare on a Better Cities for Pets pilot program. It offers complimentary digital assistance from the company's pet experts or guests who stay at Hilton properties who partner with Mars Petcare (in five states). Pet owners can connect with an expert via phone or online chat for answers to wellness and behavioral questions and for other helpful pet-traveling tips, such as what to pack for pets, proper pet etiquette, and how to determine if a vet visit is needed while traveling.

Catering to digital nomads

Full-time explorers and digital nomads who existed before the pandemic made working from home the norm. But now, as hybrid work models emerge, more people are enjoying the perks of not being tied down to the office or even a permanent location. According to an American Express Travel survey, 54% of respondents said that the freedom and flexibility of being able to live and work while traveling the globe is more appealing now than it was prior to the pandemic.²⁰

"Flexible living" company Landing shows consumers how easy living an untethered lifestyle can be—anywhere. To illustrate that mindset, three #LandingLife contest winners get to live rent-free this year in a fully furnished, ready-to-go apartment within the company's network of 35,000 units, based in 200 cities across the U.S. The company uses a subscription-based model to offer digital nomads many benefits of long-term rentals with the flexibility to move from one apartment to the next, with no need to pay a security deposit or even set up utilities. These no-hassle perks are one of the main benefits, encouraging members to move freely throughout the network to try out new cities, with a minimum of 30 days for each stay.²¹

Pet-friendliness is a critical consumer travel need as a result of the pandemic-inspired pet ownership boom:

Pet-related keywords

dominate hotel/motel searches.

"Safe" and "clean"

keywords are less relevant than they were earlier in pandemic.

Source: Business Wire



Opportunity: Recognize emerging traveler segments with targeted value

More recognition of evolving needs equals more relevance and value. Travel brands can leverage various data to identify new and growing segments, adapt and add new offerings for those segments, and solve existing pain points. When brands fulfill travelers' unmet needs through innovation, they demonstrate investment and empathy, which builds greater emotional loyalty.

Successful travel and hospitality brands recognize and reward new segments by adapting to different sets of needs and expectations. One of the many trends that have emerged over the past year is catering to consumers' increased focus on personal mental health and well-being. Brands are going beyond offering traditional spa amenities and targeting physical, mental, and emotional interests. The examples used above—an offer of a meal before an overnight airplane trip helps travelers avoid jet lag and promotes better rest, the comfort of finding a beloved pet companion is welcomed with accommodations and with no hidden fees, or knowing that temporary living transitions are made

²⁰ <https://www.americanexpress.com/en-us/travel/discover/get-inspired/Global-Travel-Trends-En-Gb>

²¹ <https://www.travelandleisure.com/travel-tips/digital-nomads-rent-free-year-from-landing>

hassle-free and come equipped with practical amenities for remote work—all demonstrate ways to earn brand loyalty by speaking directly to these emerging and growing segments.

Brands looking to deliver on evolving customer expectations in ways that differentiate them from competitors need a fully integrated customer loyalty CRM strategy. This approach brings together data from disparate sources to provide a holistic view of each customer that is actionable—enabling seamless, personalized experiences across various touchpoints, in real-time and at scale.

Macro trend #3

Thinking beyond the loyalty program

Loyalty programs can take guest experiences further by creating memory-making, one-of-a-kind experiences that kick the basic mechanics of the loyalty program up a notch (or ten). Brands are thinking beyond the program by offering redemption options through partners to create a differentiated experience outside of standard rewards such as earning another night, flight, or meal for free.

This trend is specifically about experiences and how to push a loyalty program into different areas. There is one caveat with this approach, however: creating experiential loyalty programs with pinch-yourself options like exclusive access to an NFL kickoff, a walk on the red carpet at the MTV VMAs, or designing a wedding gown with a top bridal designer isn't always an easy or natural fit for a brand.

Experience-based programs may be of particular interest to the two demographics driving the travel industry's rebound—younger generations and high-income consumers. According to Morning Consult's Q4 2021 analyst report on travel and hospitality, 64% of U.S. adults traveled within the past year, with younger generations—Gen Zers and millennials—more likely to have traveled than their older counterparts. Likewise, both younger generations and wealthier households are traveling more frequently: 29% of millennials and 34% of high-income households have traveled more than three times in the past year.²²

Offering hard-to-replicate rewards and experiences

Marriott Bonvoy recently refreshed its Moments platform, offering loyalty members the opportunity to purchase or bid on new “money-can't-buy” experiences.²³ By leveraging partnerships with new and established collaborators, Marriott wants to help travelers check items off their bucket lists, discover the world around them, and feel forever transformed by the places, experiences, and people encountered along the way.

²² https://go.morningconsult.com/rs/850-TAA-511/images/211207_Report_State_of_Travel.pdf

²³ <https://www.hospitalitynet.org/news/4105870.html>

Members redeem their Bonvoy points for either fixed-price experiences or use them to bid on experiences through auctions via a revamped, easy-to-navigate platform. Partner programs that offer once-in-a-lifetime events include the NFL, Manchester United, Mercedes-AMG Petronas Formula 1 Team, and the National Park Foundation.

Adding value through meaningful partnerships

Allegiant partners with Live Nation and Ticketmaster to give music-loving customers access to unparalleled live entertainment experiences across the U.S. The strategic partnership combines innovative commerce and marketing components to offer the best of travel and live experiences.²⁴ As fans discover live events and purchase tickets, they gain access to turnkey travel packages—including nonstop flights—when planning to attend concerts and festivals. Eventually, airline customers who book travel will receive a link to explore and purchase event tickets on Ticketmaster. This function will evolve to full integration and offer customers a one-click option to purchase flight and concert tickets on Allegiant's website.

As the pandemic put a temporary pause on live entertainment, the demand for such experiences continues to grow. Allegiant anticipates that its partnership with Live Nation and Ticketmaster will not only be able to recompense in-person entertainment for those who missed it during COVID-19 restrictions, but it will also enhance their member experience with previously unavailable partnership opportunities.

Expanding concierge services

Tripadvisor Plus members can now say goodbye to overstuffed suitcases, wrinkled clothes, and checked baggage weight restrictions and fees. Instead, they can get a curated selection of designer clothes sent straight to their hotel room, thanks to a new partnership between Tripadvisor Plus and Rent the Runway (RTR).²⁵ The Closet Concierge program sends designer clothing to Tripadvisor Plus members, at a discount, to wear on their next trip—taking away any packing and planning worries.

Tripadvisor Plus members can select clothes from more than 700 brands, some of which are fresh off the runway or styled for particular destinations and have them delivered directly to members' booked hotels for added convenience. The partnership includes a discount and the typical RTR experience where clothes arrive *pret a porter*—ready to wear. You can choose a four- or eight-day rental and easily send it back from a drop-off at the end of your trip. This partnership benefits loyalty program members through adding value and convenience for them as a traveler.

66%

of people created a bucket list during the pandemic.

32%

Plan to visit a bucket-list destination.

16%

plan on upgrading either flights or rooms.

15%

will opt to partake in more luxurious experiences.

Sources: Hospitality Net

²⁴ <https://ir.allegiantair.com/news-releases/news-release-details/allegiant-partners-live-nation-venues-and-music-festivals-bring>

²⁵ <https://www.travelandleisure.com/style/fashion/rent-the-runway-tripadvisor-plus-partnership>



Opportunity: Push the boundaries of what a loyalty program can offer

There is an opportunity for brands to think big when it comes to loyalty. Consider existing partnerships or potential collaborations that could reflect the shared values of guests and then create experiences unique to the brand. Anything that is particularly exclusive, memorable, and irreplaceable, such as the money-can't-buy moments, will be noticed and valued.

Since creating experiential loyalty programs is not easy or always a natural fit, especially if you're not a big brand. That's why choosing the right partner is imperative. Expectations are higher than ever and delivering experiences that speak to the preferences and values of your best customers will provide the reciprocity that they seek, working to create deeper, emotional connections to your brand.

For companies looking to optimize or redesign their loyalty programs to meet these elevated demands, starting with the right foundational strategy is vital when it comes to growing brand loyalty and advocacy—within the framework of a traditional program or outside of its confines. Working with a partner who has demonstrable success in guiding loyalty strategies that deliver measurable gains for iconic brands is paramount and can mean the difference between success and failure.

Macro trend #4

Enhancing function with tech

For nearly two years, the pandemic has fueled impressive digital acceleration and adoption. The heart of the guest experience is about meeting anticipation and expectations, a key component of which is delivering on convenience and value. Innovative technology solutions continue to be a value driver for industry brands to enable customer-focused loyalty strategies.

As consumers' preferences and profiles evolve, developing the right tech strategy and choosing the right solutions are essential. Ideal strategies will enable meaningful interactions between a brand and its best customers to cultivate loyalty and advocacy. To deploy this approach at scale and in a way that elevates brand equity, it's vital to improve function with technology. Travel and hospitality brands worldwide are recognizing the benefit of technology partnerships to enhance convenience and improve the traveler experience.

Investing in a better booking system

Southwest Airlines and Sabre Global Distribution System partnered to create a smoother booking experience for Southwest Airlines business customers. Customers can expect additional fare content and more robust booking capabilities—such as last seat availability, reusable and refundable ticket management, and the ability to change and modify reservations—offering both greater efficiency and control.²⁶

Southwest business travelers will enjoy a better experience because of this partnership, which will increase the likelihood that travelers are going to book with Southwest. Previously, booking Southwest was a cumbersome process for corporate travel managers and travel management companies. By pairing up with Sabre GDS, Southwest improved its technology and addressed customer pain points.

²⁶ <https://skift.com/2021/08/06/southwests-expanded-partnership-brings-bookings-to-the-sabre-standard/>



Converting points to Bitcoin

As the Bitcoin landscape evolves—the cryptocurrency reached an all-time high price in 2021—the potential audience for loyalty programs associated with cryptocurrency continues to grow.²⁷ Though it's unknown exactly how many individuals own Bitcoin, it's estimated that users have grown significantly in recent years.²⁸ In fact, as of November 2021, there are more than 79 million Blockchain wallet users worldwide, highlighting the phenomenon's increased popularity.²⁹

In 2021, Bakkt Marketplace—a digital asset commerce platform—partnered with Wyndham Hotels & Resorts and Choice Hotels. The collaboration allowed them to innovate the hotel brands' respective loyalty rewards programs by converting points to hold a monetary value that can be used at the member's discretion. Redeemed points can be transferred to a friend or used for online purchases, or they can be converted into money or cryptocurrency.^{30, 31}

Allowing guests to share digital room keys

Hilton Honors allows primary guests to share a copy of their digital room key with travel companions via the Hilton Honors app.³² Digital keys aren't new, but the ability to share them with others is. The primary guest can share their active digital key with up to four additional people or

²⁷ <https://www.statista.com/statistics/326707/bitcoin-price-index/>

²⁸ <https://www.statista.com/statistics/1202503/global-cryptocurrency-user-base/>

²⁹ <https://www.statista.com/statistics/647374/worldwide-blockchain-wallet-users/#:~:text=Exact%20user%20figures%20for%20Bitcoin%20are%20not%20available%2C,of%20accounts%20as%20well%20as%20improvements%20in%20identification.>

³⁰ <https://www.businesswire.com/news/home/20210616005309/en>

³¹ <https://www.businesswire.com/news/home/20210928005889/en/Bakkt-and-Choice-Hotels-to-Unlock-Possibilities-for-Rewards-Members>

³² <https://www.hospitalitynet.org/news/4107081.html>

devices from the Hilton Honors app. For the secondary guest to gain access to the digital key, they must receive an invitation from the primary guest, be logged into the Hilton Honors app, and pass a security check that happens instantly in the background. Guests who accept a share will have access to the room and property throughout the duration of the stay and, for security purposes, cannot further share the key. The online system has built-in security, and the original owner always retains the power to disable or “unshare” a digital room key.



Opportunity: Leverage tech to smooth the journey, from search through stay

There are many ways for travel and hospitality brands to leverage tech because there are so many moments that matter across the traveler's journey—when they search online, when they leave their house, when they get to the airport, when they get to the hotel—that include other brands and multiple interfaces.

Technology that builds bridges between the different transition points ultimately fosters greater trust and reliability. One clear example is the airline industry, which is experiencing a major uptick in the use of digital check-in methods. In 2021, digital check-in methods accounted for 73% of all flight check-ins, including those made using kiosks, web browsers, and mobile apps.³³ As airlines extend their brand experience to customers' phones, mobile app use alone continues to climb at a significant rate—mobile app flight check-ins have risen from 11% of all check-ins in 2018 to 29% in 2021. When these digital options work as designed, the user experience is seamless and travelers gain confidence.

In 2021:

73%

of airline passengers worldwide used digital check-in methods, including kiosks, web browsers, and mobile apps.

Mobile app flight check-ins increased from:

11%

of all check-ins in 2018 to

29%

of all check-ins in 2021.

Sources: Statista

³³ <https://www.statista.com/statistics/493957/check-in-method-airline-passengers/>

Closing thoughts

Travelers are still worried about new COVID-19 variants but generally remain optimistic when it comes to leisure travel with elevated desire to take a trip. Brands took many measures to build traveler confidence and maintain loyalty during a long period of unprecedented low travel rates, from instituting new cleanliness standards to status extensions to increased credit card promotions, and even adding ways to both earn and redeem. Now that vaccinations and boosters have become much more widespread, though not yet globally equitable, the future success of loyalty programs will depend not just on a return to pre-pandemic travel levels, but also on how well loyalty programs value—beyond miles/points, spend, and stays—changes for customers in a reopening world.

- The traveler of 2022 is not necessarily the same traveler brands knew and understood pre-pandemic. Identify brand-specific emerging or growing traveler subsegments, gather feedback and map the member journey to identify specific pain points to determine what—and how—value should be delivered, to develop brand loyalty and advocacy.
- Health and safety continue to be high-priority in reducing the spread and evolution of COVID-19. Help travelers stay updated on destination policies and leverage tech or partnerships to support contactless transitions and boost traveler confidence.
- Brands need to manage member expectations and fiscal reality as public perception and response to pandemic-induced precautions continue to evolve, especially for brands that rely on travel. While brands have shown a lot of empathy toward travelers by modifying cancellation policies, evolving status-earning qualifications, and strengthening partnerships, these recent changes may not be sustainable in the long term.

Brands can't just go back to the way things were before the pandemic. Customer segments, preferences, and profiles have changed, and expectations are elevated. Intuitive brands that are increasing flexibility, recognizing emerging subgroups, addressing specific needs, and embracing technology will continue to be successful.

Meeting customers where they are is the model for success, and brands that have adapted their program design accordingly will be the ones that thrive. When brands utilize an informed approach, customer experience is more holistic and frictionless. Partnering with an integrated agency to take advantage of its deep industry knowledge across the board with creative, branding, tech infrastructure and architecture, strategy, and analytics can be the key to building loyal relationships that last.



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Katie Berndt

Katie is a senior director on the Customer Strategy Insights + Research team. Her guiding principles include listening generously, seeking clarity, and living life to the fullest. She successfully leads and collaborates closely with cross-functional teams to improve the end-to-end customer journey.

Since joining our organization, Katie has worked on loyalty and customer relationship management strategy projects for a wide range of clients including 3M, Advance Auto Parts, American Red Cross, Amtrak, Best Buy, Citi, Discover Boating, Fogo de Chao, Hilton, Metropolitan Airports Commission, Radisson, Soma, Stop & Shop, Sun Country Airlines and Wyndham.

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